

# hönle group

Annual Report 2023/24



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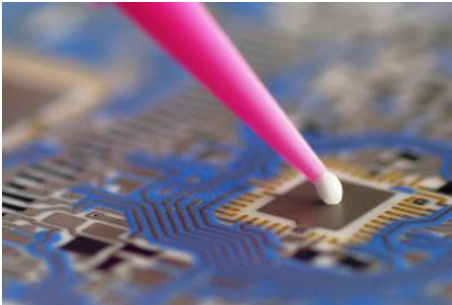
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Cover photo: Newly developed optical resins and adhesives that are particularly suitable for applications in photonics: For example, for optical materials used to produce refractive lenses and diffractive optical elements, such as those used in fitness trackers.

# Business Segments

## A d h e s i v e   S y s t e m s



### Consumer Electronics

The requirements in the electronics sector are increasing, with ever higher demands being placed on the quality and performance of computers, mobile phones and laptops. At the same time, devices and components are becoming smaller and lighter. This requires innovative adhesives and UV curing equipment that can keep up with the rapid pace of development and replace solder joints, shield components or protect them with coatings.



### Automotive

Today, adhesives are used more and more frequently to replace welding, riveting or screwing work. In addition, the number of adhesive applications in automotive electronics is constantly increasing: sensors, driver assistance systems and displays must be bonded, coated or laminated. Especially in the field of e-mobility, the bonding of battery packs opens up entirely new forms of application.



### Optics and Opto-Electronics

Special adhesives are used for the manufacture of opto-electronic products such as optically transparent and non-yellowing adhesives used for the bonding of lens systems. In this case, Panacol products are filled with special nano-particles which provide the advantage of not impairing the optical properties while at the same time improving enormously the mechanical properties of the adhesive.



### Curing of adhesives

UV-reactive adhesives dry quickly and reliably. They are therefore indispensable in many manufacturing processes like for example in medical applications.

With the Panacol high-tech adhesives and casting compounds, the Hönle Group has become a unique systems supplier for bonding technology worldwide. The product range includes innovative LED curing units and high-performance UV lamps.

## C u r i n g



### **UV-Equipment for the printing industry**

About two thirds of print products worldwide are produced using offset processes. Höhle supplies UV drying systems for this market as well as for the digital inkjet printing segment.

UV technology ensures outstanding print quality with a clearly better environmental and energy balance compared to conventional drying processes.



### **High Quality Packaging Printing**

Packaging printing is one of the most important sectors of the printing industry, as high-quality packaging printing is on the rise.

Attractive product packaging is crucial for sales success. The use of UV technology enables the production of unique packaging.



### **Curing in the Coating Industry**

Outstanding properties of UV-reactive coatings, such as scratch resistance, abrasion resistance and chemical resistance, enable the production of high-quality products.

These range from the coating of films and carrier materials to the printing of three-dimensional objects.



### **Printing on Three-Dimensional Objects**

A specialty in the printing sector is printing on three-dimensional objects. This printing process enables the production of individual, high-quality products, particularly in the case of UV inkjet printing. In addition to high UV energy, it is important to ensure that the UV energy required for curing is homogeneous, particularly on irregular surfaces. In addition to inkjet printing, offset printing, screen printing and pad printing are also used.



## D i s i n f e c t i o n



### Disinfection in the Food Industry

UVC technology offers the possibility of disinfecting surfaces reliably and in an environmentally friendly way. In the food industry, for example, yoghurt pots are disinfected with UV lamps before being filled. As a result the food expires significantly later.

But the room air can also be disinfected reliably and quietly using UV technology.



### Special Lamps for Life Science

UV discharge lamps are used for the environmentally and cost-effective disinfection of water, air and surfaces.

Water disinfection is used for drinking water, for wastewater treatment and the disinfection of ballast water in the shipping industry.



### Custom lamps

Hönle develops and produces ultraviolet and infrared emitters according to customer requirements. In this way, the optimal radiation source for individual requirements can be created. In laboratory technology where UV lamps are used for example for TOC reduction, vitamin D synthesis or emission measurements, the UV components form the heart of the complex systems.



### Micro-biological Analyses

The UV bioindicators developed and patented by STERIXENE make it possible to evaluate the efficiency of all devices that use UV radiation as a sterilizing agent: these are UV discharge lamps, UV LEDs and pulsed light.

The effectiveness of the disinfection process is ensured by micro-biological analysis.

# Hönle Group at a glance

1976

Prof. Dr. Karl Hönle founded the company

20+

Production and sales locations worldwide

590

Employees

99 Mio. €

Revenue

5.5 Mio. €

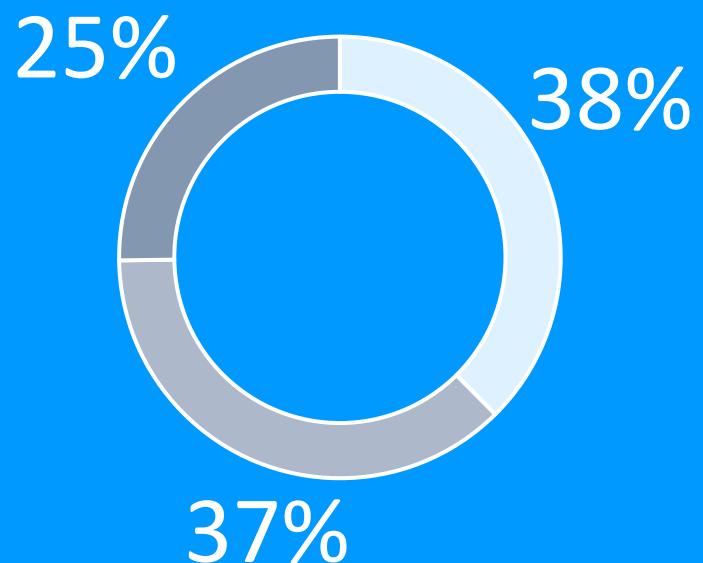
EBITDA (adjusted)

71 Mio. €

Market capitalisation at the stock exchange <sup>1</sup>

## Revenue by Business Units

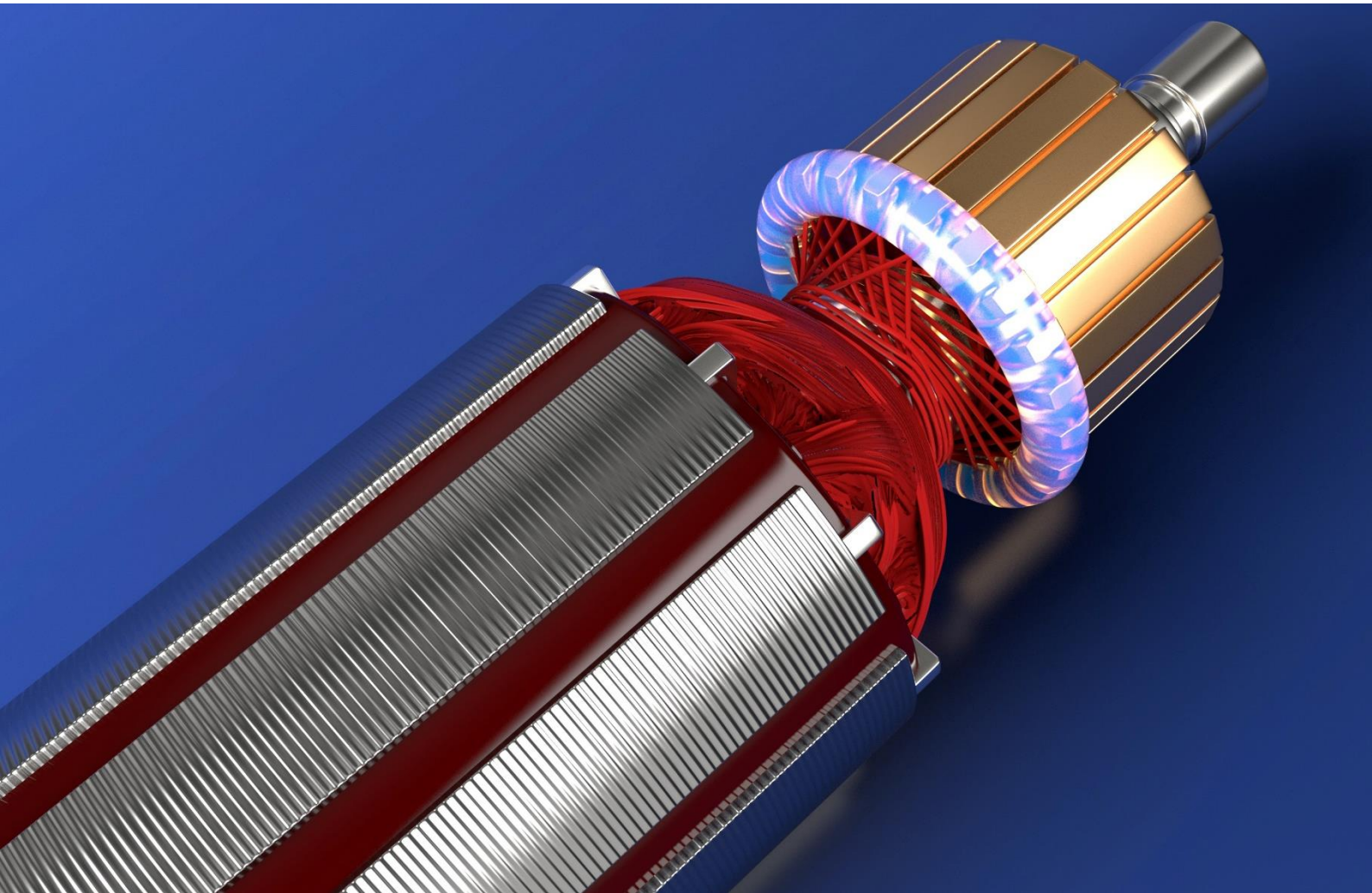
- Adhesive Systems
- Curing
- Disinfection



1) As of: End of the financial year on 30 September 2024

## High-tech adhesives for electromechanics

Panacol has developed a UV acrylate adhesive that is suitable for the rapid securing of commutators in electric motors. The UV adhesive can be applied automatically and cures within seconds under UV light, which greatly accelerates the process of securing wires in an electric motor.



# Business Development

<b>HÖNLE GROUP</b> in T€	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	+/- %
<b>Income Statement</b>											
Revenue	92.173	93.415	101.926	126.492	107.747	93.876	115.170	116.342	106.342	98.729	-7,2
EBITDA	16.162	15.109	18.144	33.837	20.318	14.707	13.853	12.026	325	2.967	> 100
Operating Result/EBIT	13.524	12.400	15.207	30.687	17.003	8.099	349	5.837	-9.418	-10.262	-9,0
EBIT-margin in %	14,6	13,0	14,8	23,9	15,5	8,7	0,3	4,9	-9,0	-10,5	-17,0
EBT	14.023	12.050	14.877	30.397	16.872	7.846	-608	4.422	-10.981	-12.233	-11,4
Consolidated profit for the year	10.320	8.290	10.414	21.726	12.396	5.605	-4.860	-13.198	-10.928	-13.000	-19,0
<b>Cash flow</b>											
Operating cash flow <sup>1)</sup>	12.863	13.126	12.146	27.877	23.062	16.608	6.142	-485	7.389	7.722	4,5
<b>Statement of Financial Position<sup>2)</sup></b>											
Non-current assets	41.524	44.404	46.305	54.275	71.877	107.226	120.350	114.810	108.718	95.075	-12,5
Current assets	49.112	49.871	56.002	71.248	71.320	88.020	81.605	80.652	67.438	60.309	-10,6
Equity	57.514	61.669	69.778	87.250	90.122	116.685	111.122	107.239	96.133	79.686	-17,1
Non-current liabilities	15.084	15.130	13.152	12.925	30.394	58.442	64.131	37.202	47.775	44.299	-7,3
Current liabilities	18.414	17.475	19.377	25.351	23.630	21.070	27.652	51.021	32.248	31.400	-2,6
Total assets	91.012	94.275	102.306	125.523	144.147	196.196	202.905	195.462	176.156	155.384	-11,8
Equity ratio as a %	63,2	65,4	68,2	69,5	62,5	59,5	54,8	54,9	54,6	51,3	-6,0
<b>Employees</b>											
at the end of the financial year	545	542	581	646	590	582	667	648	594	590	-8,3
<b>Share</b>											
Earnings per share in €	1,84	1,50	1,89	3,94	2,26	1,02	-0,80	-2,20	-1,82	-2,19	-20,4
Dividend in €	0,55	0,55	0,60	0,80	0,80	0,50	0,20	0,00	0,00	0,00	0,0
Number of shares in T	5.512,9	5.512,9	5.512,9	5.512,9	5.512,9	6.062,9	6.062,9	6.062,9	6.062,9	6.062,9	0,0

## **DR. HÖNLE AG (acc. to German Commercial Code)** in T€

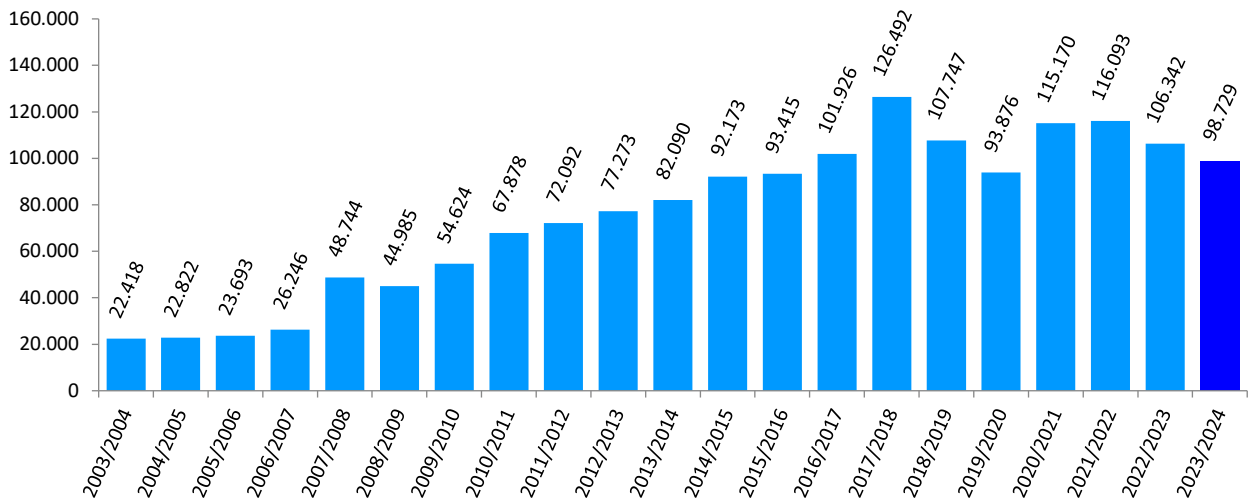
<b>Income Statement</b>											
Revenue	34.358	36.405	39.855	46.038	38.627	35.609	39.553	49.335	51.291	47.088	-8,2
Operating result /EBIT	3.747	2.709	2.892	3.550	-225	-2.699	-12.907	-22.929	-8.748	-3.142	64,1
Net income for the year	11.300	6.737	4.476	4.333	2.141	615	-18.161	-21.364	-6.930	-5.538	20,1
Earnings per share in €	2,05	1,22	0,81	0,79	0,39	0,11	-3,00	-3,52	-1,14	-0,91	20,2

1) cash generated from operations

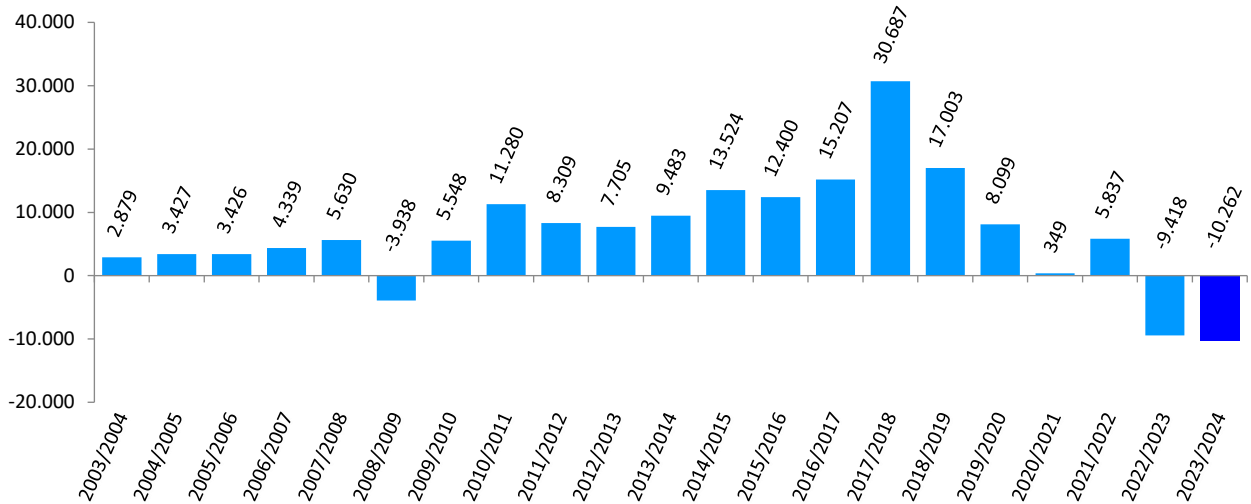
2) as at the end of the respective financial year



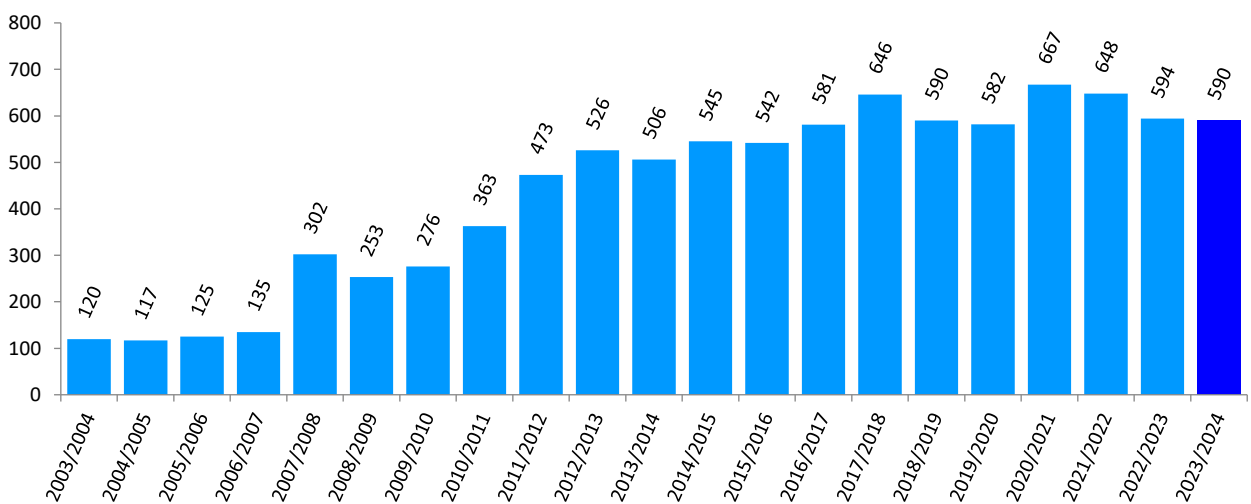
## Revenue in T€



## Operating profit in T€



## Employees





Robert Stark and Dr. Markus Arendt  
Management Board of Dr. Hönle AG

Dear shareholders,  
Dear business friends,

We are the new Management Board team at the Höhle Group. We would like to start by giving you an overview of the key factors impacting the 2023/2024 financial year, as well as a look at what we plan to focus our attention on in the new financial year to bring Dr. Höhle AG back to its former strength.

In financial year 2023/2024, our business trend was impacted not only by the weak economic climate but also by considerable investor caution in the machinery and equipment manufacturing sector and in the automotive industry. Sales revenues dropped 7.2% year-on-year to €98.7 million in financial year 2023/2024. The revenue decline was especially pronounced in the Curing business unit.

The operating result before depreciation and amortisation (EBITDA) came to €3.0 million (previous year: €0.3 million), and the operating result (EBIT) was €-10.3 million (previous year: €-9.4 million). This includes non-recurring expenses of €10.3 million (previous year: €16.5 million) associated with the divestiture of non-core business areas. Adjustments were therefore made to the carrying amounts of goodwill (€7.7 million) and inventories (€2.1 million). Earnings were subject to additional non-recurring expenses of €0.5 million in the 2023/2024 financial year. Adjusted for non-recurring items, the operating result before depreciation and amortisation (adjusted EBITDA) came to €5.5 million (previous year: €13.1 million), and the adjusted operating result (EBIT) amounted to T€ 39 (previous year: €7.1 million).

Financial year 2023/24 saw the implementation of a number of strategic measures aimed at positioning the Höhle Group in promising business areas while improving our cost structure. We have finalised the restructuring of our business into the three business units of Adhesive Systems, Curing and Disinfection, as decided in the prior year. We are now much more customer-centric than under the previous structure, which will positively impact our workflows thanks to the enormous synergy potential that will be unleashed. Aside from focussing on our core competency – UV technology – another key milestone involved our divestitures of unprofitable product lines and disposals of non-core equity interests. We have already made great progress here as well.

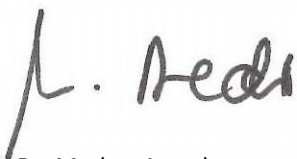
We also created Centres of Excellence in order to bundle skillsets, and we established a joint R&D organisation consisting of a modular, cost-effective development platform. To further improve efficiency, we consolidated adhesives production at a single location rather than maintaining the previous production structure with various locations. We also established a Lifecycle Solutions department aimed at taking advantage of our large base of installed systems in order to boost revenue in the profitable after-sales segment.

In the field of disinfection services, we are becoming a system supplier. To this end, we acquired a majority stake in STERIXENE SAS. The acquisition expanded our product range to include pulsed UV light, which gives us the highest pathogen reduction rates on the market (Log 6). We have also added microbiological testing, which is required in the food industry for quality control purposes. We now have a product portfolio covering the disinfection process that is unique throughout the world.

In financial year 2024/2025, we plan to continue on the path we have embarked upon of focussing on our core business. Key elements in solidifying our market position and returning to profitability going forward include developing modern, technologically sophisticated products and solutions using industrial UV technology as well as increasing our customer focus. We initially expect new product developments to make a small contribution to revenue and earnings in the current financial year. In light of the current challenges in many markets, we are projecting revenue of between €95 million and €105 million for the Hönle Group in financial year 2024/2025 (financial year 2023/2024: €98.7 million). We additionally anticipate an operating result before depreciation and amortisation (EBITDA) well in excess of the adjusted EBITDA figure of €5.5 million for financial year 2023/2024 thanks to the cost reduction and cost control measures initiated.

We hope to gain your trust and would be pleased to have you accompany us on this journey. We would also like to extend our heartfelt thanks to our nearly 600 employees for their dedication and commitment during the past financial year.

Gilching, January 2025



Dr. Markus Arendt

CEO



Robert Stark

CFO



## UV-equipment for coating applications

Outstanding properties of UV-reactive coatings, such as scratch resistance, abrasion resistance and chemical resistance, enable the production of high-quality products. These range from coating heat-sensitive films to printing three-dimensional objects.



## Report of the Supervisory Board



Dr. Franz Richter  
Chairman of the Supervisory Board

## Dear Shareholders,

we have implemented the next steps towards the successful reorientation of the Höhle Group. The aim is to position the group of companies in long-term growth markets, which also includes the separation of traditional business areas. The strategy aims at sustained strong business development and a return to high profitability.

Dr. Franz Richter initially took over the position of CEO of Dr. Höhle AG on an interim basis and handed this position over to Dr. Markus Arendt on May 1, 2024. At that time, he returned to the Supervisory Board and took over the chairmanship again a few days later. Dr. Markus Arendt leads the company together with the Chief Financial Officer, Robert Stark, who took office on October 1, 2024.

Below, we - the Supervisory Board - give you an overview of our activities during the 2023/2024 financial year.

### **Intensive exchange of information with the board**

We properly performed the duties incumbent upon us under the law and the Articles of Association, continuously monitored the work of the Management Board, advised them on the management and strategic development of the company and discussed important business transactions with the Management. The cooperation between the Management Board and the Supervisory Board took place in an objective atmosphere and was characterized by mutual trust. We played a leading role in all decisions of fundamental importance. This concerned in particular the strategic direction of the company, investment projects and significant changes in the management and control bodies.

In preparation for the meetings, the Management Board reported to us up-to-date and in detail on the course of business. In addition, we were also informed of special events in oral or written form outside of the schedule promptly.

We met six times in the reporting year. On the basis of detailed reports from the Management Board, we discussed in detail the development of business, the assets and financial situation, corporate planning and risk management. Where required by law, the company's articles of association or the rules of procedure, we approved the proposals of the Board of Directors after extensive discussion. This meant that we were always informed about the legality and regularity of the Board of Directors' work.

### **Focus of the consultations**

The first Supervisory Board meeting in the 2023/2024 financial year took place on December 4, 2023, at which the current status of the audit for the past financial year was discussed. The Management Board also gave an outlook on the order situation in the first quarter. It then discussed a development project and possible international cooperation projects and explained the prospects for each.

The subject of the Supervisory Board meeting on January 26, 2024 was the discussion and approval of the audited annual financial statements of Dr. Höhle AG and the discussion and approval of the audited consolidated financial statements as of September 30, 2023. The auditors of Dr. Höhle AG also attended this meeting. The Management Board reported on the profitability of the company and its subsidiaries and associated companies and, in this context, also on the profitability of equity in accordance with Section 90 Paragraph 1 Item 2 of the German Stock Corporation Act. After a detailed discussion of the financial statements with the auditor and the Management Board, the Supervisory Board approved the individual financial statements and the consolidated financial statements for the 2022/2023 financial year. In this meeting, we also set the agenda for the Annual General Meeting and the proposed resolutions. We decided to propose the Munich-based auditing firm RSM Ebner Stolz as auditor for the 2023/2024 financial year to the Annual General Meeting. We then discussed the declaration of conformity with the Corporate Governance Code in accordance with Section 161 of the German Stock Corporation Act (AktG) in detail and adopted it. Finally, the Management Board explained the current business situation and gave an outlook on the expected business development.

At the meeting on February 16, 2024, the Management Board gave us an overview of the Höhle Group's business development in the first quarter. It also explained upcoming customer projects that are expected to be implemented in the reporting year. Then personnel issues and cost-saving potentials were discussed.

Günther Henrich resigned from his position on the Supervisory Board at the Annual General Meeting on March 20, 2024. The Annual General Meeting elected Melanie Ott as a new member of the Supervisory Board. Günther Henrich

was Chairman of the Audit Committee and Deputy Chairman of the Supervisory Board. At the Supervisory Board meeting that took place after the Annual General Meeting, we elected Dr. Bernhard Gimple as Chairman of the Audit Committee and Niklas Friedrichsen and Prof. Dr. Imke Libon as members of the Audit Committee. Bernhard Gimple was elected Deputy Chairman of the Supervisory Board. Two feasible investment opportunities were then discussed in detail.

On May 3, 2024, the Management Board informed us about business developments in the first half of the year. Order intake and sales were below our plans due to the weak market environment and reluctance to invest. The Management Board explained measures to stimulate business and improve profitability. The Management Board discussed the strategy of the individual business units in order to be successfully positioned in growth markets in the long term. The Management Board reported that the shareholding in STERIXENE SAS, Les Angels, France, was increased to 51% following approval by the Supervisory Board. As planned, Franz Richter returned to the Supervisory Board after being appointed to the Management Board and was unanimously elected Chairman of the Supervisory Board after Niklas Friedrichsen resigned from his position as Chairman of the Supervisory Board.

On August 2, 2024, the new CEO, Dr. Markus Arendt, gave an overview of the findings of the first three months of his tenure. The organisational implementation of the new business unit structure was therefore finalised at this time. This also included the allocation of the central departments to the business units and the coordination of reporting and auditing by the auditors. The Board of Management presented us with growth opportunities in the individual business units and then discussed the cost-cutting measures implemented. Particular focus was placed on the sustainable restoration of profitability in the Hardening business unit. The streamlining of the group structure and the possible separation of business areas that are not part of the core competence also were subject of discussions. We decided to establish an organizational unit "Lifecycle Solutions" for the targeted marketing of after-sales, particularly in the equipment business. Another topic was the liquidity situation and the planned sale of commercial properties that were not needed. Finally, the Board of Management informed us about business developments in the first nine months of the reporting year. The Audit Committee then met. The Audit Committee unanimously decided to appoint RSM Ebner Stolz Wirtschaftsprüfer Steuerberater Rechtsanwälte Partnerschaft mbB as auditors for the financial year October 1, 2023 to September 30, 2024.

The members of the Supervisory Board independently undertook the training and further education measures required to fulfil their duties. New Supervisory Board members were given appropriate support by the company when they took office.

#### **Individualised presentation of meeting participation**

The German Corporate Governance Code recommends stating how many meetings of the Supervisory Board and the committees each member attended. All members of the Supervisory Board, that was Niklas Friedrichsen, Dr. Bernhard Gimple, Günther Henrich, Prof. Dr. Imke Libon, Melanie Ott and Dr. Franz Richter, attended all meetings in full during their term of office. Dr. Höhle AG has an audit committee that met twice in the reporting year. All committee members also attended the audit committee meeting.

#### **Corporate Governance**

The Government Commission on the German Corporate Governance Code published the Code on Responsible Corporate Governance in the current version dated April 28, 2022. The Supervisory Board coordinated the implementation of the recommendations and suggestions of the Code with the Management Board and issued a joint declaration in accordance with Section 161 of the German Stock Corporation Act. The declaration was included in the annual report and made permanently available to shareholders by announcement on the Internet. The Management Board of Dr. Höhle AG consisted of one member in the reporting year. The Supervisory Board of Dr. Höhle AG consisted of five members in the reporting year. Dr. Franz Richter was seconded to the Management Board from May 1, 2023 to April 30, 2024. During the period of his secondment, his office on the Supervisory Board was suspended.

#### **Annual financial statements and consolidated financial statements**

The Annual General Meeting on March 20, 2024 elected RSM Ebner Stolz GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Munich, as auditor for the 2023/2024 financial year. RSM Ebner Stolz GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, audited the annual financial statements of Dr. Höhle AG and the consolidated financial statements as well as the consolidated management report, which was combined with the management report of Dr. Höhle AG, for the financial year from October 1, 2023 to September 30, 2024 and issued an unqualified audit opinion for each of them.



At the Supervisory Board meeting on January 27, 2025, the auditor discussed the audit report for the 2023/2024 financial year in detail. The auditor reported on the main results of his audit of the annual financial statements and the consolidated financial statements as well as the combined management report/group management report of Dr. Hönle AG and provided additional information on the reporting year. In particular, he addressed the assets, financial position and earnings of the stock corporation and the group.

We agreed with the result of the audit. We also audited the annual financial statements, the consolidated financial statements and the combined group management report. No objections arose, so the Supervisory Board approved the financial statements. The annual financial statements were thus adopted.

We would like to thank the members of the Management Board and the employees in all of the Hönle Group's group companies for their hard work and constructive cooperation in the last financial year.

Gilching, January 2025

On behalf of the Supervisory Board



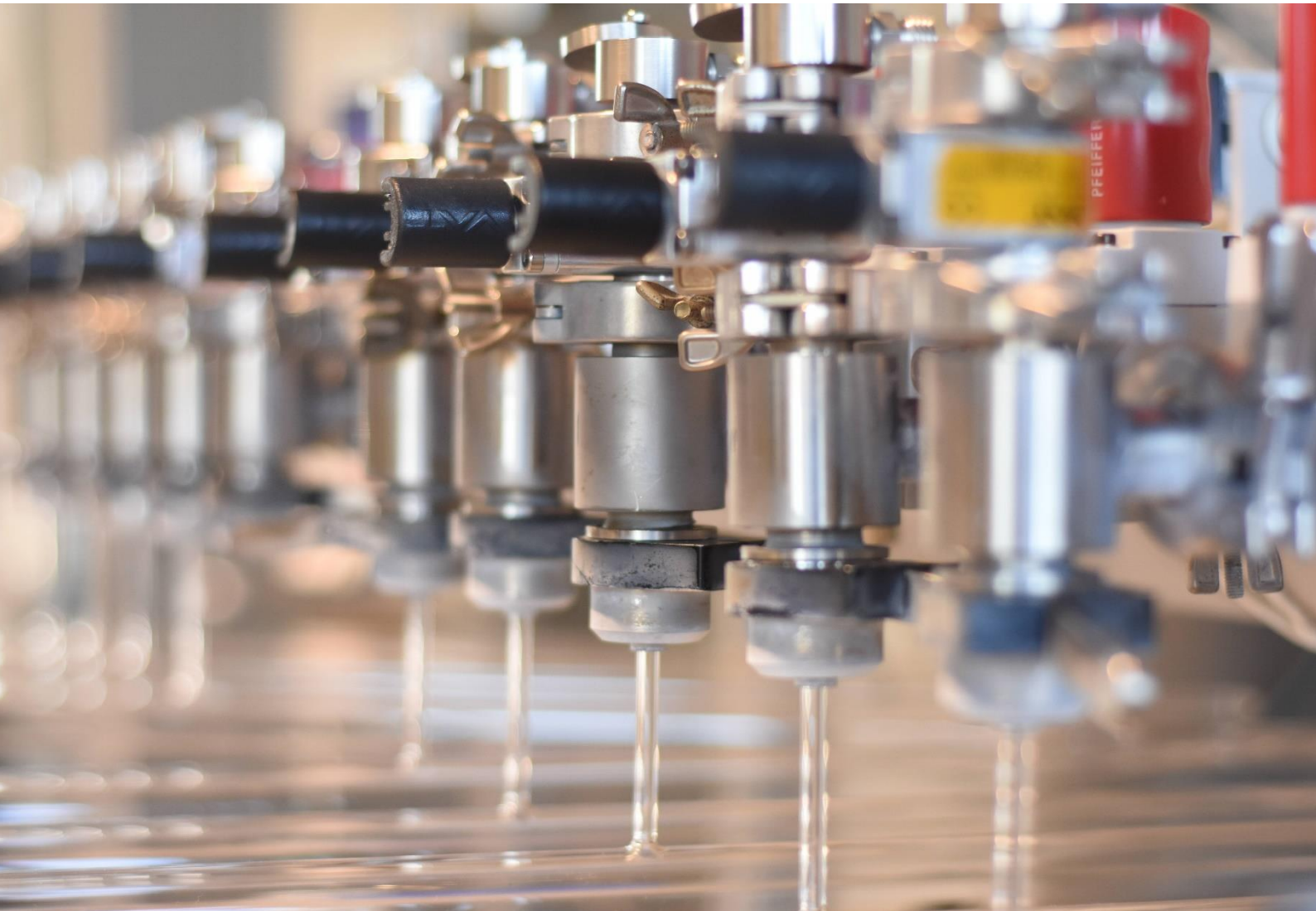
Dr. Franz Richter

Chairman of the Supervisory Board

## Made in Thuringia

Qualified employees adapt the UV lamps to the needs of the customer, regardless of whether they are surface lamps, contour lamps or linear lamps.

The performance of application-specific tests in in-house air and water laboratories rounds off the range of services. Extensive measuring equipment and numerous test devices enable practical tests.



# Combined Management Report/ Group Management Report of Dr. Hönle Aktiengesellschaft

Financial year 2023/2024

## Business operations and economic climate

### Corporate purpose and structure

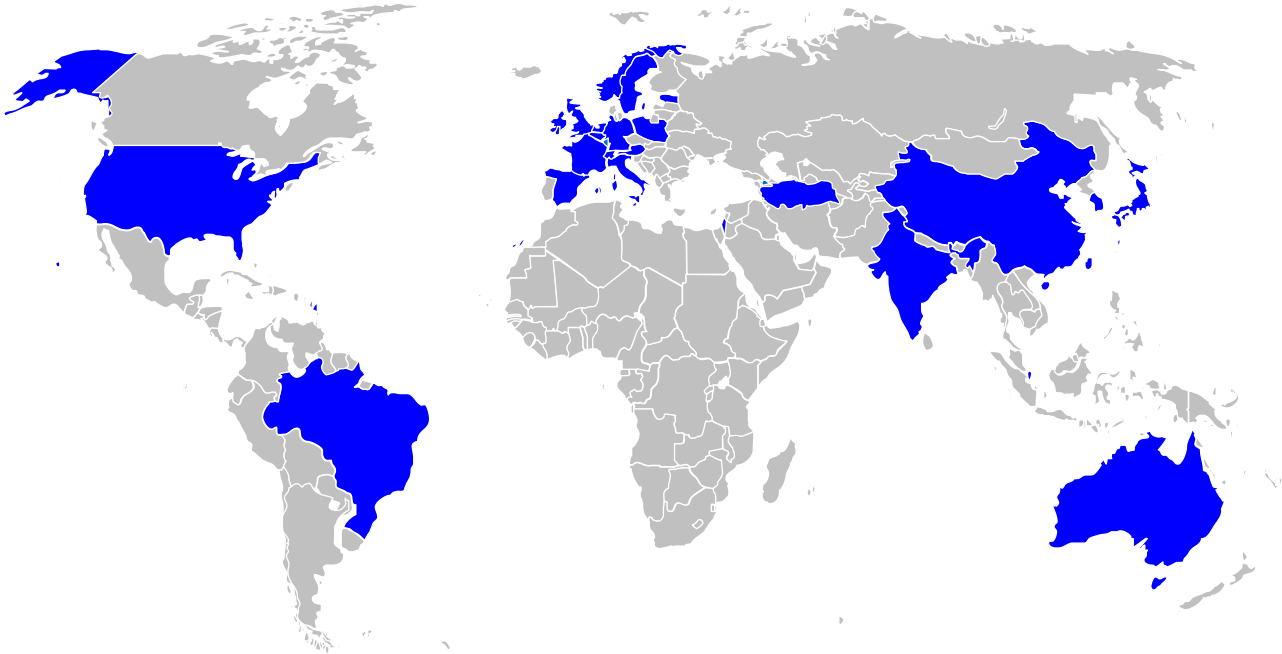
Dr. Hönle AG is a publicly traded technology company based in Gilching near Munich. The Hönle Group comprises three business units: Adhesive Systems, Curing and Disinfection. The Adhesive Systems BU supplies industrial adhesives and UV light curing equipment for a wide range of applications in the electronics, medical technology, optics and automotive sectors. The Curing BU offers systems for drying inks and coatings; the systems are used in printers (particularly packaging printers), in surface coatings for floor coverings, in the furniture industry, in the automotive industry and in many other industrial coating applications. The Disinfection BU combines our business activities in the areas of water, surface and air disinfection. Here, the Hönle Group offers services such as microbiological analysis in addition to UV lamps and components. As at 30 September 2024, Dr. Hönle AG had direct or indirect shareholdings in the following companies:

Name (in alphabetical order)	Corporate seat
Agita Holding AG	Regensdorf/Zurich, Switzerland
Eleco Panacol - EFD, SAS	Gennevilliers/Paris, France
Eltosch Grafex America Inc.	Sugar Grove/Illinois, USA
Hönle Electronics GmbH	Dornbirn, Austria
Honle US Real Estate LLC	Torrington/Connecticut, USA
Honle UV France S.à.r.l.	Lyon, France
Hoenle UV Technology (Shanghai) Trading Ltd.	Shanghai, China
Metamorphic Materials Inc. <sup>1, 3</sup>	Winsted/Connecticut, USA
Panacol AG	Regensdorf/Zurich, Switzerland
PANACOL-ELOSOL GmbH	Steinbach/Taunus, Germany
Panacol-USA, Inc.	Torrington/Connecticut, USA
Panacol-Korea Co., Ltd.	Suwon-si, South Korea
PrintConcept UV-Systeme GmbH	Kohlberg, Germany
Pruuve GmbH <sup>1, 3</sup>	Dresden, Germany
Raesch Quarz (Malta) Ltd.	Mosta, Malta
SOLITEC GmbH <sup>2</sup>	Gilching, Germany
STERIXENE SAS <sup>1, 3</sup>	Les Angels, France
STERILSYSTEMS GmbH	Mauterndorf, Austria
TECINVENT GmbH <sup>1, 3</sup>	Schömberg, Germany
uv-technik international Ltd.	Luton, Great Britain
uv-technik Speziallampen GmbH	Ilmenau, Germany

1) minority shareholding; 2) not consolidated; 3) at equity

## Worldwide locations

Hönle is an internationally operating corporate group with more than 20 subsidiaries. Outside Germany, Hönle has its own sites in those countries that are of key importance to the operating business. In addition, the corporate group has an international network of sales and service partners. Hönle has its own production sites in Germany, Austria and Malta.



## Non-financial statement (unaudited)

With respect to the non-financial statement pursuant to the provisions of Section 289b HGB in conjunction with Section 315b HGB, reference is made to the separate non-financial Group report published on Dr. Hönle AG's website under <https://www.hoenle.com/company/corporate-governance>.

## Management system

The goal of entrepreneurial activity is to achieve sustained growth in corporate value. With this objective in mind, in addition to its responsibility vis à vis investors, the Hönle Group also strives to fulfil its responsibility vis à vis its employees, customers, suppliers, society, and the environment. Hönle aims at stabilising and expanding its market position in its core business segments and, in so doing, focuses on customer-specific systems solutions in particular. Hönle sees itself as a partner to its customers.

On the procurement side, Hönle has long-standing business relationships with most suppliers. These business partners are predominantly small and medium-sized companies with a regional focus. Hönle mainly purchases mechanical, electrical and electronic components. Chemical raw materials and technical gases are mainly sourced from major corporations, although some are also produced in-house. Supplier evaluations are carried out regularly to ensure a high level of quality.

The Group's internal management system essentially consists of regular Management Board meetings, a monthly analysis of business development, strategic corporate planning, quality and environmental management, the planning of investments, liquidity, personnel and acquisitions as well as risks and opportunity management. The Management Board reports to and deliberates with the Supervisory Board at regular intervals and on an ad hoc basis as required.

The objective of Hönle's management is to increase the Company's revenues, earnings and cash flows on a sustained basis, taking ecological and social aspects into account. The Hönle Group attaches particular importance to operational business development and has defined the operating result before depreciation (EBITDA) as an important planning and control parameter (KPI). The Hönle Group's outlook will therefore relate to the control parameters sales and EBITDA. The operating result (EBIT) includes depreciation and impairments on property, plant and equipment and intangible assets as well as amortization of usage rights and is less suitable as an operational control parameter.



However, the operating result (EBIT) remains another control variable alongside the operating margins, the EBIT margin, the consolidated result and the operating cash flow. For this reason, Hönle continually monitors the KPIs and compares them with internal planning.

The present management report provides more detailed information on individual control parameters, in particular in the following report sections: Group business trend, Financial performance, Cash Flows, and Outlook. It also discusses the measures for the planned development of these indicators. The non-financial statement deals with social and economic concerns. The major financial performance indicators (KPIs) for the financial year and their changes versus the previous year are presented below:

#### KPIs

in T€	2023/2024	2022/2023	+/- %
Revenue	98,729	106,342	-7.2
EBITDA	2,967	324	815.7
<b>additional KPIs</b>			
EBIT	-10,262	-9,418	-9.0
EBIT-Marge as a %	-10.5	-9.0	-17.0
Consolidated net income for the year	-13,000	-10,928	-19.0
Operating cash flow	7,722	7,389	4.5

#### Annual General Meeting

The Annual General Meeting of Dr. Hönle AG was held on 20 March 2024 as a virtual general meeting without the physical presence of shareholders. More than 180 shareholders exercised their voting rights, representing 49% of Dr. Hönle AG's nominal capital and voting rights. All proposed resolutions set out in the agenda were adopted with the required majority, including the election of Ms. Melanie Ott as a member of the Supervisory Board. The Annual General Meeting also approved the remuneration report for financial year 2022/2023 and the new remuneration system for members of the Management Board.

#### Economic report

##### Market trend

The global economy grew at a moderate pace in 2024, with the somewhat faster pace of growth seen in the spring slowing down in the summer. While the economy in the United States remained largely stable, economic momentum in Europe was low. China failed to see a sustained economic recovery. The German Machinery and Equipment Manufacturing Association (VDMA) spoke of a disappointing year for new orders in 2024 due to investor caution. According to the VDMA, weak global trade and a lack of investment led to an 8% drop in production in real terms in the machinery and equipment sector. Although global trade improved over the course of the year, higher trade levels provided only weak impetus in view of the slowdown in the manufacturing sector. Monetary policy was initially tight until a reversal of course led to more favourable financing conditions and provided increasing tailwinds for economic activity.

According to the International Monetary Fund, global economic growth is expected to have slowed slightly from 3.3% in 2023 to 3.2% in 2024. For Germany, the IMF has projected a decline in economic performance from 0.3% in 2023 to zero growth in 2024.

##### Group business trend

The Hönle Group's business trend was impacted by investor caution in the automotive sector in addition to the weak environment in the machinery and equipment manufacturing sector. Sales revenues thus declined by more than 7.2% from the prior-year period to T€ 98,729 in financial year 2023/2024.

As part of the strategic realignment of the Group, we defined focus and growth areas and decided to discontinue applications outside our core business. Among other things, this involved writing down the carrying amounts of goodwill in the amount of T€ 7,727 and inventories in the amount of T€ 2,072 and other one-off special effects amounting to T€ 502, which had a one-off negative impact on the operating result for financial year 2023/2024. The adjusted operating result before depreciation and amortisation (adjusted EBITDA) came to T€ 5,541 (PY: T€ 13,051), and the adjusted operating result (adjusted EBIT) was T€ 39 (PY: T€ 7,110).

Investments in operating and office equipment were at a low level in the reporting year.

### **Realignment of the Höhle Group**

Dr. Franz Richter, who had taken up the position of interim CEO at Dr. Höhle AG, turned the reins over to Dr. Markus Arendt effective 1 May 2024. Markus Arendt leads the Company together with Chief Financial Officer Robert Stark, who took office on 1 October 2024. Franz Richter returned to the Supervisory Board effective 1 May 2024 and assumed the position of Chairman.

The Management Board has initiated several action plans, some of which have already been executed. The restructuring of our business units into the Adhesive Systems, Curing and Disinfection BUs will positively impact our process workflows. We are now much more customer-centric than under the previous structure.

We are discontinuing unprofitable product lines and selling off equity interests outside of our core business.

We also created Centres of Excellence in order to bundle skillsets and established a joint R&D organisation covering multiple site locations. Going forward, R&D will focus more specifically on creating a platform strategy and on modularisation.

Höhle also established a Lifecycle Solutions department aimed at boosting revenues in the profitable after-sales segment.

In addition, we approved cost reduction measures at the end of the financial year that took effect at the start of the new financial year. The reductions will impact human resources in particular and are expected to positively impact our cost structure as the 2024/2025 financial year progresses.

All of these measures are aimed at achieving a strong, sustainable business trend and a return to high profitability for the Höhle Group.

### **Adhesive Systems BU**

The Adhesive Systems business unit (BU) combines the Adhesives and Adhesive Curing units and focuses on developing customer-specific solutions for industrial use.

Sales revenues for Adhesive Systems declined slightly from T€ 38,462 in the prior year to T€ 37,101 in financial year 2023/2024. Although our German and Chinese companies saw declining sales, both our French and our U.S. sales companies succeeded in increasing revenues slightly in their markets.

Investor caution was notable in certain key markets for industrial adhesives such as the electronics and automotive sectors. One interesting new market is organic photovoltaics (OPV), an area for which Höhle has developed special types of adhesives. After having successfully completed materials testing, the Group has already received the first notable orders and generated initial revenues.

In light of projected growth in the area of adhesives applications, we hired additional employees in both development and sales & marketing for the Adhesive Systems business unit. The increase in staff, including their recruitment, and the associated higher personnel expenses as well as increased IT and maintenance costs, together with the decline in total performance, contributed to the operating result before depreciation (EBITDA) being lower than in the previous year at T€ 4,445 (previous year: T€ 7,168) and the operating result at T€ 2,483 (previous year: T€ 5,048). The BU operating result before depreciation, adjusted for book value adjustments in the area of inventories (T€ 566), amounted to T€ 5,012 and the adjusted operating result to T€ 3,049.

### **Curing BU**

The Curing business unit sells equipment and installations for curing paints and coatings. Our curing systems are used in printers (particularly packaging and label printers), in surface coatings for floor coverings, in the furniture industry, in the automotive industry and in many other industrial coating applications. The Curing BU also offers lifecycle solutions.

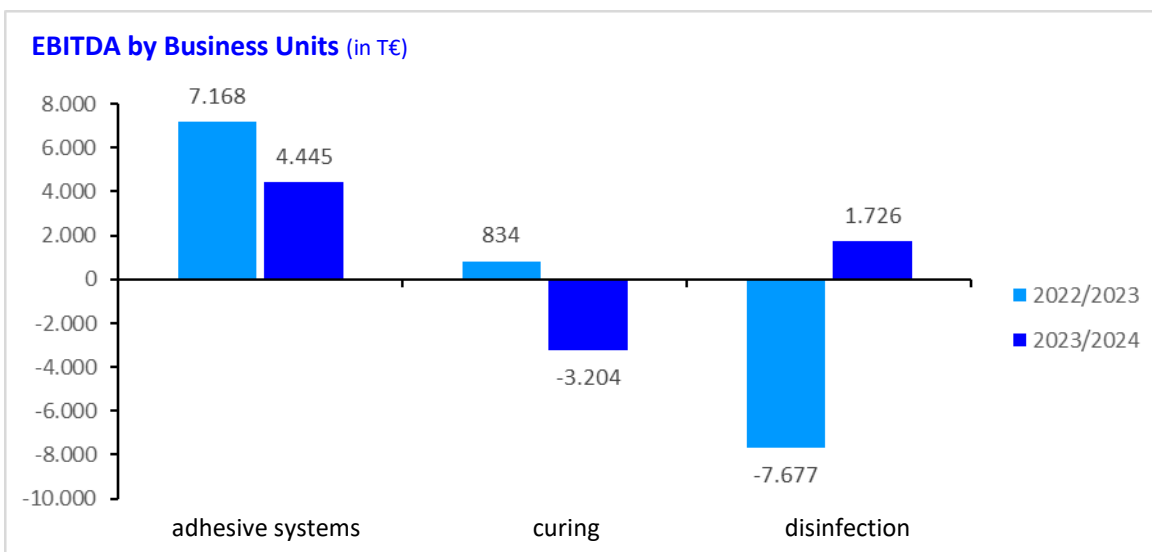
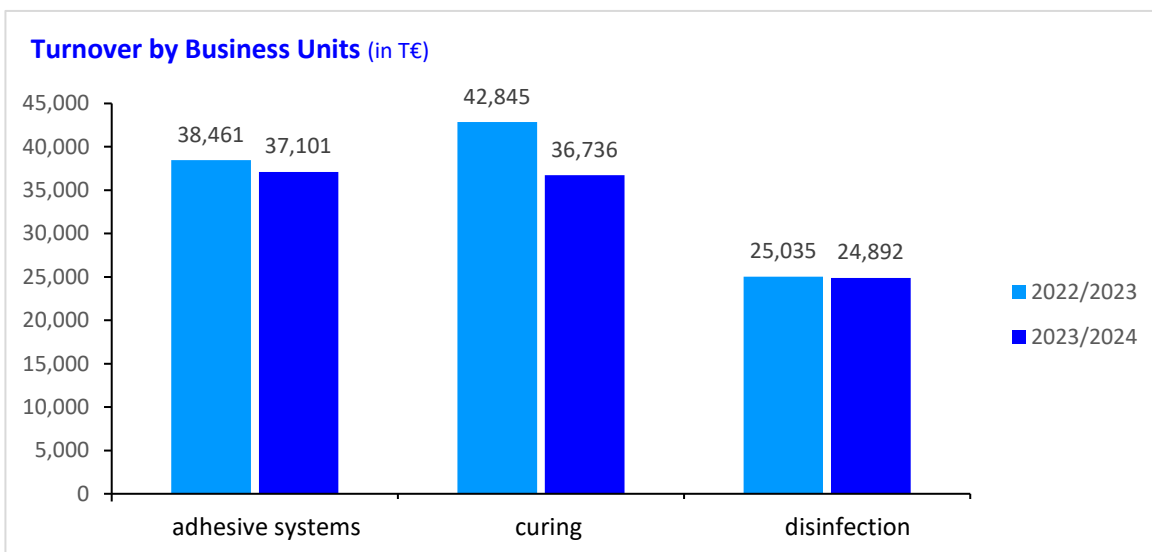
The Höhle Group's Curing BU was markedly impacted by lower capital spending in the machinery and equipment manufacturing segment. The decline in new orders and revenues from the printing industry, which represents the Group's largest sales market, was especially significant in the reporting year. Revenues for the BU dropped from T€ 42,845 in the previous year to T€ 36,736 in the year under review.

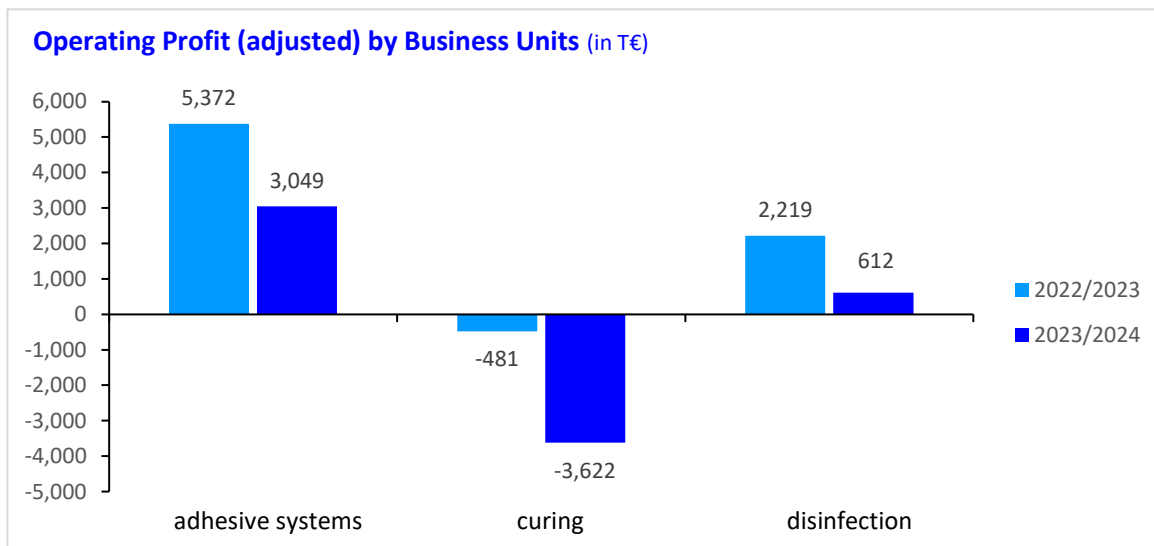
The operating result before depreciation (EBITDA) was T€ -3,204 (previous year: T€ 834) and the operating result was T€ -10,036 (previous year: T€ -4,758). The result includes book value adjustments in the area of goodwill of T€ 4,698, inventories of T€ 1,214 and other one-off special effects of T€ 502. The operating result before depreciation (EBITDA) adjusted for special effects was T€ -1,488 and the corresponding operating result was T€ -3,622.

### Disinfection BU

The Disinfection business unit combines our business activities in the areas of water, surface and air disinfection. Here, the Höhle Group offers services such as microbiological analysis in addition to UV lamps and components. Dr. Höhle AG increased its share in STERIXENE SAS, Les Angels, France, from 24.24% to 51.0% as at 30 April 2024. The integration of Sterixene SAS into the Group will add UV flash lamps and microbiological laboratory activities to our product portfolio. This means that Höhle now offers a full spectrum of services in relation to UV disinfection lamps while also providing the required certificate of sterility for the disinfected surfaces.

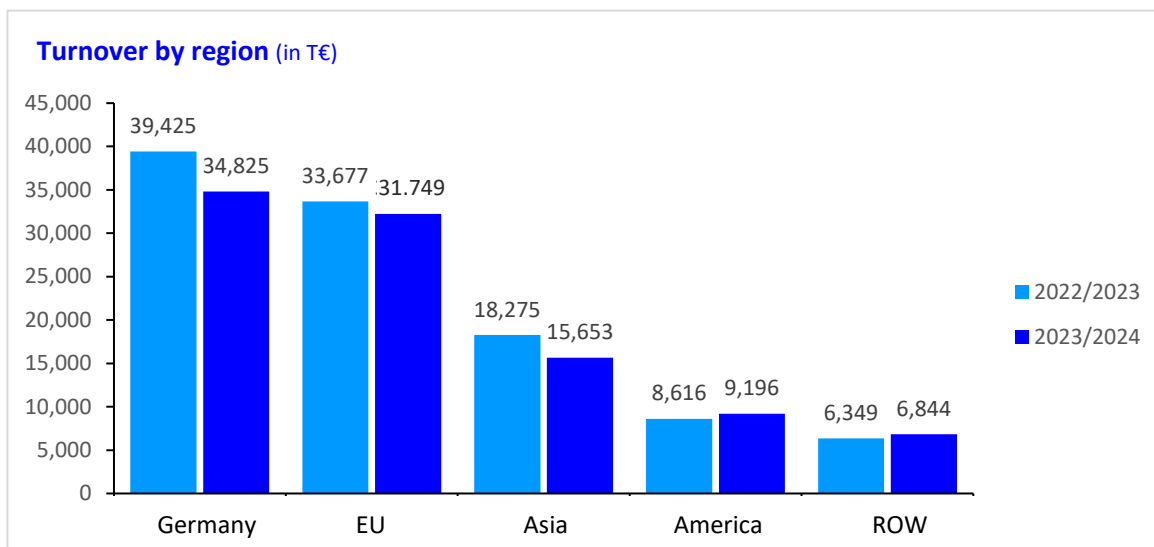
Revenues in the Disinfection BU dropped only slightly from T€ 25,035 in the prior year to T€ 24,892 in the reporting year. At T€ 1,726, the operating result before depreciation (EBITDA) was significantly higher than the previous year's figure of T€ -7,677, which was impacted by a write-down of the inventory of air disinfection devices after the end of the corona pandemic. The operating result (EBIT) amounted to T€ -2,708 (previous year: T€ -9,710). Effects from book value adjustments to goodwill (T€ 3,029) and inventories (T€ 292) impacted the result. The adjusted operating result before depreciation (EBITDA) of the Disinfection Business Unit was T€ 2,017 in the current financial year and the adjusted operating result was T€ 612.





### Performance by region

Declining capital spending played a major part in the revenue decline in many countries and regions. Revenues in Germany decreased by 11.7% to T€ 34,825 and revenues in the rest of Europe were down 4.4% to T€ 31,749. In Asia, revenues dropped 14.3% on the prior year to T€ 15,653 in the reporting year. In the United States, we have switched to selling our products through our own companies and no longer use sales partners as in the past. Sales revenues in North America were therefore up 6.7% to T€ 9,196. Revenues for the rest of the world were up by 7.8% to T€ 6,844, due above all to the good business trend in the United Kingdom.



### Financial performance of the Hönl Group

Earnings performance of the Hönl Group was impacted by low levels of investment spending in many industrial sectors. Revenue fell clearly from T€ 106,342 in the previous year to T€ 98,729 in the year under review. Write-downs on inventories amounting to T€ 2,072 led to increased material costs. In the previous year, the write-down of inventories for air disinfection devices after the end of the corona pandemic contributed T€ 7,216 to increased material costs. The cost of materials ratio improved from 48.9% in the previous year to 40.4% in the reporting year.

Total personnel expenses rose from T€ 39,542 in the prior year to T€ 41,324 in the reporting year in connection with wage and salary increases. The rise in personnel expenses in combination with the revenue decrease resulted in a personnel expenses ratio of 42.5%, up from 37.9% in the previous year. Savings in marketing and logistics contributed to a decline in other operating expenses from T€ 16,730 in the previous year to T€ 15,752 in the year under review.

The operating result before depreciation and amortisation (EBITDA) rose from T€ 324 in the prior year to T€ 2,967 in the reporting year. The operating result (EBIT) came to T€ -10,262 (PY: T€ -9,418). In the financial year EBIT was substantially impacted by the goodwill write-downs to fair value in the amount of T€ 7,277. Earnings before tax (EBT) amounted to T€ -12,233 (PY: T€ -10,981).



The consolidated loss for the year was T€ 13,000 after taxes (PY: consolidated loss of T€ 10,928), which corresponds to earnings per share of €-2.19 (PY: €-1.82).

### Financial performance of the Höhle Group

in T€	2023/2024	2022/2023	+/- %
Revenue	98,729	106,342	-7.2
<b>Gross profit incl. ooi</b>	<b>60,166</b>	<b>56,670</b>	<b>6.2</b>
<b>EBITDA</b>	<b>2,967</b>	<b>324</b>	<b>815.7</b>
<b>Operating result (EBIT)</b>	<b>-10,262</b>	<b>-9,418</b>	<b>-9.0</b>
EBIT margin as a %	-10.5	-9.0	-17.0
Earnings before tax (EBT)	-12,233	-10,981	-11.4
<b>Consolidated net income for the year</b>	<b>-13,000</b>	<b>-10,928</b>	<b>-19.0</b>
Earnings per share in €	-2.19	-1.82	-20.4

### Cash flows of the Höhle Group

The Höhle Group generated operating cash flows of T€ 7,722 in financial year 2023/2024 (PY: T€ 7,389). After adjusting for interest and taxes on income, net cash from operating activities recorded an encouraging increase to T€ 5,530 (PY: T€ 3,143).

Net cash from investing activities amounted to T€ -2,372. This figure was impacted by payments for the acquisition of items of property, plant and equipment and (equity) investments as well as prior-year cash inflows from the disposal of the Group's Raesch Quarz (Germany) GmbH business unit, which had led to a positive net figure for cash flows from investing activities of T€ 2,651 in the prior-year period.

Net cash from financing activities came to T€ -4,904 (PY: T€ -3,417) and arose mainly from repayments of bank loans and payments of lease liabilities.

Total cash and cash equivalents declined by T€ 1,807 in the year under review (PY: increase of T€ 2,186).

### Liquidity performance

in T€	2023/2024	2022/2023	+/- %
<b>Cash generated from operations</b>	<b>7,722</b>	7,389	4.5
Net cash from operating activities	5,530	3,143	75.9
Net cash from investing activities	-2,372	2,651	-189.5
Net cash from financing activities	-4,904	-3,417	-43.5
Change in cash and cash equivalents	-1,807	2,186	-182.7

### Financial position of the Höhle Group

On the assets side of the statement of financial position, goodwill write-downs of T€ 7,727 in the Curing and Disinfection BUs were the main reason for the decline in goodwill from T€ 18,400 to T€ 11,043 in financial year 2023/2024.

Property, plant and equipment contracted by T€ 3,482 to T€ 71,645 as at 30 September 2024, mainly as a result of depreciation. The Höhle Group has taken out interest rate swaps to hedge against the risk of rising interest rates. Interest rate changes caused declines in other non-current assets on the assets side of the statement of financial position due to the lower market values of the derivatives.

Inventories declined by T€ 4,592 to T€ 30,454 based on implemented working capital measures and devaluations.

Cash and cash equivalents totalled T€ 7,508 at the end of the financial year (PY: T€ 9,317). Two commercial properties owned by the Group were reclassified from non-current to current assets under "assets held for sale" (T€ 1,959) as it is planned to sell off the properties.

On the equity and liabilities side of the statement of financial position, non-current bank liabilities (T€ 37,774) and current bank liabilities (T€ 12,978) declined by a total of T€ 3,447. Short-term bank liabilities increased by T€ 562 as of the reporting date due to the higher utilization of current accounts. Pension provisions increased by T€ 1,195 to T€ 4,407 due to changes in the calculation parameters and especially in interest rate levels.

With an equity ratio of 51.3% and sufficient cash and cash equivalents, the Hönle Group continues to be solidly financed. The non-compliance with covenants of a credit institution as of the balance sheet date was eliminated by means of a waiver. Total assets decreased by T€ 176,156 as of 30 September 2023 to T€ 155,384 as at 30 September 2024.

### Statement of financial position

in T€	30/09/2024	30/09/2023	+/- %
Non-current assets	95,075	108,718	-12.5
Current assets	60,309	67,438	-10.6
Equity	79,686	96,133	-17.1
Non-current liabilities	44,299	47,775	-7.3
Current liabilities	31,400	32,248	-2.6
Total assets	155,384	176,156	-11.8

### Notes to the Annual Financial Statements (HGB) of Dr. Hönle AG

The annual financial statements of Dr. Hönle AG are prepared in accordance with the provisions of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG). The Management Report of Dr. Hönle AG and the Group Management Report have been combined as permitted by Section 298(2) of the HGB in conjunction with Section 315(5) of the HGB.

Dr. Hönle AG is a publicly traded technology company based in Gilching near Munich. Hönle develops, produces and sells UV and infrared equipment and systems used for drying inks and coatings, curing adhesives and plastics, and disinfecting air and surfaces.

The devices and systems are sold by our own Dr. Hönle AG staff, by our subsidiaries or via independent partners. As the parent company, Dr. Hönle AG renders services for its subsidiaries in the areas of development, production, IT and administration. The average number of employees in financial year 2023/2024 was 251 (PY: 235).

Due to the challenging market environment actual revenue for the past financial year came in at T€ 47,088 (PY: T€ 51,291) and the operating result was T€ -3,142 (PY: T€ -8,748). Dr. Hönle AG therefore missed its targets. The implementation of measures to increase revenues and improve our operating result are in process.

The cost of materials ratio improved further in the year under review, decreasing from 49.8% in the prior year to 44.8%. Personnel expenses increased due to new hires in the areas of administration, sales and product management as well as due to inflation-driven wage and salary increases. Provisions were recognised at the end of the reporting year to cover the personnel adjustments made at the start of financial year 2024/2025. This was another factor contributing to the rise of T€ 817 in personnel expenses to T€ 18,962. The personnel expenses ratio for financial year 2023/2024 accordingly rose to 41.1% (PY: 34.5%). Other operating expenses decreased from T€ 9,692 in the previous year to T€ 7,949 in the reporting year thanks to savings in the areas of logistics and marketing.

Depreciation, amortisation and write-downs amounted to T€ 2,494 in financial year 2023/2024 (PY: T€ 13,809). They include write-downs on inventories amounting to T€ 1,088 (of which T€ 131 is unscheduled) and goodwill amounting to T€ 1,391. Depreciation, amortisation and write-downs for the previous year included T€ 11,752 in one-off expenses for write-downs of intangible assets and the remaining SteriWhite inventories in current assets. This translated to an operating result of T€ -3,142 (PY: T€ -8,748). Dr. Hönle AG's financial result was impacted by a write-down of T€ 1,391 on the carrying amount of the Company's investment in Raesch Quarz Malta and was therefore reported at T€ -1,634 (PY: T€ -29). After taxes, the net loss for the year was T€ -5,538 (PY: T€ -6,930).

Long-term financial assets declined from T€ 28,052 as at 30 September 2023 to T€ 27,275 as at 30 September 2024 as a result of purchases (T€ 999) and sales (T€ -385) as well as write-downs of company shares (T€ -1,391). Inventories declined from T€ 21,718 to T€ 19,590 due to initial working capital measures and write-downs. Cash and cash equivalents totalled T€ 19 at the end of the financial year (PY: T€ 1,032).

Liabilities to banks decreased by T€ 2,505 to T€ 35,534 based on repayments made.

The average number of R&D employees remained unchanged at 36. This means that 14.4% of our employees work in development. Expenses for research and development activities at Dr. Hönle AG decreased from T€ 4,089 in the previous year to T€ 3,557 in the year under review. The prior-year figure had included expenses for an external development project.

The Management Board believes that the current investor caution will not dissipate before the second half of 2025. For financial year 2024/2025, the Management Board is projecting revenue of between €42 million and €46 million (PY: €47 million) and a balanced operating result before depreciation (EBITDA).

**Condensed Income Statement of Dr. Höhle AG** (HGB annual financial statements)

in T€	2023/2024	2022/2023	+/- %
<b>Revenue</b>	<b>47,088</b>	<b>51,291</b>	<b>-8.2</b>
Change in inventories	-904	1,319	-168.6
Other operating income	735	6,431	-88.6
Cost of materials	20,686	26,195	-21.0
Gross profit	26,263	32,899	-20.2
Personnel expenses	18,962	18,145	4.5
Amortisation/depreciation and write-downs	2,494	13,809	-81.9
Other operating expenses	7,949	9,692	-18.0
<b>Operating result/EBIT</b>	<b>-3,142</b>	<b>-8,748</b>	<b>-64.1</b>
Financial result	-1,634	-29	-5.534.5
Taxes	-761	1,847	-141.2
<b>Net loss for the year</b>	<b>-5,538</b>	<b>-6,930</b>	<b>-20.1</b>
Earnings per share €	-0.91	-1.14	-20.2

**Condensed Balance Sheet of Dr. Höhle AG** (HGB annual financial statements)

in T€	30/09/2024	30/09/2023	+/- %
Intangible assets	800	327	144.5
Property, plant and equipment	39,107	40,596	-3.7
Long-term financial assets	27,275	28,052	-2.8
<b>Non-current assets</b>	<b>67,183</b>	<b>68,975</b>	<b>-2.6</b>
Inventories	19,590	21,718	-9.8
Receivables and other assets	12,691	13,936	-8.9
Cash on hand, bank balances	19	1,032	-98.2
<b>Current assets</b>	<b>32,300</b>	<b>36,686</b>	<b>-12.0</b>
Prepaid expenses	422	345	22.3
Deferred tax assets	5,925	6,468	-8.4
Issued capital	6,062	6,062	0.0
Capital reserves	44,410	44,410	0.0
Revenue reserves	2,573	2,573	0.0
Net accumulated losses	-29,782	-24,245	-22.8
<b>Equity</b>	<b>23,263</b>	<b>28,800</b>	<b>-19.2</b>
<b>Provisions</b>	<b>8,391</b>	<b>9,072</b>	<b>-7.5</b>
Liabilities to banks	35,534	38,039	-6.6
Prepayments received on account of orders	732	841	-13.0
Trade accounts payable	2,146	2,681	-20.0
Liabilities to affiliated companies	34,921	32,278	8.2
Other liabilities including deferred income	843	762	10.6
<b>Liabilities including deferred income</b>	<b>74,176</b>	<b>74,602</b>	<b>-0.6</b>
<b>Total assets</b>	<b>105,830</b>	<b>112,474</b>	<b>-5.9</b>

**Overall assessment of the economic situation of the Höhle Group**

The economic recovery predicted for 2024 by experts failed to materialise. The global economy grew at a moderate pace. While the U.S. economy proved to be robust, economic momentum was low in Europe. Germany, once the economic engine of Europe, suffered a recession. In China, economic growth continued to slow. The manufacturing industry was hit especially hard by the economic downturn, which in turn impacted the Höhle Group's business performance.

In the Management Report of 24 January 2024, the Management Board had reported that it expected to generate revenue of between €105 million and €115 million and an operating result of between €6 million and €9 million in financial year 2023/2024. However, revenue in fact declined by 7.2% to €98.7 million due to lower capital spending by many customers. Moreover, the Höhle Group generated an operating result of €-10.3 million in financial year

2023/2024. As part of the strategic realignment of the Group, we defined focus and growth areas and furthermore decided to discontinue applications that are not part of our core business. Among other things, this involved writing down the carrying amounts of goodwill and inventories, which had a one-off negative impact of €10.3 million on the operating result for financial year 2023/2024. The adjusted operating result thus amounted to T€39. The sales and earnings targets for the 2023/2024 financial year communicated in January 2024 were not achieved.

The Hönlle Group is solidly financed with cash and cash equivalents of €7.5 million and additional undrawn credit facilities in the amount of €2.7 million. Between the years 2018 and 2022, new buildings were constructed for Dr. Hönlle AG, PANACOL-ELOSOL GmbH and uv-technik Speziallampen GmbH. The total investment was approximately €60 million and was largely financed via long-term real estate loans with an average interest rate of 2.2% and an average maturity of the end of 2037. Because these are variable-rate loans, we have taken out interest rate swaps to hedge against rate fluctuations. Liabilities to banks were €50.8 million at the end of the reporting year (PY: €54.2 million).

The aforementioned one-off factors had a significant impact on the Hönlle Group in financial year 2023/2024. However, the Management Board is by and large satisfied with the position of the Group, especially in light of the growth prospects described in the Outlook and the anticipated improvement in profitability as well as a positive free cash flow.

## Research & development

The Hönlle Group's research and development expenses in the reporting year amounted to T€ 7,539 after T€ 7,286 in the preceding year. The average number of staff employed in the R&D Departments rose from 91 to 99. In all, 17.0% (PY: 15.6%) of Hönlle's employees were engaged in research and development activities in the financial year under review. A selection of R&D activities in the past financial year is presented below:

### Adhesive Systems business unit

Manufacturers of flexible consumer electronics are reaching their limits in terms of functionality and flexibility of design. In response, Hönlle teamed up with Group company Panacol to develop solutions consisting of multifunctional adhesives and UV curing devices that can be adapted to novel applications in flexible electronics and organic photovoltaics. Panacol has developed flexible UV adhesives for flexible circuits, including new underfills for chip bonding and edge bonding.

With respect to organic PV, new UV-curing adhesives were developed specifically for the lamination of barrier films. These adhesives offer increased resistance to environmental stresses, improved compatibility with PV materials, and low water vapor permeability. Because the adhesives cure quickly under UV light, they are particularly suitable for processes at high production speeds. This increases efficiency and lowers production costs.

### Curing business unit

With its LED Powerline LC HV product, Hönlle has succeeded in developing a solution for meeting the main requirements stipulated for curing processes in the area of printing applications and varnishes. This LED curing array works quickly, extremely efficiently, and allows for variable use. It can be used for both intermediate curing (pinning) and final curing for printing applications and varnishes as well as for a wide variety of substrates, even substrates such as films that can only withstand low temperatures (where the array is especially useful). Thanks to water cooling, the LED system achieves very high intensities. This enables reliable and fast curing, which reduces machine throughput times and thus increases productivity.

### Disinfection business unit

Germs can be inactivated and chemical processes triggered by using ultraviolet rays. An interesting field of application worth mentioning in this context is photolysis. Photolysis is a chemical reaction triggered by light or ultraviolet radiation, where different radiation source wavelengths can cause different reactions. In addition to established areas of photolysis application, Hönlle is also involved in research projects aimed at finding new fields of application. The emission spectrum of the lamps can be modified by making targeted adjustments, for example by adding metals. Hönlle is also researching the use of UV-emitting diodes for this area of application. Photolysis can be used for a wide variety of applications, ranging from the manufacture of fertilizers and plant protection agents to cleaning agents.

### Selection of memberships

The ongoing exchange of experiences with customers and interested parties is crucial to the success of the Hönlle Group. Furthermore, Hönlle is working with universities and research institutions in the development of new processes and products. In addition, the Hönlle Group is member of several professional associations and organisations to represent its interests (excerpt in alphabetical order).





ACOP – Aachen Center for Optics Production



DECHEMA Gesellschaft für Chemische Technik und Biotechnologie e.V.



DFTA Flexodruck Fachverband e.V.



DVS Deutscher Verband für Schweißen und verwandte Verfahren e.V.



FOGRA Forschungsgesellschaft Druck e.V.



Hong Kong Printers Association



Industrieverband Klebstoffe e.V.



POLYGRAPH Leipzig e.V., Sächsisches Institut für die Druckindustrie



VCI Verband der Chemischen Industrie e.V.

## Environmental aspects

### Environmental policy

In order to protect the environment and to comply with its social and legal obligations and to actively shape a sustainable future, Dr. Höhle AG has defined the guiding principles described in the following:

We integrate environmental awareness into our processes to ensure that we do not merely react ad hoc but actively contribute to a careful use of resources along our entire value chain and in our daily work.

In terms of product development, we prioritise reusable materials for our equipment and plants. Our goal is to enable our products to be disposed of or dismantled in an environmentally friendly manner or to be recycled for reuse after a long service life.

Höhle prefers to reduce environmental impact from the outset and to avoid generating waste wherever possible, rather than having to dispose of it later. To accomplish this, we work closely with our partners such as customers, suppliers, logistics and waste disposal companies.

Just as technological change is advancing, the Höhle Group is also undergoing constant change, which is why we are in a constant process of further enhancing our processes and workflows. Our employees are essential in enhancing and promoting our methods for active environmental protection. We maintain an open employee suggestion scheme to give our employees the opportunity to get involved and actively shape our approach to environmental protection. All employees are encouraged to report mistakes and environmental risks and to point out opportunities for potential savings.

## Technology and products

UV technology is one of the core competences of the Hönle Group. UV curing systems from Hönle are used for a wide variety of printing and coating applications. Compared to conventional thermal curing methods, UV curing is usually significantly more environmentally friendly. The use of modern UV curing systems is recommended due to the systems' superior energy performance when compared to conventional infrared and hot air curing systems. In addition, the high quality and scratch resistance of the varnishes and coatings serves to reduce the need for repairs arising from mechanical stress, thus increasing service life.

The use of UV curing technology also makes it possible to significantly reduce the amount of environmentally harmful solvents used. Emissions of volatile organic compounds is restricted under the German Solvent Ordinance (Bundes-Immissionsschutzverordnung, BImSchV). One way of adhering to the BImSchV is to use UV inks and coatings. The process of further limiting emissions continues across national borders, for example in the form of the VOC Directive and the National Emission Ceilings (NEC) Directive. This means that there will also be promising opportunities going forward to increase the proliferation of UV technology in the areas of printing, varnishes and coatings.

In addition to UV discharge lamps, Hönle offers an ever-growing range of UV LED systems. The use of LED technology improves the energy performance of UV technology even further. Compared to conventional discharge lamps, LED lamps use less power and have a significantly longer service life. The compact size and flexible spectrum range of LED lamps make them ideal for adapting to any application. The Hönle Group therefore invests in production facilities as well as in development and production staff for innovative UV LED systems.

Another of the Hönle Group's business areas involves the disinfection of drinking water and wastewater. Ultraviolet rays ensure very high germ killing/inactivation rates while minimising or entirely avoiding the use of chemicals. For example, microorganisms contained in the outflow from sewage treatment plants are neutralised in an environmentally friendly manner without the use of chemicals. UV technology helps to protect bodies of water by maintaining or restoring their self-cleaning properties.

The international Ballast Water Management Convention came into force in 2017. The BWM Convention is intended to halt the global spread of foreign species contained in ballast water that is taken in and expelled by container ships, for example. In addition to the BWM Convention, further guidelines have now been adopted that specify the testing and approval of ballast water treatment systems. The Marine Environment Protection Committee (MEPC) of the International Maritime Organization (IMO) has adopted transitional rules for the entry into force of the BWM Convention. The transitional rules specify that all ships and vessels concerned must be equipped with ballast water treatment systems that demonstrably meet the quality standard defined in the Convention by September 2024. uv-technik Speziallampen GmbH offers suitable UV systems for disinfecting water on ships. The systems are an environmentally friendly alternative to the chemical treatment of ballast water.

For decades, UV disinfection has also been successfully used worldwide in the field of surface disinfection, for example in the food industry. UV disinfection offers numerous advantages over chemical disinfection methods. For example, UV disinfection produces no byproducts that are harmful to health. In addition, UV disinfection does not affect aesthetic features, such as the taste, smell or colour of the food. And finally, UV disinfection makes it unnecessary to transport or store chemicals, and especially to dispose of them.

The product range also includes energy-saving air disinfection devices that are used in the food industry, for example. UVC radiation can be used to inactivate viruses and other airborne pathogens easily, safely and effectively. Disinfection using UV light is a unique environmentally friendly process, as no chemicals are used and the energy required for the equipment's operation is low compared with traditional filter systems.

The Hönle Group also contributes to environmental protection in the field of industrial adhesives. In addition to common adhesives, the product range also includes UV and light curing adhesives that enable a drying process without the emission of solvents. The adhesives react to radiation and the molecules interconnect and cure in seconds – without the use of solvents, thus demonstrating the environmental compatibility of UV and light curing adhesives.

## Protection of resources

The increase in the world's population and rising prosperity are contributing to an increasing demand for resources. It is therefore a central task for companies and consumers to handle resources as well as our natural environment with care and responsibility. By introducing an environmental management system, we are intensifying our efforts to ensure effective and sustainable environmental protection. Dr. Hönle AG has had an environmental management system

certified to ISO 14001 in place since 2018. uv-technik Speziallampen GmbH has been certified to ISO 14001 since 2021. Panacol-Elosol GmbH introduced an environmental management system called ÖKOPROFIT back in 2008. ÖKOPROFIT is based on DIN EN ISO 14001 and represents the company's commitment to comply with its own environmental and sustainability requirements – which go beyond the applicable laws and regulations – as part of its environmental policy. The three companies mentioned above represent the Höhle Group's main production sites and account for 66.7% of Group revenue.

By installing a photovoltaic system at our site in Malta, we have been contributing to environmental protection since 2017. The plant has an output of 197 kWp and generates electricity from sunlight, which can be used directly or fed into the public power grid. This significantly reduces the emission of greenhouse gases and other air pollutants compared to electricity generated from fossil fuels. The plant enables Höhle to reduce its greenhouse gas emissions by 135 tonnes<sup>1</sup> of CO<sub>2</sub> per year.

When building the Group headquarters in Gilching near Munich, we attached great importance to sustainable elements in the energy supply. The building is heated with district heating and cooled with groundwater. A special ventilation concept is used to cool the production area. In addition, the roof of the administration building is covered in greenery. A photovoltaic system came on stream on the roof of the logistics building in 2022. The system has an output of 200 kWp and makes it possible to reduce greenhouse gases by 82 tonnes<sup>1</sup> of CO<sub>2</sub> each year.

Our Adhesive Systems business unit is head-quartered in Steinbach near Frankfurt. The building was completed in 2021 and has a heat recovery system in the production area. The roof areas have been greened, and all of the parking areas are permanently water permeable as they have not been sealed.

<sup>1</sup> Source: own calculations, BaFa info sheet CO<sub>2</sub>-Faktoren, [www.demeteoblue.com](http://www.demeteoblue.com)

## **Statement on corporate governance (unaudited)**

The statement on corporate governance to be submitted pursuant to Section 289f and Section 315d HGB is included in the Corporate Governance Report. It is also available on the Internet at <https://www.hoenle.com/company/corporate-governance>.

## **Disclosures required by takeover law and explanatory report of the Management Board**

Disclosures pursuant to Sections 289a and 315a HGB

No. 1: The nominal capital of Dr. Höhle AG amounts to € 6,062,930, split up into 6,062,930 no-par bearer shares. Each share carries one voting right; there are no shares carrying special rights. Further details on the nominal capital are provided in the notes to the financial statements in the Equity section.

No. 3: Pursuant to Section 33 (1) WpHG, shareholders must report significant participating interests in listed companies. Mr. Kai Möhrle informed Dr. Höhle AG that the share of voting rights of Zweiunddreißigste PMB Management SE in Dr. Höhle AG exceeded the 25% threshold on 22 February 2024 and amounted to 25.36% (1,537,450 voting rights) on that date. Of this share of voting rights, 25.36% (1,537,450 voting rights) were attributable to him pursuant to Section 34 WpHG.

No. 6: The Supervisory Board appoints the Dr. Höhle AG Management Board for a maximum term of office of five years. Each amendment to the Company's Articles of Association requires a resolution by the Annual General Meeting.

No. 7: The Management Board and the Supervisory Board shall continue to be able to use authorised capital, in particular for corporate acquisitions, equity holdings in companies and other economic assets, and for strengthening the Company's equity base. For this reason, the Annual General Meeting held on 23 March 2021 authorised the Management Board, with the approval of the Supervisory Board, to increase the nominal capital through the single or repeated issuance of new, no-par bearer shares by up to € 600,000 on or before 22 March 2026. Moreover, the Annual General Meeting held on 23 March 2023 authorised the Company to purchase treasury shares amounting to up to 10% of the share capital of € 6,062,930.00 on or before 22 March 2025. In this regard, reference is also made to the disclosures on treasury shares in the Equity section of the notes to the consolidated financial statements.

## Employees

As at 30 September 2024, the number of staff employed by the Höhle Group was 590 (PY: 594). Of these, 60 employees worked part-time, which corresponds to a ratio of 10.2% of the total workforce.

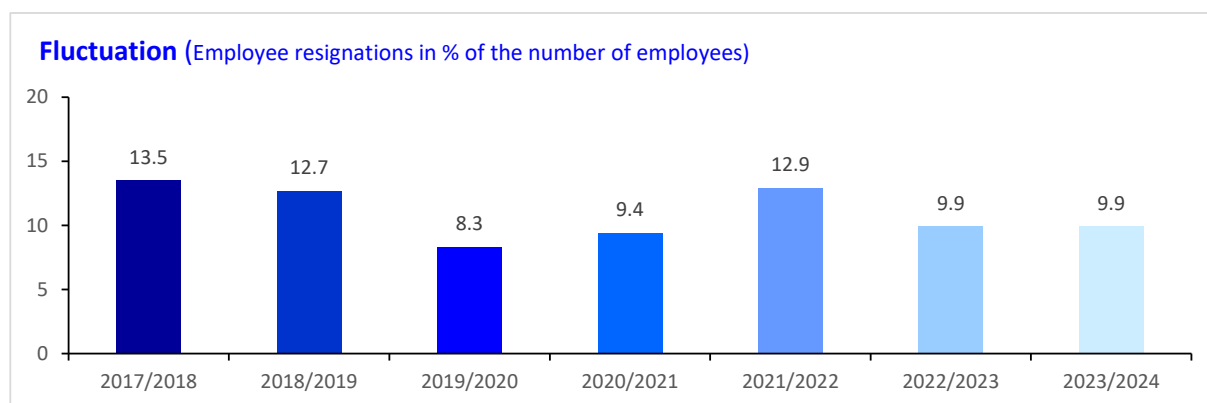
Personnel expenses rose from T€ 39.542 in the previous year to T€ 41.324 in financial year 2023/2024. This was mainly due to wage and salary increases.

## Personnel development

With a view to ensuring a high qualification level, Höhle regularly invests in qualification and training measures for the Company's employees. In this context, the Company uses the services of both internal experts from the respective departments as well as external service providers. In financial year 2023/2024, expenses for staff training and qualification measures amounted to T€ 580 (PY: T€ 658).

Höhle invests in vocational training with a view to covering the future demand for qualified personnel: 19 young people were undergoing occupational training in the Group as at 30 September 2024 (PY: 27). Höhle Group carries out apprenticeship training for electricians, IT specialists, warehouse logistics specialists, industrial clerks, industrial mechanics, process mechanics and others.

The Management Board attaches great importance to employee satisfaction and motivation. As in the previous year, the fluctuation rate stood at 9.9%, which is below the historical average of recent years (10.9%).



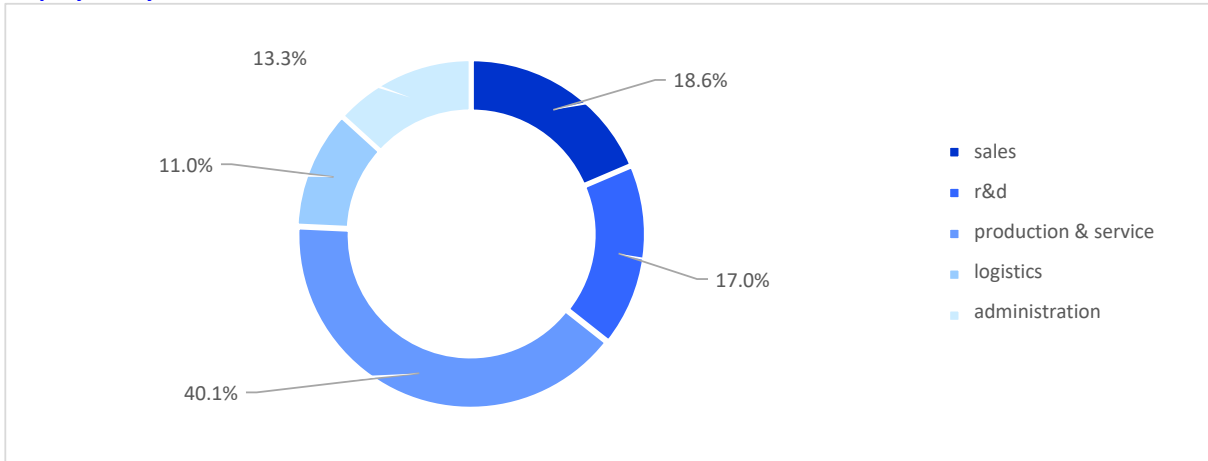
## Employees by business unit

	30.09.2024	30.09.2023	+/- %
Adhesive Systems	199	199	0.0
Curing	230	221	4.1
Disinfection	161	174	-7.5
	590	594	-0.7

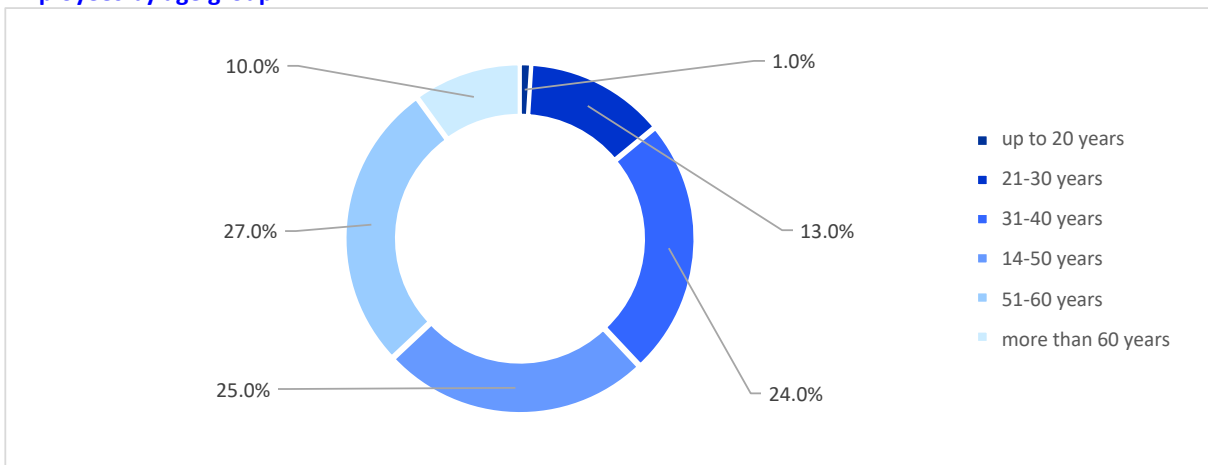
## Personnel expenses

in T€	2023/2024	2022/2023	+/- %
Wages and salaries	33,997	32,804	3.6
Social security and pension costs	7,327	6,738	8.7
	41,324	39,542	4.5

### Employees by functional area



### Employees by age group





## Opportunity and risk report for Dr. Hönle AG and the Hönle Group

### Risk management objective

As a leading technology company, Dr. Hönle AG and the Hönle Group are exposed to numerous regulatory, technological and market-related changes. Recognising and exploiting the opportunities resulting from these changes is essential for Hönle's entrepreneurial success. Dr. Hönle AG's risk policy is aligned to the entrepreneurial objectives of sustained growth and constant improvement in the Company's results in order to contribute to an increase in corporate value. Entrepreneurial opportunities are usually accompanied by risks, which need to be identified and evaluated as early as possible. The identification of risks and introduction of suitable measures are intended to limit any possible negative effects and prevent any threat to the Company's continued existence as a going concern.

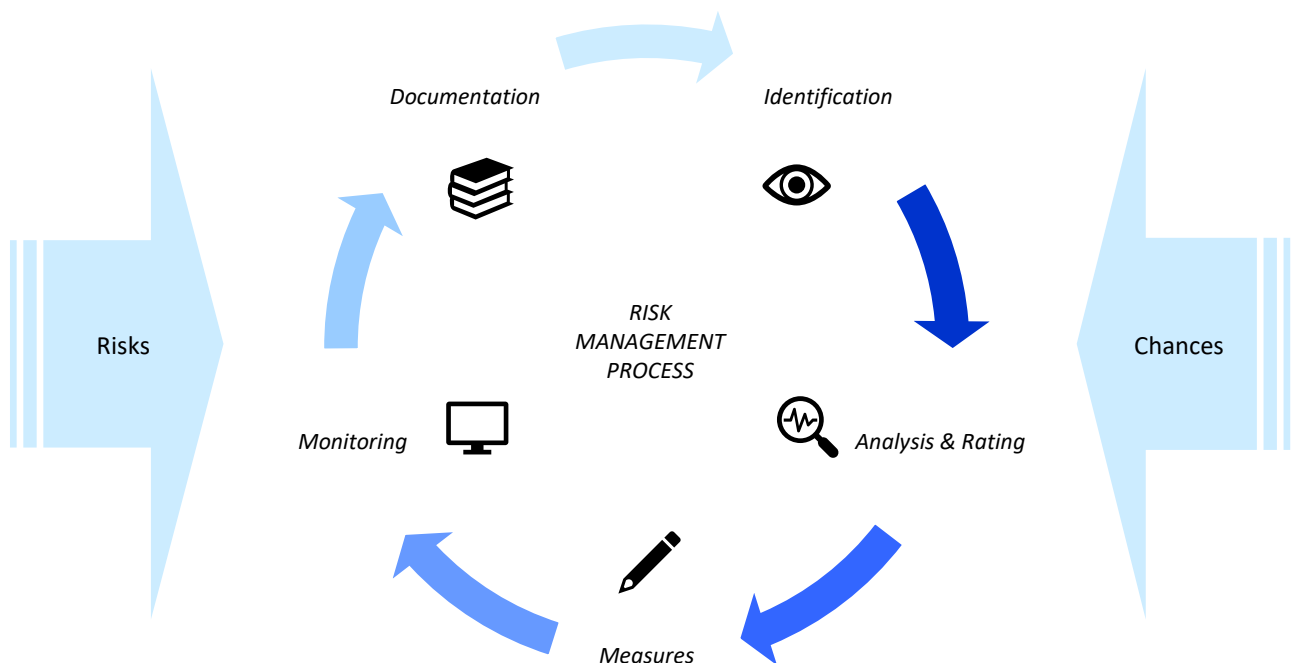
### Risk management structure

For purposes of risk monitoring, Dr. Hönle AG has implemented a formalised risk management system. Its principles, which are documented in a risk manual, define the procedures for dealing with risks. By weighing not only the potential amount of any loss and the probability of a loss occurring but also the opportunities arising from the risk in question for the Company, it is determined whether the respective risk should be avoided, reduced, transferred or accepted.

In the past financial year, risk reports were sent to the risk manager as required (risk identification). All risks were evaluated within the scope of a predefined scale for the evaluation of potential losses and the probability of occurrence (risk evaluation).

Measures were defined and initiated as required (risk management). In addition, risk discussions were held with the risk managers at quarterly intervals, the risk situation was analysed and measures were monitored (monitoring).

The Dr. Hönle AG Management Board is informed of the Group's current risk situation at regular intervals and is promptly notified as soon as defined risk thresholds of specific risks are reached. All responsibilities, principles and procedural approaches are documented in a risk management manual and all risk reports are recorded on standardised forms (risk documentation).



## Standardised risk assessment matrix

Probability of occurrence —	Very low 0% – 10%	Low 11% – 20%	Medium 21% – 30%	High 31% – 50%	Very high 51%–100%
Impact (potential loss)					
Acceptable ( $\leq$ € 0.1 million)					
Low ( $\leq$ € 0.25 million)					
Moderate ( $\leq$ € 0.5 million)					
Material ( $\leq$ € 1.0 million)					
Critical ( $>$ € 1.0 million)					

### Risk-bearing capacity

Dr. Höhle AG's risk management system includes a concept for verifying risk-bearing capacity. Within the scope of this concept, the aggregated risks are compared with the risk cover potential. There are both liquid assets and other options (alternative collateral, factoring) available, which can be implemented at short notice to cover the existing risks.

### Specific risks and opportunities

Risks that could have a medium or high adverse impact on the Höhle Group's net assets, financial position or results of operations are described below. The sequence of the risks presented within the following categories reflects the current assessment of the relative risk level in descending order, thus providing an indication of the significance of these risks for the Höhle Group as far as this is possible in each individual case. Additional risks that are unknown at present or risks that are currently classified as insignificant may also impact adversely on business activities. Unless otherwise specified, the following risks concern all business units. From the current perspective, the Höhle Group is exposed to the following internal and external opportunities and risks:

#### Market and general conditions

Despite a dip in inflation rates and falling interest rates, the economic climate is not satisfactory. The risks to the global economy lie in a possible escalation of numerous geopolitical conflicts as well as in the uncertainties surrounding the new US President, who will take office in January 2025. The economic momentum in China has dampened considerably. Germany, which used to be Europe's main driver of growth, currently finds itself at the bottom of economic growth as it slipped into a recession that takes a hard toll on the manufacturing sector, in particular. A worsening economic downturn would probably have a negative impact on the Höhle Group's financial position and results of operations.

On the other hand, if the economy should prove to be more robust than initially expected, this would have a positive impact on the Höhle Group's earnings development. The German Machinery and Equipment Manufacturing Association (VDMA) foresees an upswing in the course of 2025.

The costs of energy and raw materials rose sharply as a result of the war in Ukraine. Gas and electricity prices multiplied in 2022. Since then, the prices of energy and raw materials have dropped and the resulting market risks decreased significantly. Material availability is good. Delivery bottlenecks, which occurred sporadically in the reporting year, are no longer recognizable, which will contribute to savings potential in material costs in the 2024/2025 financial year.

Risks may arise from changing international regulations and laws in Germany and the EU in particular, such as those relating to the use of raw materials or ingredients. The setting up of trade barriers and increasing geopolitical strains might also play a negative role. Trade conflicts between the US, China and the EU could lead to rising customs duties and increasing prices for purchased goods and might also impact adversely on global growth dynamics.

At the same time, opportunities arise from changes in general economic conditions – for example, as a result of the conclusion of international trade agreements or due to the Ballast Water Convention, which has been applicable to container ships since September 2024 and which is expected to impact positively on demand for Höhle Group products and thus on Höhle's economic development.

## **Operational development**

The loss of key customers could lead to a decline in revenues. Hönle addresses this risk through intensive monitoring of its key customers and reviewing those key customers' financial performance. Key account satisfaction is constantly monitored. Expanding the customer base to economically decoupled target industries will also improve the risk structure.

Successful cooperation with key customers provides a sound basis for the further expansion of business activities and continuing growth with strong partners. Close cooperation with strategic partners is an important basis for the Hönle Group's growth strategy.

As a result of the introduction of new products and technologies, the Company's existing products might no longer be marketable. The Hönle Group's success thus depends on the ability to recognise market developments at an early stage and to continuously develop and offer new products.

At the same time, technological changes also offer an opportunity to open up new sales markets and tap into new fields of application with innovative products. In order to identify and exploit market opportunities at an early stage, product management in the business units will be further expanded. In addition, the Group structure will be more closely aligned with fields of application and thus competencies will be better bundled.

Just like other companies, the Hönle Group is exposed to IT-related risks. IT systems provide the basis for many operational procedures and processes. Structures were established with a view to protecting the business processes from IT risks. These structures are intended to prevent possible damage/losses and ensure high process security. The redundant design of IT systems is of crucial importance in this context. The operational solutions concerning access control, extensive protection systems, backup systems and failure management ensure a high level of availability of the IT infrastructure. Regular analyses and checks of the IT systems, staff trainings and consistent security management ensure an appropriate level of security.

The use of digitalization potential is of great importance in order to be able to survive in a market environment characterised by high customer expectations in the future. The targeted use of IT systems, for example in customer contact or merchandise management, offers opportunities in the realisation of sales increases, cost savings and efficiency gains.

It cannot be ruled out that in individual cases customers may meet their future payment obligations too late or not at all. An economic downturn or the loss of key customers could cause the liquidity situation of important business partners to deteriorate and thus lead to an increased risk of default. However, Hönle Group customers have thus far demonstrated good payment behaviour. Hönle adapts the payment conditions to customers' credit standing as required.

Hönle competes for specialists and executive staff. The market for skilled workers and engineers is particularly subject to intense competition. The availability of the required personnel is crucial for achieving the planned sales and earnings targets.

The attractiveness of an employer plays a crucial role in applicants' decision-making processes. Hönle thus places great emphasis on a good working environment, targeted training and qualification measures and offers promising career prospects. The targeted promotion of employees and the achievement of a high level of motivation offer opportunities for future successful business development. The Company also cooperates closely with selected technical universities and offers opportunities for pursuing bachelor's and master's theses as well as internships. Hönle also counteracts the lack of skilled professionals by offering internal vocational training.

The loss of key corporate personnel on whose know-how the Company's success depends constitutes a further at least partial risk. In order to counteract this risk, Hönle aims to retain its staff in the Company over the long term and has implemented comprehensive measures to this end. Furthermore, corresponding substitution arrangements are in place in the sensitive areas, in particular in order to minimise the impact of an unexpected loss of employees.

## **Financial risks**

Acquisitions are a major component in the strategic further development of Hönle's corporate structure. The acquisition of companies involves both opportunities and risks. Acquisitions offer the possibility of opening up new business segments and markets and of making a sustained contribution to the Hönle Group's positive business performance. The sales and earnings performance resulting from acquisitions might be better than in a purely operational business development without acquisitions.

Impairment risks arise when the acquired company cannot be integrated within the planned time schedule or does not develop as expected. The probability of unfavourable business development increases in times of difficult or

uncertain general macroeconomic conditions. It cannot be ruled out that, in the course of a worse-than-expected deterioration in the business development of Hönle Group companies, impairment losses may have to be recognized for goodwill (consolidated financial statements) or other assets or equity investments (annual financial statements), or that impairment losses already taken into account could increase.

Liquidity bottlenecks as a result of a poor business performance cannot be ruled out completely. In addition, there are liquidity risks arising from non-compliance with contractual terms in loan agreements (covenants) so intensive monitoring and options for action are being addressed. If covenants are not complied with, it is assumed that the agreed key figures will be missed with a relatively small deviation, so that the situation can generally be remedied by means of a waiver agreement. In the event that further security needs to be provided, the Group has various options (collateral on assets, factoring) to counteract the risk of short-term maturity. The liquidity supply of Dr. Hönle AG and its subsidiaries is based on long-term financial and liquidity planning. The Management Board is informed at regular intervals about the current liquidity situation. With cash and cash equivalents of currently €7.5 million and additional unused credit facilities in the amount of €2.7 million, the Hönle Group's financing is on solid ground. A cash pooling arrangement optimises the liquidity supply of the individual companies of the Hönle Group and minimises the respective liquidity risks. To finance the acquisition of commercial real estate, the Hönle Group has taken out bank loans, which are repaid annually. Long-term bank liabilities (T€ 37,774) and short-term bank liabilities (T€ 12,978) decreased by a total of T€ 3,447 in the reporting year.

On the other hand, debt financing offers growth opportunities. Debt financing enables investments that would otherwise not be possible or only with a certain time lag.

Financial risks include risks associated with financial losses due to fluctuating economic data such as data pertaining to exchange and interest rates. Such risks may impact negatively on the Company's net assets, financial position or results of operations. It is to be assumed that rising euro exchange rates could adversely impact on Hönle's export business. However, since sales are for the most part invoiced in euros, Hönle usually does not engage in currency hedging transactions. Hönle addresses exchange rate fluctuations which affect regional price structures through continuous market monitoring and through product or price adjustments, as required. A weaker euro entails the risk of higher costs of materials.

On the other hand, a falling euro exchange rate offers the Hönle Group an opportunity for competitive advantages outside the euro zone with positive effects on the earnings situation. Savings in the cost of materials will result from a rising euro exchange rate. Changing interest rates involve financing risks. Interest rates are currently decreasing since inflation rates dropped again. In order to finance commercial real estate and corporate shares, the Hönle Group has, among other things, taken out loans with variable interest rates. Derivative financial instruments in the form of interest rate swaps were used in this context for hedging against interest risks. Overall, the interest rate risk is of minor relevance for the Hönle Group at present. Nevertheless, higher interest rates generally tend to make favourable financing more difficult.

Opportunities arise from falling interest rates. They facilitate the financing of investments and corporate acquisitions. However, no significant corporate acquisitions are planned at present.

Material risks for the Hönle Group	Probability of occurrence	Impact	Trend
<b>Market and general conditions</b>			
General economic conditions	medium	critical	→
Availability of materials	low	critical	↘
Energy and commodity prices	medium	critical	→
Regulation	low	critical	→
<b>Operational development</b>			
Dependence on key customers	medium	critical	→
Technology	medium	critical	→
IT systems	low	critical	→
Payment behaviour	low	critical	↗
Staff availability	low	material	↘
<b>Finance</b>			
Goodwill	medium	critical	→
Liquidity	medium	critical	→
Financial market	medium	material	→

### **Adequacy and effectiveness of the internal control and risk management system (unaudited)**

The scope and design of the internal control system (ICS) and the risk management system (RMS) are at the discretion and responsibility of the Management Board. The internal control system comprises the principles, procedures and measures to ensure compliance with the relevant legal requirements. In addition, technical and organisational rules are designed to prevent damage caused by the Company's own staff or third parties. For this reason, Dr. Höhle AG also has a Compliance Management System (CMS) that is geared to the Company's risk situation.

Dr. Höhle AG's risk management system incorporates strategic corporate planning, internal reporting and the internal control system. Strategic corporate planning is aimed at identifying and utilising future opportunities while assessing the associated risks that may arise. Internal reporting serves as an information system that provides information about current developments and existing risks. The internal control system is continuously used to identify risks, to initiate the corresponding measures and to monitor their implementation and effectiveness. Reporting to the Management Board takes place regularly and promptly. The reporting includes relevant financial indicators and comprises a detailed comparison of actual figures with budgeted figures.

In addition, risks are monitored in regular meetings of all departments of Dr. Höhle AG as part of risk management and measures to be taken are discussed. Here, too, a prompt report is made to the Management Board. In order to properly implement its internal risk management guidelines, Höhle also uses a specially designed manual. The contents of the manual include rules of conduct for identifying, analysing, assessing, treating, monitoring and documenting risks.

The major preconditions for an adequate internal control system include an adequate merchandise information system, in-depth staff training, the allocation of responsibilities, functional segregation and controlled access at IT system level. In order to eliminate any threat to data security as far as possible, Höhle aims to constantly review and further enhance preventive measures in the area of IT. In so doing, regular system updates and potential system enhancements are just as important to us as is the observance of internal security guidelines by our employees. Protection against unauthorised access, misuse and destruction is ensured, among other things, by the use of multi-layer firewall systems and virus protection programmes, through access controls at operating system and application level as well as by performing multiple data backups. Employees receive regular training in IT security/cybersecurity. The IT system structure contributes to prompt and adequate recording of all relevant information and ensures the greatest possible security throughout the group.

Dr. Höhle AG conducts an internal audit of the internal control and risk management system once a year while also reviewing the adequacy and effectiveness of these systems. Based on the risk reports, the regular risk meetings, the risk-bearing capacity and the annual analysis of the adequacy and effectiveness of the systems, the Management Board is not aware of any facts that lead to the assessment that the internal control and risk management system is not appropriate and effective in all material respects in the 2023/2024 financial year.

### **Internal control and risk management system with regard to the accounting process**

Disclosures pursuant to Section 289 (4) and 315 (4) HGB

One of the main objectives of the ICS is to ensure that the single-entity and consolidated financial statements comply with the law. The ICS contains the principles, procedures and measures to ensure the regularity of financial reporting. It is designed in a way that the annual financial statements are prepared in accordance with the relevant provisions of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG). The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and the additional provisions of commercial law pursuant to Section 315e (1) of the German Commercial Code (HGB).

The tasks of the risk management system and the internal control system include monitoring the accounting processes. In addition to identifying and assessing the risks that could hinder the preparation of financial statements in compliance with the rules and regulations, it is mandatory to take appropriate measures to avert such risks.



The preparation of Dr. Höhle AG's financial statements incorporates the internal control system and the risk management system. Internal reporting serves as an information system that provides information about current developments and existing risks. The internal control system aims to identify risks, initiate the required measures and monitor their implementation and effectiveness. It also encompasses Dr. Höhle AG's accounting process. Controlling is responsible for analysing the accounting process. Key financial indicators are regularly and promptly reported to the Management Board. The reporting also comprises a detailed comparison of actual figures with budgeted figures.

The major preconditions for an adequate financial accounting include an adequate merchandise information system, in-depth staff training, the allocation of responsibilities, functional segregation at the Accounting department, and controlled access at IT system level. Dr. Höhle AG implemented an ERP (Enterprise Resource Planning) and accounting system that enables appropriate accounting. In addition, the Höhle Group has established a uniform, Group-wide ERP system and implemented a certified consolidation program aimed at ensuring fast and reliable financial accounting. Newly founded or acquired companies are usually integrated promptly into the existing ERP system. In this context, Dr. Höhle AG also performs the accounting function centrally as a service provider for other Höhle Group companies. The accounting process is based on the principle of dual control. The information provided in the financial statements as well as financial statements preparation are subject to defined approval processes. The figures stated in the financial statements are analysed and any changes are reviewed in the context of financial statements preparation.

### **Risk Management with regard to financial instruments**

Disclosures pursuant to Sections 289 (2) No. 1 and 315 (2) No. 1 HGB

In its capacity as the controlling group company, Dr. Höhle AG monitors, coordinates and directs the financial activities of the Höhle Group. Ensuring that sufficient liquidity reserves are in place is top priority for Höhle in this context, and great emphasis is placed on achieving optimised profitability while minimising risks at the same time.

#### **Liquidity risk**

Liquidity risk could be of relevance to the Höhle Group if current or future payment obligations cannot be met due to insufficient availability of cash/cash equivalents. Long-term financial planning, which extends over several years, and regular liquidity planning ensure the review of the Company's solvency at all times. Since financial covenants have been agreed with financial institutions in some cases, liquidity risk could increase if the credit conditions are not met and the bank makes use of the option of calling in long-term debt in the short term. Regular monitoring of credit terms is intended to counteract this risk.

#### **Default risk**

A potential financial risk in all business transactions is the risk of default from the failure of contracting parties to meet their payment obligations as scheduled. Höhle reviews its business partners' credit standing, paying special attention to major customers. The continuous monitoring of business transactions is to ensure a low risk of default.

Achieving the plan targets of equity investments held by Höhle plays a major role in Dr. Höhle AG's existing risk exposure. This applies, in particular, to the carrying amounts of equity investments as well as to loans and receivables vis à vis equity holdings. If the equity investments fail to meet the planned targets or if necessary measures as a response to further developments cannot be taken in time, the recognised values must be reviewed to identify any write-down requirements.

#### **Market risk**

Market risk entails financial losses arising from fluctuating market prices, e.g. with respect to raw materials, exchange rates, interest rates or securities. Commodity price risk, currency risk and interest rate risk are particularly relevant to the Höhle Group. Such risks may impact negatively on the Company's net assets, financial position or results of operations. Following a careful assessment based on a cost-benefit analysis, the Höhle Group largely decided not to implement special hedging measures against currency and commodity price risks.

Depending on the changing market situation, significant price fluctuations may affect purchase prices for required raw materials or for energy supply. From a current perspective, neither the existing nor the expected market risks represent a threat to the Höhle Group's continued existence as a going concern.

On the other hand, favourable price developments concerning energy and raw materials could have a positive impact on the Höhle Group's net assets, financial position and results of operations.

Currency risk comprises risks arising from exchange rate fluctuations that may impact on the competitiveness of the Hönle Group's products and purchase prices. Since the Hönle Group settles most of its purchase and sales transactions in euros, the currency risks associated with the settlement of services and deliveries from suppliers or to customers are limited. Hönle reviews the use of hedging instruments in individual cases.

Interest rate risk arises from changes in interest rates. Derivative financial instruments in the form of interest rate swaps were used to hedge against interest risks. Due to the effectiveness of the hedging instruments, Dr. Hönle AG is not exposed to any earnings risk that must be recognised in the balance sheet since any negative fair values of the financial instrument are matched by positive developments of the related hedged item. For further details, reference is made to the disclosures in the notes to the consolidated financial statements.

### **Overall assessment of the opportunity and risk situation**

With high-performance products in various industries and fields of application, the Hönle Group is well positioned and has a solid financial footing. The business activities focus on the development of customer-specific products.

Supply bottlenecks, which represented a significant risk for the Hönle Group in recent years have declined and the staff availability improved. From a current perspective, the biggest risk is the economic trend, which has a significant impact on Hönle's business performance.

On the other hand, economic opportunities arise for the Hönle Group from the opening up of new markets and fields of application. The establishment of active product management is intended to help bring competitive products to the market on the one hand and to strengthen customer loyalty, particularly with strategic partners, on the other.

Currently, no risks are discernible that could jeopardise the Company's continuation as a going concern now or in the future.

## Forecast report

### Market outlook

Economic momentum is expected to remain moderate in 2025 with projected growth of 3.2%. The International Monetary Fund is forecasting major regional deviations in economic growth, with geopolitical and monetary policy risks having the potential to negatively impact economic activity. While the U.S. economy is expected to remain robust, only slight growth is forecast for the euro area. The greatest challenges for the euro area will come from Germany and France, both of which are experiencing inner unrest that is impeding economic growth. In 2024, weak global trade and a lack of investment led to an 8% drop in production in real terms in the machinery and equipment sector, according to the German Machinery and Equipment Manufacturing Association (VDMA). The VDMA does not expect to see a turnaround until later in 2025. In the key global trade market of China, unresolved structural issues mean that accelerated growth is still not in sight.

The risks for the global economy lie in a potential exacerbation of many geopolitical conflicts and in the unpredictability of the incoming U.S. president taking office in January 2025. An uptick in trade disputes in particular would negatively impact the global economy.

### Outlook for the Höhle Group

The performance of the Höhle Group is tied to the performance of the global economy as well as the general economic situation. This Outlook is based on the detailed budgets drawn up for the individual companies within our three business units.

### Adhesive Systems BU

The Höhle Group offers high-performance solutions for industrial customers in the form of a wide range of high-tech adhesives. Höhle has bundled its UV curing adhesives with the associated UV curing equipment in the Group's newly created Adhesive Systems business unit. This enables us to offer customised solutions for industrial manufacturing processes that meet all specifications of application-specific joining techniques.

One area of focus is electronic packaging, where we are focussing on implementing these solutions to a greater extent. The electronic packaging market is growing rapidly given the higher quantities of data to be processed and increasing power of electronic components and products as a result of artificial intelligence, self-driving vehicles and connected electronic devices, for example.

In addition to the adhesive quality itself, modern adhesives are more often than not expected to meet additional requirements such as establishing electrical connections, allowing heat to dissipate, ensuring structural stability and protecting components from environmental factors.

Medical technology is another growth market that the Höhle Group has decided to pursue. Medical products pose special challenges for manufacturers. Not only must the materials used not be hazardous to health, but even the smallest parts must be precisely manufactured and permanently connected in addition to being able to withstand various sterilization methods. This applies in particular to the adhesives utilised. An important field of application involves the adhesives used to bond needles to syringes. This is an area in which the Höhle Group has proven expertise in the adhesive systems required for such bonding. Höhle also offers a wide range of adhesives for use in the various components of wearables and other smart devices.

From a regional perspective, we plan to focus on East Asian markets for electronic packaging applications. We also intend to step up our activities in the U.S. market. Höhle has hired employees in these regions specifically for the purpose of increasing unit sales of customer-specific industrial adhesives. On the whole, the Management Board expects both revenue and earnings to increase significantly over the next few years.

### Curing BU

Höhle's Curing business unit supplies curing systems for the printing industry, especially for use in printing packages, in applying coatings to two- and three-dimensional objects and in technical sheets and labels. Höhle sees good growth opportunities in many industrial fields of application in which high demands are placed on functional surface coatings, among other areas.

To improve the Group's competitive standing, new products are being strategically developed in defined focus areas. The development process centres on the customer with the aim of providing user-friendly systems that will create the foundation for increasing sales volumes over the coming years. Profitability improvements are expected from restructuring the product range and from leveraging savings potential on the procurement side. Project management is being expanded with the goal of analysing our product range and strategically targeting the application fields of the future. The Management Board expects rising revenues to lead to positive earnings contributions from the Curing BU in the coming years.

## Disinfection BU

We have brought together our systems for disinfecting water, surfaces and air using UV light in the Disinfection business unit. In terms of application areas, the Disinfection BU focuses on ballast water in container ships and process water in addition to drinking water and wastewater. In this context, Hönlle supplies leading manufacturers of water treatment systems with lamps and components. The Company also offers disinfection solutions for the food industry as well as industrial-strength air sterilizers.

Dr. Hönlle AG acquired a majority shareholding in STERIXENE SAS in financial year 2023/2024, thereby expanding its product line to include pulsed ultraviolet light. The acquisition will additionally enable the Company to carry out microbiological tests, which are required for quality control purposes in the food industry. Hönlle has therefore become a system supplier since it now offers both the equipment for the disinfection process as well as quality assurance services for its customers.

The Group's selective expansion of product management will enable a targeted development of new, high-potential fields of application. Promising new application areas for UV radiation are emerging in the pharmaceutical industry, for example, as well as in the semiconductor industry for the treatment of ultrapure water.

Disinfection with ultraviolet radiation is reliable, efficient and environmentally friendly, which is why UV light disinfection is increasingly becoming the method of choice. On the whole, the Management Board expects both revenue and earnings to increase in the Disinfection BU over the next few years based on growing demand in existing markets and high-potential new fields of application.

## Overall assessment of future performance of the business

The Hönlle Group has laid the foundation for a successful business trend going forward by initiating a number of action plans, some of which have already been executed. These include cost reduction measures that will take effect during financial year 2024/2025. We have been discontinuing unprofitable product lines and selling off equity interests outside of our core business. In addition, we created Centres of Excellence in order to bundle skillsets and established a joint R&D organisation covering multiple site locations. Going forward, R&D will focus more specifically on creating a platform strategy and on modularisation. Hönlle has established a Lifecycle Solutions department aimed at boosting revenues in the profitable after-sales segment. Our process workflows will also benefit from the restructuring of our business units described above. We are now much more customer-centric than under the previous structure. All steps taken serve to create a basis for increasing revenue in the business units and improving their EBITDA.

The package of measures initiated are in line with the Management Board's strategy of achieving sustained strong business performance and a return to high profitability for the Hönlle Group.

According to leading economic experts, the economy is not expected to pick up until the second half of the year. In light of the current challenges in many markets, in the 2024/2025 financial year the Management Board is projecting revenue of between €95 million and €105 million for the Hönlle Group (financial year 2023/2024: €98.7 million). Due to the cost control measures initiated, the Management Board additionally expects an operating result before depreciation (EBITDA) that will be significantly higher than the adjusted EBITDA result for the 2023/2024 financial year (€5.5 million).

Gilching, 23 January 2025

Dr. Markus Arendt  
Management Board

Robert Stark  
Management Board

# Statement of the Company's Management

We affirm that, to the best of our knowledge, the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the group in accordance with generally accepted accounting principles. The group management report provides a suitable understanding of the course of business, including the business results and the group's position, and suitably presents the opportunities and risks of future development.

Gilching, 23 January 2025

Dr. Hönle AG

Management Board



# Statement on Corporate Governance (unaudited)

pursuant to Section 289f HGB and Section 315d HGB

## Declaration of Compliance with the German Corporate Governance Code (DCGK) pursuant to Section 161 AktG

The Management Board and Supervisory Board of a stock corporation listed in Germany are obliged under Section 161 (1) AktG to submit a declaration at least once a year about the extent to which the recommendations of the DCGK have been complied with in the past and how this is intended for the future.

The Management Board and Supervisory Board of Dr. Hönle AG declare that since the publication of the Corporate Governance Statement in January 2024 the recommendations of the Government Commission on the German Corporate Governance Code as amended on 28 April 2022, published by the Federal Ministry of Justice and Consumer Protection (BMJ) in the official section of the Federal Gazette, have been and are being complied with, with the following exceptions:

### C.10 Composition of the Supervisory Board; independence of the Supervisory Board

The Supervisory Board Chairman should be independent from the company and the Management Board (Recommendation C.10, DCGK 2022).

The Supervisory Board of Dr. Hönle AG seconded Dr. Franz Richter, who was Chairman of the Supervisory Board of Dr. Hönle AG, to the Management Board from 1 May 2023 till 30 April 2024. During his tenure on the Management Board, he was temporarily stepping down from the Supervisory Board and his pertaining rights were suspended, and Mr. Niklas Friedrichsen took over as Chairman of the Supervisory Board of Dr. Hönle AG. Mr. Friedrichsen is managing director of the Peter Möhrle Group, which (indirectly via Zweiunddreißigste PMB Management GmbH, Hamburg) holds more than 10% of the shares in Dr. Hönle Aktiengesellschaft, meaning that it holds more than 10% of the Company's share capital.

### D.4 Supervisory Board procedures; Nomination Committee

The German Corporate Governance Code recommends that the Supervisory Board form a Nomination Committee that is exclusively composed of shareholder representatives (Recommendation D.4, DCGK 2022). Due to the current size and structure of the Supervisory Board, the Company's Supervisory Board does not consider it necessary to form a Nomination Committee for proposing suitable candidates. The entire Supervisory Board is responsible for deciding on the Supervisory Board's election proposals to the Annual General Meeting.

### F.2 Transparency and external reporting; publication deadlines for financial information

The German Corporate Governance Code recommends that the consolidated financial statements and group management report be made publicly accessible within 90 days of the end of the financial year and that mandatory interim financial information be made publicly accessible within 45 days of the end of the reporting period (Recommendation F.2, DCGK 2022). As before, Dr. Hönle AG will continue to publish preliminary figures for the financial year within 90 days. However, the annual report is published within four months of the end of the reporting period in accordance with the rules of the Frankfurt Stock Exchange for Prime Standard stocks. Semi-annual reports and quarterly reports are published within two months of the end of the reporting period in accordance with the rules of the Frankfurt Stock Exchange. Reducing the time to publication would result in disproportionately high administrative costs. The publication deadlines will therefore remain unchanged until further notice.

### G.6 Remuneration of the Management Board; proportion of long-term targets in relation to short-term targets in variable remuneration

The German Corporate Governance Code recommends that the share of variable remuneration achieved as a result of reaching long-term targets exceed the share from short-term targets (Recommendation G.6, DCGK 2022). The Annual General Meeting in March 2024 approved the remuneration system for the Management Board, in which the variable remuneration resulting from the achievement of long-term targets exceeds the proportion of short-term targets. Since then, Dr. Hönle AG has complied with the requirements of the Code. The Supervisory Board had previously been of the opinion that the Management Board should also ensure the sustainable development of the Company if the proportion of long-term variable remuneration does not exceed the proportion of short-term variable remuneration.

### **G.7 Remuneration of the Management Board; performance criteria for variable remuneration components**

Referring to the forthcoming financial year, the German Corporate Governance Code recommends that the Supervisory Board establish the performance criteria for each Management Board member; besides operating targets, the performance criteria should be geared mainly towards strategic goals. The Supervisory Board should also determine the extent to which individual targets for each Management Board member – or targets for the entire Management Board as a whole – are decisive for the variable remuneration components. The Annual General Meeting in March 2024 approved a remuneration system for the Management Board in which the performance criteria for all variable remuneration components have been defined, based on both operational and strategic targets. Since then, Dr. Hönle AG has complied with the requirements of the Code. The Supervisory Board had previously been of the opinion that operational objectives are in most cases also based on underlying strategic objectives and a remuneration system based on the establishment of individual targets would be too complicated and imprecise.

### **G.10 Remuneration of the Management Board; variable remuneration based on company shares**

Taking the respective tax burden into consideration, the German Corporate Governance Code recommends that the variable remuneration amounts of Management Board members be invested predominantly in company shares by the respective Management Board member, or be granted as share-based remuneration. Granted long-term variable remuneration components should be accessible to Management Board members only after a period of four years (Recommendation G.10, DCGK 2022). The Annual General Meeting in March 2024 approved a remuneration system for the Management Board, in which the variable remuneration amounts will largely be granted as share-based remuneration by the Supervisory Board. Since then, Dr. Hönle AG has complied with the requirements of the Code. The Supervisory Board had previously been of the opinion that the previous remuneration system without share-based components and multi-year vesting restrictions had proved its worth and should therefore not be changed.

### **G.11 Remuneration of the Management Board; extraordinary developments**

The German Corporate Governance Code recommends that the Supervisory Board have the possibility to account for extraordinary developments to an appropriate extent (Recommendation G.11, DCGK 2022). It should be permitted to retain or reclaim variable remuneration if justified. The Annual General Meeting approved in March 2024 a remuneration system for the Management Board that complies with these recommendations of the German Corporate Governance Code. Since then, Dr. Hönle AG has complied with the requirements of the Code. The Supervisory Board had previously been of the opinion that the statutory requirement to reduce remuneration in accordance with Section 87 (2) AktG was sufficient.

### **G.13 Remuneration of the Management Board; severance cap and offsetting against non-compete compensation payments**

The German Corporate Governance Code recommends that any payments made to a Management Board member due to early termination of their Management Board activity should not exceed twice the annual remuneration (severance cap) and should not constitute remuneration for more than the remaining term of the employment contract. If post-contractual non-compete clauses apply, the severance payments should be taken into account in the calculation of any compensation payments (Recommendation G.13, DCGK 2022). The Annual General Meeting approved in March 2024 a remuneration system for the Management Board that complies with these recommendations of the German Corporate Governance Code. Since then, Dr. Hönle AG has complied with the requirements of the Code. To date, the Supervisory Board has complied with the provisions agreed in the employment contract regarding remaining terms and non-compete compensation payments.

### **G.16 Remuneration of the Management Board; Supervisory Board decision on offsetting remuneration from supervisory board memberships at non-group entities against the remuneration paid to Management Board members**

The German Corporate Governance Code recommends that when members of the Management Board assume Supervisory Board memberships outside the Group, the Supervisory Board should decide whether and to what extent the remuneration from any such memberships should be taken into account in their remuneration (Recommendation G.16, DCGK 2022). The Annual General Meeting in March 2024 approved a remuneration system for the Management Board, which grants the Supervisory Board the right to decide on whether or not to take into account non-Group Supervisory Board memberships in Management Board remuneration. Since then, Dr. Hönle AG has complied with the requirements of the Code. The Supervisory Board had previously been of the opinion that remuneration for non-Group Supervisory Board memberships should not be offset against Management Board remuneration and that Management Board members should be able to decide on their own responsibility whether they could hold seats on non-Group Supervisory Boards in view of the time required for their Management Board duties.

## **Presentation of the Remuneration Report on the last Financial Year and Auditor's Assurance Report pursuant to Section 162 AktG, applicable Remuneration System pursuant to Section 87a (1) and (2) Sentence 1 AktG and most recent Remuneration Resolution pursuant to Section 113 (3) AktG on the Company's Website**

The remuneration system resolved by the Supervisory Board pursuant to Section 87a (1) and (2) Sentence 1 of the German Stock Corporation Act, which was approved by the Annual General Meeting on 20 March 2024, is available on the website of Dr. Hönle AG at <https://www.hoenle.com/company/corporate-governance>. The remuneration report pursuant to Section 289f HGB has been published at <https://www.hoenle.com/company/corporate-governance>.

## **Information on corporate governance practices**

In addition to the statutory regulations and the German Corporate Governance Code (DCGK), Dr. Hönle AG attaches great importance to acting responsibly in all areas of the Group. The Code of Conduct of Dr. Hönle AG has been published on the Internet under <https://www.hoenle.com/company/corporate-governance>. It contains the Company's mission statement and sets out rules of conduct. It identifies potential areas of risk and conflict, serves as an orientation aid for all employees of the Hönle Group and supports the implementation of regulatory requirements in daily activities.

## **Description of the working methods of the Management Board and the Supervisory Board and the composition and working methods of their committees**

The Management Board and Supervisory Board of Dr. Hönle AG form the dual management and control structure as stated under the provisions of the German Stock Corporation Act. The Management Board and the Supervisory Board work closely together for the benefit of the Company.

## **Tasks and working methods of the Management Board**

In the reporting year the Management Board of Dr. Hönle AG consisted of one person and since 1 October 2024 it consists of two persons. The Management Board is responsible for managing the Company in the Company's interests, developing the Company's strategic direction, coordinating it with the Supervisory Board and ensuring its implementation. The Management Board conducts the Company's business on its own responsibility in accordance with the law, the Company's Articles of Association and the rules of procedure of the Management Board, thereby taking into account the resolutions made at the Annual General Meeting. The allocation of responsibilities and cooperation within the Management Board are governed, among other things, by the Rules of Procedure for the Management Board. The Management Board represents the Company vis-a-vis third parties. The Company is managed by way of regular strategic discussions at Management Board level and with the Business Units heads. The Management Board is informed monthly about the development of key parameters of Dr. Hönle AG and its subsidiaries. The Management Board takes suitable measures to identify any developments that could jeopardise the continued existence of the Company at an early stage. This system is continuously being enhanced and adapted to changing framework conditions. The risk report includes further information on risk management.

## **Tasks and working methods of the Supervisory Board**

The Supervisory Board of Dr. Hönle AG appoints the Management Board members and monitors and advises the Management Board on the management of the business. It is involved in all decisions of fundamental importance at all times in a timely and appropriate manner. The Management Board informs the Supervisory Board regularly, promptly and comprehensively about the course of business, the results of operations and financial position, the employment situation and the Group's planning and projects. As preparation for the meetings, the Supervisory Board receives regular written reports from the Management Board. After careful examination and consultation, the Supervisory Board adopts resolutions, if necessary. Rules of procedure regulate the tasks of the Supervisory Board and the internal organisation of the Supervisory Board. The rules of procedure are publicly accessible on the Internet at <https://www.hoenle.com/company/corporate-governance> (Recommendation D.1, DCGK 2022). The Supervisory Board holds at least two meetings every six months. The meetings of the Supervisory Board are usually held in person. The meetings of the Supervisory Board are convened by the Chairman of the Supervisory Board or, if he is prevented from doing so, by his deputy. The resolutions of the Supervisory Board are passed in meetings chaired by the Chairman of the Supervisory Board. The Chairman of the Supervisory Board determines the type of vote. Resolutions may also be adopted in writing, by e-mail, by fax or by telephone provided no member of the Supervisory Board objects to such procedure immediately. Resolutions of the Supervisory Board are passed with a simple majority of the votes cast, unless otherwise stipulated by law or the Company's Articles of Association. Further details on the activities of the Supervisory Board are set out in the report of the Supervisory Board.

The German Corporate Governance Code recommends that the Supervisory Board, together with the Management Board, ensure that long-term succession planning is in place (Recommendation B.2, DCGK 2022). The Supervisory

Board of Dr. Höhle AG is in constant communication with the Management Board as to whether the current composition of the Management Board corresponds to the Company's strategic objectives. Employees and managers of the Company receive individual training to prepare them for possible management positions. As a matter of principle, the Supervisory Board initially makes a concerted effort to recruit executive staff from within the Group for positions on the Management Board. If no suitable candidates are available from within the Group, the Supervisory Board uses recruitment agencies to identify and recruit suitable candidates for any Management Board positions that need to be filled.

The German Corporate Governance Code recommends that an age limit be specified for members of the Supervisory Board and be disclosed in the Corporate Governance Statement (Recommendation C.2, DCGK 2022). The Supervisory Board set an age limit for members of the Supervisory Board in accordance with the recommendation of the German Corporate Governance Code. The limit is 75 years of age starting from the end of the Annual General Meeting in March 2024.

In accordance with the German Corporate Governance Code, the Supervisory Board must be composed in such a way that its members have the required knowledge, skills and professional experience to duly perform their tasks. The Supervisory Board drew up a profile of skills and expertise and set targets for its composition. The entire Supervisory Board is expected to meet the following criteria:

- A sufficient number of Supervisory Board members must be engaging in international activities or have international experience
- Knowledge and experience in the areas of corporate management and control, internationality, legal/compliance, human resources, sustainability/ESG, financing, accounting, auditing, technology, digitalisation/IT
- Understanding of the Höhle Group's business activities, including the market environment, customer structure and strategic orientation, as well as a basic understanding of the technology used
- Avoidance of material conflicts of interest (in accordance with recommendation E.1, DCGK 2022)
- Independence of the majority of Supervisory Board members (in accordance with recommendation C.7, DCGK 2022)
- Taking adequate diversity into account in the composition of the Supervisory Board

The Supervisory Board is of the opinion that in its current composition and as a whole it fulfils the defined objectives and meets the profile of skills and expertise. The objectives of the Supervisory Board for its composition are taken into account in the election proposals to the Annual General Meeting while simultaneously aiming at fulfilling the overall profile of required skills and expertise of the Supervisory Board (Recommendation C.1, DCGK 2022).

The extent to which the defined objectives are met and the degree of implementation of the profile of required skills and expertise are disclosed below in the form of a skills and qualifications matrix.

## Skills and qualifications matrix of the Supervisory Board

As at 24.01.2025	Niklas Friedrichsen	Dr. Bernhard Gimple	Prof. Dr. Imke Libon	Melanie Ott	Dr. Franz Richter
Characteristics					
Position	Chairman	Member	Member	Member	Member
Member since	2022	2015	2021	2024	2023
Independent pursuant to DCGK	✓	✓	✓	✓	✓
Diversity					
Year of birth	1966	1970	1971	1976	1955
Gender	m	m	f	f	m
Nationality	German	German	German	German	German
Education	Tax consultant Diplom-Kaufmann (Business Administration graduate)	Volljurist (fully qualified lawyer) Bankkaufmann (banker)	Professor, Physicist	Diplom Ingenieurin Chemie (graduate engineer chemistry)	Dr. Ing. Physik (PhD in physics)
Occupation	Managing Director	Lawyer	Professor, Dean	CEO	Management Board (secondment)
Professional knowledge					
Corporate governance and control	✓			✓	✓
Internationality	✓		✓	✓	✓
Legal/compliance	✓	✓			
Human resources	✓	✓	✓	✓	✓
Sustainability/ESG	✓		✓	✓	✓
Technology			✓	✓	✓
Digitalisation/IT			✓	✓	✓
Financial expert in terms of Section 100 (5) AktG:					
- Accounting	✓	✓			✓
- Auditing of financial statements	✓		✓		

The German Corporate Governance Code also recommends that information be provided on the number of independent shareholder representatives on the Supervisory Board and the names of these members, as deemed appropriate by the shareholder representatives (Recommendation C.1, DCGK 2022). In the opinion of the Supervisory Board, it is composed of a sufficient number of independent members if the majority of its members is independent, which is the case.

The German Corporate Governance Code recommends that the term of Supervisory Board membership be disclosed (Recommendation C.3, DCGK 2022). Niklas Friedrichsen has been a member of the Supervisory Board since 24 March 2022, Dr. Bernhard Gimple since 20 March 2015, Prof. Dr. Imke Libon since 23 March 2021 and Melanie Ott since 20 March 2024. Dr. Franz Richter has been a member of the Supervisory Board since 23 March 2023 and seconded to the Management Board from 1 May 2023 till 30 April 2024.

Recommendation D.12 DCGK 2022 stipulates that the Supervisory Board assess, at regular intervals, how effectively the Supervisory Board as a whole and its committees fulfil their tasks. The Supervisory Board regularly evaluates the efficiency of its activities. This evaluation takes place every two years. The self-assessment is standardised and essentially comprises the areas of preparation, execution, duration, frequency and documentation of the meetings, as well as the content of the meetings and cooperation with the Management Board and auditors. The last self-assessment took place in financial year 2022/2023 and confirmed the efficiency of the Supervisory Board's activities.

### **Committees of the Supervisory Board**

The Supervisory Board of Dr. Höhle AG has an Audit Committee that deals in particular with the audit of financial accounting, the monitoring of the accounting process, and the effectiveness of the internal control system, the risk management system and the internal audit system as well as the audit of the financial statements and compliance. Pursuant to recommendation D.2 DCGK 2022, the names of the respective committee members and the committee chairs should be provided. The names of the financial experts should be provided and details concerning their expertise in the areas of accounting and the auditing of financial statements should be included (Recommendation D.3, DCGK 2022). The Audit Committee consists of the following members: Niklas Friedrichsen, Dr. Bernhard Gimple und Prof. Imke Libon. Bernhard Gimple assumed the Chairmanship of the Audit Committee. As a tax consultant and given his university degree in business management and his experience as commercial manager, CFO and managing director at various companies in the mechanical engineering and service sectors, Mr. Niklas Friedrichsen distinguishes himself as an independent financial expert within the meaning of Section 100 (5) of the German Stock Corporation Act (AktG) in view of his expertise in both accounting and the auditing of financial statements. Dr. Bernhard Gimple also qualifies as an independent financial expert within the meaning of Section 100 (5) of the German Stock Corporation Act (AktG) with expertise in the field of accounting due to his many years of professional activity as a self-employed lawyer and his vocational training in banking. Prof. Dr. Libon is qualified for the Audit Committee due to her many years of experience in business consulting.

### **Target values for the percentage of women on the Management Board, the two management levels below the Management Board and on the Supervisory Board**

The Supervisory Board specifies target values for the percentage of women on the Management Board pursuant to Principle 9 DCGK 2022. The Supervisory Board considers the diversity of executive staff, and in particular the proportion of women in executive positions, to be a key aspect of the Company's development. In January 2024, the Supervisory Board set a target value for the proportion of women on the Management Board of at least 33% to be achieved by 30 September 2028 in the event that the Management Board is expanded to three members.

The Management Board stipulates target values for the proportion of women in the two management levels below the Management Board according to Principle 3 DCGK 2022. In January 2024, the Management Board set a target value for the proportion of women at the first management level below the Management Board of at least 20% and a target value for the proportion of women at the second management level below the Management Board of at least 20%, both to be achieved by 30 September 2028. At that time, the proportion of women at the first management level below the Management Board was 17% and the proportion of women at the second management level below the Management Board was 15%.

According to Principle 11 DCGK 2022, the composition of the Supervisory Board has to ensure that the legal gender quota is considered. A fixed gender quota of at least 30% women for supervisory boards is not required at Dr. Höhle AG as the Company is neither subject to the German Codetermination Act (MitbestG) nor was it established as a result of a cross-border merger. In January 2024, the Supervisory Board of Dr. Höhle AG specified that the target value for the proportion of women on the Supervisory Board to be achieved by September 2028 should be at least 40%. At that time, the proportion of women on the Supervisory Board was 20%.

### **Appointments to the Management Board; specification of an age limit for Management Board members**

The German Corporate Governance Code recommends that an age limit be specified for members of the Management Board and be disclosed in the Corporate Governance Statement (Recommendation B.5, DCGK 2022). In January 2024, the Supervisory Board set an age limit for members of the Management Board in accordance with the recommendation of the German Corporate Governance Code. The limit is 65 years of age and begun at the end of Dr. Franz Richter's term on the Management Board, on 1 May 2024.

### **Description of the diversity concept**

When electing members to the Management Board and the Supervisory Board and making appointments to executive positions, Dr. Höhle AG takes into account aspects such as educational and professional background, age, gender, and cultural heritage and strives for diversity in the composition of its Boards. The Company considers the diversity of executive staff, and in particular the proportion of women in executive positions, to be a key aspect of the Company's development. The Management Board and the Supervisory Board specified target values for the percentage of women on the Management Board, at the two management levels below the Management Board and on the Supervisory Board. The diversity target is also taken into account when drawing up the profile of skills and expertise and in the composition of the Supervisory Board. The diversity concept for the Supervisory Board includes requirements relating to educational and professional background, age and gender.



## Governing Bodies of the Company

The Company's Governing Bodies are the Management Board, the Supervisory Board, and the Annual General Meeting. The respective competencies are governed by the German Stock Corporation Act (AktG), the Company's Articles of Association, and the Rules of Internal Procedure for the Management Board and Supervisory Board.

## Annual General Meeting

Shareholders exercise their rights at the Annual General Meeting and decide on fundamental issues that concern Dr. Hönle AG by exercising their voting rights. Each share of stock carries one voting right. All important documents that are required for decision-making are also made accessible to the shareholders on Dr. Hönle AG's website in good time before the Annual General Meeting. (<https://www.hoenle.de/de/investoren/hauptversammlung>)

The shareholders may have their voting rights exercised by a proxy of their choice or by a voting representative appointed by Dr. Hönle AG, who acts upon instruction of the shareholder. Following the Annual General Meeting, the attendance and voting results are published on the Company's website.

## Management Board

### Dr. Markus Arendt

Dr. rer. pol., graduate industrial engineer (born 1967)

CEO; responsible for strategy, business units, marketing, development, production, logistics  
(since May 1, 2024)

Dr. Markus Arendt, whose contract as a board member runs until April 30th 2027, has been CEO of Dr. Hönle AG since May 2024. He has more than 20 years of experience as a Managing Director and Division Manager at international industrial companies. Recently he was Managing Director of the German subsidiary of MKS Instruments, Inc., a NASDAQ-listed supplier to the semiconductor industry. Previously, he worked for SUSS MicroTec SE for 15 years, including as Head of the UV lithography business unit and Managing Director of SUSS Photonic Systems Inc., Corona, USA. He holds a degree in industrial engineering and received his doctorate from the University of Heidelberg and the Karlsruhe Research Center (today Karlsruhe Institute of Technology KIT).

### Robert Stark

M. Sc. Finance, industrial engineer (born 1991)

CFO; responsible for finance, human resources, purchasing, IT, compliance, ESG  
(since October 1, 2024)

Robert Stark, whose contract as a board member runs until September 30th 2027, joined Dr. Hönle AG in 2022 and has been CFO since October 2024. Within his Position he is responsible for the commercial departments at the Hönle Group like purchasing, information technology & digitalization, controlling and accounting. Robert Stark has a background in auditing, which he acquired at KPMG with the focus on mid-sized and listed companies and worked previously at Robert Bosch LLC, USA. He then held a senior position at PARI Medical Holding. He is an industrial engineer and has a master's degree in finance.

## Supervisory Board

### Dr. Franz Richter

Dr. Ing. Physik /PhD in Physics

Chairman of the Supervisory Board since 3 May 2024

Dr. Franz Richter is CEO and Chairman of the Board of Managing Directors of Meyer Burger Technology AG, Thun, Switzerland. He has extensive experience in the area of developing technologies, including UV lithography, UV cleaning and silicone adhesives. Dr. Richter worked for many years at leading companies in the semiconductor and optoelectronics sectors, including Carl Zeiss AG and Süss Microtec SE. He was at Süss Microtec for 19 years, 11 of which he spent as CEO. He has held seats on various boards as well as honorary positions, including being a member of the Supervisory Board of Siltronic AG, Munich and a member of the Board of Directors of Comet Holding AG, Flamatt, Switzerland.

He was seconded to the Management Board of Dr. Hönle AG by the Supervisory Board in May 2023.

### **Niklas Friedrichsen**

Diplom-Kaufmann (Business Administration graduate), Tax Consultant  
Supervisory Board; Chairman of the Supervisory Board since 1 May 2023

Mr. Niklas Friedrichsen has been managing the holding company of the Peter Möhrle family based in Hamburg as spokesman for the management board since 2018. After completing his business studies and his training as a tax consultant, he held finance and corporate development positions in various companies in the mechanical engineering and service sectors. He also looks back on many years of experience in the commercial management and further development of family offices with a comparable investment focus.

Mr. Niklas Friedrichsen is a member of the Advisory Board of Bike Holding GmbH, Aachen

### **Günther Henrich**

Business lawyer

Deputy Chairman of the Supervisory Board

Following his activities for the Bavarian Ministry of Economics and LfA Förderbank Bayern, Mr. Günther Henrich acted as managing director at BayBG Bayerische Beteiligungsgesellschaft mbH and its predecessor companies from 1987 through 2012. Mr Henrich has played a leading role in building up BayBG to become the present market leader for SME investment capital in Bavaria. As a result, Mr. Henrich has an extensive network in Bavarian industry. He was member of the Supervisory and Advisory Boards of numerous small- and medium-sized companies. In addition, Mr. Henrich headed an expert group and was member of the Board of Directors of the German Private Equity and Venture Capital Association [BVK Bundesverband deutscher Kapitalbeteiligungsgesellschaften].

### **Dr. Bernhard Gimple**

Lawyer

Supervisory Board

Dr. Bernhard Gimple has been working as a lawyer in Munich since 2001. After completing his law studies and receiving his PhD from Ludwig-Maximilian-University in Munich, he initially worked for several large-scale supra-regional business law firms before founding the law firm, SOLEOS, together with another colleague in 2011. Since November 2005 the trained banker has also been acting as Pfandbrief trustee at Stadtparkasse Munich.

### **Prof. Dr. Imke Libon**

Professor

Supervisory Board

Prof. Dr. Libon has been Professor of Physics and Didactics at Munich University of Applied Sciences since 2009 and Dean of the Faculty of Applied Sciences and Mechatronics at Munich University of Applied Sciences since 2019. After completing her physics studies at the Friedrich-Alexander University Erlangen-Nuremberg, the University of Cambridge, UK, the University of California, Berkeley, USA, and the Technical University of Munich, she did her doctorate in applied optoelectronics at the Ludwig Maximilian University of Munich. She then worked for six years as a strategic management consultant at Booz Allen Hamilton on interdisciplinary projects in several European countries before accepting an appointment as professor at the Munich University of Applied Sciences.

After moving to Munich University of Applied Sciences, she held various positions and honorary posts for several years in addition to her teaching activities and was Vice Dean of the faculty there from 2014 to 2019. Since 2019 she has also been Deputy Chairwoman of the Board of Directors of the Munich Student Union.

### **Melanie Ott**

Graduate engineer chemistry

Supervisory Board

Ms. Melanie Ott has been CEO of artimelt AG, based in Sursee, Switzerland, since January 2023. She looks back on many years of professional experience at leading international adhesive companies. After completing her chemistry studies, she held various positions in technology, sales and management in the adhesives industry. After working at 3M Deutschland GmbH and Henkel AG & Co. KGaA, she took on various management positions at H.B. Fuller Deutschland GmbH.

# Independent Auditor's Report

To Dr. Hönle Aktiengesellschaft, Gilching

## Report on the Audit of the Consolidated Financial Statements and the Combined Management Report

### *Audit Opinions*

We have audited the consolidated financial statements of **Dr. Hönle Aktiengesellschaft, Gilching**, and its subsidiaries (the Group) – which comprise the consolidated statement of financial position as at 30 September 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the statement of consolidated cash flows for the financial year from 1 October 2023 to 30 September 2024, and the notes to the consolidated financial statements, including a summary of significant accounting policies. We also audited the management report, which is combined with the Group management report (hereinafter referred to as combined management report) of Dr. Hönle Aktiengesellschaft, Gilching, for the financial year from 1 October 2023 to 30 September 2024. In accordance with German law, we have not audited the content of the Corporate Governance Statement pursuant to Sec. 289f and Sec. 315d HGB [“Handelsgesetzbuch”: German Commercial Code] and the separate Non-Financial Report pursuant to Sec. 289b and Sec. 315b HGB published on the internet site of the Company that are referred to in the section titled “Corporate Governance Statement (unaudited)” and the section on the “Business Operations and General Conditions - Non-Financial Statement (unaudited)” of the combined management report and the non-statutory disclosures recommended in item A.5 of the German Corporate Governance Code contained in the section of the combined management report titled “Opportunities and Risk Report for the Dr. Hönle AG and the Hönle Group - Adequacy and Effectiveness of the Internal Control and Risk Management System (unaudited)”.

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

- the accompanying consolidated financial statements comply, in all material respects, with the requirements of IFRSs, as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB and give a true and fair view of the assets, liabilities and financial position of the Company as at 30 September 2024 and of its financial performance for the financial year from 1 October 2023 to 30 September 2024 and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the components of the combined management report whose content we, as described above, have not audited.

Pursuant to Sec. 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 combined management report.

### *Basis for the Audit Opinions*

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Sec. 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as “EU Audit Regulation”) 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 Combined Management Report” section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) lit. (f) of the EU Audit Regulation, we declare that we have not provided any non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. 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 combined management report.

### *Key Audit Matters in the Audit of the Consolidated Financial Statements*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 October 2023 to 30 September 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, we do not provide a separate audit opinion on these matters.

We summarize what in our view are the key audit matters below:

Value of goodwill

Regarding value of goodwill

a) The risk for the financial reporting

Goodwill of EUR 11,043k (prior year: EUR 18,400k) is carried in the consolidated financial statements of Dr. Hönle Aktiengesellschaft, Gilching, under the line item "Goodwill". This corresponds to 7.1% of the total consolidated assets. Goodwill is subject to an impairment test on the reporting date of each respective reporting year. The impairment test also reflects the change in the reporting structure in the sense of IAS 36.87 at the end of the financial year. An additional impairment test as at 3 September 2024 was conducted in financial year 2023/2024 because the market capitalization at this time fell below the carrying amount of the net assets of Dr. Hönle Aktiengesellschaft, which, according to IAS 36.12 (f) represents an indication of a potential impairment. The impairment tests revealed a need to record impairment losses of EUR 7,727k as the recoverable amounts of two of the cash-generating units were below their carrying amounts.

The impairment test of goodwill is based on the discounted cash flow method at the level of the smallest respective cash-generating unit. If the carrying amount of goodwill is above the recoverable amount of the respective cash-generating unit, an impairment loss must be recorded. For more information on the accounting policies for goodwill and impairment testing, reference is made to the disclosures made in note "2. Estimates and Assumptions" of the "General Information" section of the Notes to the Consolidated Financial Statements as well as note "5. Accounting and Valuation Methods" and subsection "20. Non-Current Assets".

The application of the discounted cash flow method to measure the value-in-use of a cash-generating unit is complex and depends – to a large degree – on discretionary judgments on the part of the executive directors in terms of the future cash flows from the anticipated development of business and earnings of the cash-generating unit over the planning horizon as well as the determination of the discount rate.

In this regard there is a risk for the consolidated financial reporting that a potential need to record an impairment loss is not identified or not fully quantified on the reporting date. In our professional judgment, this therefore constitutes a key audit matter.

b) Auditor's response and conclusions

In order to assess the appropriateness of the planning assumptions we obtained an understanding of the planning process and the associated controls in the course of interviews of the executive directors and the officers responsible for the planning. We compared the planning figures used in the respective impairment tests with the business planning compiled by the executive directors and approved by the supervisory board.

The reliability of the business planning was assessed using a retrospective analysis of the deviations between the budget figures underlying the valuation performed in previous years and the actual course of business in financial year 2023/2024. Where any significant deviations were identified, we discussed these with the applicable employees in charge of the matters at Dr. Hönle Aktiengesellschaft, Gilching, in terms of the relevance of the deviations for the consolidated financial statements of the reporting year. In addition, the material planning assumptions presented by management were critically appraised and their plausibility checked against our expectations. In light of the changes to the internal reporting structure and the reorganization of the divisions, we also interviewed the heads of the business units about the future strategies being pursued by the respective business units.

With assistance from our valuation specialists, we assessed the appropriateness of the methods and key parameters used by the Company in the calculation, which include the discount rate (weighted average cost of capital), the market risk premium, the applicable beta and the growth factor.

In order to ensure the clerical accuracy of the valuation method applied by the Company we verified the calculations by assessing selected elements on a risk-oriented basis.

In addition, we reviewed whether the carrying amounts of the respective cash-generating units have been properly determined on the basis of the assets and liabilities to be considered on the reporting date.

We verified the informative value of the sensitivity analyses performed by the Company for the cash-generating units, which examine a change in the discount rate and the revenue, and assessed their clerical accuracy.

In our professional judgment, the calculation method applied by Dr. Hönle Aktiengesellschaft, Gilching, for its impairment testing is appropriate for determining a potential need to record an impairment loss. The valuation parameters and assumptions generally seem to be comprehensible and reasonable.

### *Other Information*

The executive directors and the Supervisory Board are responsible for the other information. The other information comprises

- the separate Non-Financial Report issued on the Company's website in accordance with Sec. 289b HGB in conjunction with Sec. 315b HGB, referred to in the "Business Operations and General Conditions - Non-Financial Statement (unaudited)" section of the combined management report,
- the Corporate Governance Statement published on the website of the Company pursuant to Sec. 289f in conjunction with Sec. 315d HGB, referred to in the "Corporate Governance Statement (unaudited)" section of the combined management report,
- the unaudited content of the non-statutory disclosures recommended in item A.5 of the German Corporate Governance Code contained in the "Opportunities and Risk Report for the Dr. Hönle AG and the Hönle Group - Adequacy and Effectiveness of the Internal Control and Risk Management System (unaudited)" section of the combined management report,
- the statement of the management pursuant to Sec. 297 (2) sentence 4 HGB on the consolidated financial statements and the statement of the management pursuant to Sec. 315 (1) Sentence 5 HGB in conjunction with Sec. 289 (1) sentence 5 HGB on the combined management report,
- the report of the Supervisory Board
- the remaining parts of the annual report, with the exception of the consolidated financial statements, the components of the combined management report whose content was audited and our associated independent auditor's report,

The Supervisory Board is responsible for the report of the Supervisory Board. The executive directors and the Supervisory Board are responsible for the Declaration of Compliance with the German Corporate Governance Code pursuant to Sec. 161 AktG ["Aktiengesetz": German Stock Corporation Act] which is an element of the Corporate Governance Statement published on the Company's website. In all other respects, the executive directors are responsible for the other information.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the aforementioned other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, the elements of the combined management report whose content was audited, or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## *Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report*

The executive directors are responsible for the preparation of the consolidated, financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 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 executive directors are responsible for such internal control as they have determined necessary to enable the preparation of the consolidated financial statements that are free from material misstatement due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting 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 executive directors are responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined 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 combined 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 combined management report.

### *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined 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 combined management report and the Group 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 combined management report of the Group.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and the EU Audit Regulation 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 the combined management report.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting material misstatements resulting from fraud is higher than the risk of not detecting material misstatements resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations and the override of internal controls.
- Obtain an understanding of the internal control systems relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report of the Company and the Group in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.



- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined 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 presentation, structure and content of the consolidated financial statements as a whole, 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 IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB.
- 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 combined management report. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, on the procedures taken to remedy the actions that could jeopardize our independence or the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

## Other Legal and Regulatory Requirements

### Report on the assurance on the electronic rendering of the consolidated financial statements and the combined management report prepared for publication purposes in accordance with Sec. 317 (3a) HGB

#### *Audit Opinion*

We have performed assurance work in accordance with Sec. 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the combined management report contained in the attached file „drhoenleag-2024-09-30-de.zip“ (hereinafter also referred to as “ESEF documents”) and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting

format (“ESEF format”). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the file identified above and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinions on the accompanying consolidated financial statements and the combined management report for the financial year 1 October 2023 to 30 September 2024 contained in the “Report on the audit of the consolidated financial statements and of the combined management report” above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

#### *Basis for the Opinion*

We conducted our assurance work on the rendering of the annual financial statements and the management report contained in the file identified above in accordance with Sec. 317 (3a) HGB and the IDW Assurance Standard: Assurance on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Sec. 317 (3a) HGB (IDW AsS 410) (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the “Auditor’s responsibilities for the assurance work on the ESEF documents” section.

Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

#### *Responsibility of the Executive Directors and the Supervisory Board for the ESEF Documents*

The executive directors of the Company are responsible for the preparation of the ESEF documents containing the electronic reproductions of the consolidated financial statements and the combined management report in accordance with Sec. 328 (1) sentence 4 No. 1 HGB and for tagging the consolidated financial statements in accordance with Sec. 328 (1) sentence 4 No. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have determined necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

#### *Auditor’s Responsibilities for the Assurance Work on the ESEF Documents*

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this file.
- Evaluate whether the ESEF documents enable an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited combined management report.

- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Arts. 4 and 6 of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

### Further Information Pursuant to Art. 10 of the EU Audit Regulation

We were elected as the independent auditor by the shareholders' meeting on 20 March 2024. According to Sec. 318 (2) HGB, we qualify as the independent auditors of the consolidated financial statements, as no other auditor has been appointed. We were engaged by the Supervisory Board on 27 July 2023. We have been the independent auditor of the consolidated financial statements of Dr. Hönle Aktiengesellschaft, Gilching, without interruption since the financial year 2022/2023.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

### Other Matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the assured ESEF documents. The consolidated financial statements and the combined management report converted to the ESEF format – including the versions to be published in the Company Register – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

### German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Mr. Fuat Kalkan.  
Munich, 24 January 2025

RSM Ebner Stolz GmbH & Co. KG  
Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft

Josef Eberl  
Wirtschaftsprüfer  
[German Public Auditor]

Fuat Kalkan  
Wirtschaftsprüfer  
[German Public Auditor]

# Consolidated Income Statement

of Dr. Höhle Aktiengesellschaft for the period from 1 October 2023 to 30 September 2024 pursuant to IFRS

in T€	Notes	01/10/2023- 30/09/2024	01/10/2022- 30/09/2023
Revenue	(6)	98,729	106,342
Changes in inventories of finished goods and work in progress		-1,466	-1,932
Other work performed by entity and capitalised		31	53
Other operating income	(7)	2,178	3,323
Cost of purchased materials and services	(8)	-39,307	-51,116
Personnel expenses	(9)	-41,324	-39,542
Depreciation and amortisation of property, plant and equipment and intangible assets	(10)	-11,851	-8,123
Amortisation of rights of use IFRS 16	(43)	-1,378	-1,620
Other operating expenses	(11)	-15,752	-16,730
Impairment pursuant to IFRS 9		-123	-73
<b>Operating profit/loss/EBIT</b>		<b>-10,262</b>	<b>-9,418</b>
Profit/loss from investments accounted for using the equity method	(12)	51	55
Financial income	(13)	51	198
Financial expenses	(14)	-2,074	-1,816
Financial result		-1,972	-1,563
<b>Earnings before tax and non-controlling interests/EBT from continued operations</b>		<b>-12,233</b>	<b>-10,981</b>
Income taxes	(15)	-766	-273
<b>Profit/loss for the year from continuing operations</b>		<b>-13,000</b>	<b>-11,254</b>
Profit/loss from discontinued operations after taxes		-	326
<b>Consolidated profit or loss</b>		<b>-13,000</b>	<b>-10,928</b>
Share of profit attributable to non-controlling interests	(16)	282	78
Share of profit attributable to equity holders of Dr. Höhle AG		-13,282	-11,006
Earnings per share (basic) from continued operations in €	(19)	-2.19	-1.87
Earnings per share (basic) from discontinued operations in €	(19)	0.00	0.05
Earnings per share (diluted) from continued operations in €	(19)	-2.19	-1.87
Earnings per share (diluted) from discontinued operations in €	(19)	0.00	0.05

# Consolidated Statement of Comprehensive Income

of Dr. Hönle Aktiengesellschaft for the period from 1 October 2023 to 30 September 2024 pursuant to IFRS

in T€	Notes	01/10/2023- 30/09/2024	01/10/2022- 30/09/2023
<b>Consolidated profit or loss</b>		<b>-13,000</b>	<b>-10,928</b>
Other comprehensive income:			
Positions that may be subsequently reclassified to profit or loss			
Currency translation differences	(31)	-155	-344
Other comprehensive income from hedge accounting	(47)	-2,945	90
Income tax effects	(23)	846	-42
Positions not reclassified to profit or loss			
Change in actuarial gains/losses from pensions	(35)	-1,161	361
Deferred tax from change to actuarial gains/losses from pensions	(23)	326	-102
Other change in valuation			-17
Total other comprehensive income		-3,089	-54
<b>Total comprehensive income</b>		<b>-16,089</b>	<b>-10,982</b>
Thereof:			
Comprehensive income attributable to non-controlling interests		282	78
Comprehensive income of Dr. Hönle AG shareholders		-16,371	-11,060

Profit/loss from discontinued operations after taxes reported in the previous year was allocable to the share in earnings attributable to Dr. Hönle AG's shareholders.

# Consolidated Statement of Financial Position

of Dr. Höhle Aktiengesellschaft as at 30 September 2024 pursuant to IFRS

in T€	Notes	30/09/2024	30/09/2023
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Goodwill	(20)	11,043	18,400
Intangible assets	(20)	1,604	1,304
Property, plant and equipment	(20)	71,645	75,127
Investment property	(20)	-	1,015
Investments accounted for using the equity method	(22)	262	381
Financial assets	(20)	237	26
Other non-current assets	(21)	4,529	7,307
Deferred tax assets	(23)	5,756	5,159
<b>Total non-current assets</b>		<b>95,075</b>	<b>108,718</b>
<b>CURRENT ASSETS</b>			
Inventories	(24)	30,454	35,046
Trade receivables	(25)	14,920	15,618
Receivables from other long-term investees and investors	(26)	64	108
Finance lease receivables	(43)	327	57
Other current assets	(27)	1,693	1,871
Tax refund claims	(28)	3,384	3,910
Cash and cash equivalents	(29)	7,508	9,317
Assets held for sale	(30)	1,959	1,510
<b>Total current assets</b>		<b>60,309</b>	<b>67,438</b>
<b>TOTAL ASSETS</b>		<b>155,384</b>	<b>176,156</b>



in T€	Notes	30/09/2024	30/09/2023
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Subscribed capital	(31)	6,063	6,063
Treasury shares	(31)	-8	-8
Capital reserves	(31)	41,979	41,979
Retained earnings	(31)	31,387	47,787
<b>Equity attributable to Dr. Höhle AG shareholders</b>		<b>79,420</b>	<b>95,820</b>
Non-controlling interests	(31)	266	313
<b>Total equity</b>		<b>79,686</b>	<b>96,133</b>
<b>NON-CURRENT LIABILITIES</b>			
Non-current loans (less current portion)	(32)	37,774	41,783
Non-current finance lease liabilities	(33, 43)	1,133	1,274
Other non-current liabilities	(34)	140	269
Pension provisions	(35)	4,407	3,212
Accrued public investment grants	(36)	60	63
Deferred income tax liabilities	(23)	784	1,175
<b>Total non-current liabilities</b>		<b>44,299</b>	<b>47,775</b>
<b>CURRENT LIABILITIES</b>			
Trade payables	(37)	6,366	7,558
Liabilities to other long-term investees and investors	(26)	2	4
Contract liabilities	(38)	1,971	1,711
Current finance lease liabilities	(33, 43)	1,357	1,333
Current liabilities to banks and current portion of non-current loans	(39)	12,978	12,416
Other current liabilities	(40)	7,228	6,696
Other provisions	(41)	334	382
Income tax liabilities	(42)	1,165	1,361
Liabilities associated with assets held for sale	(30)	-	788
<b>Current liabilities, total</b>		<b>31,400</b>	<b>32,248</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>155,384</b>	<b>176,156</b>

# Consolidated Statement of Changes in Equity

of Dr. Hönle Aktiengesellschaft for the period from 1 October 2023 to 30 September 2024 pursuant to IFRS

in T€	R e t a i n e d e a r n i n g s							E q u i t y			
	Subscribed capital	Treasury shares	Capital reserves	Legal and other reserves	Reserve from measures. acc. to IFRS 9	Reserve for hedging transactions	Reserve for actuarial gains/losses IAS 19	Reserve for currency differences	Equity attributable to Dr. Hönle AG shareholders	Non-controlling-interest	Total
<b>As at 01.10.2022</b>	<b>6,063</b>	<b>-8</b>	<b>41,979</b>	<b>52,239</b>	<b>341</b>	<b>3,480</b>	<b>299</b>	<b>2,490</b>	<b>106,882</b>	<b>357</b>	<b>107,239</b>
Consolidated profit or loss for the year	-	-	-	-11,006	-	-	-	-	-11,006	78	-10,928
Other comprehensive income	-	-	-	-8	-9	48	259	-344	-54	-	-54
<b>Total comprehensive income</b>	-	-	-	<b>-11,014</b>	<b>-9</b>	<b>48</b>	<b>259</b>	<b>-344</b>	<b>-11,060</b>	<b>78</b>	<b>-10,982</b>
Change due to the sale or acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution	-	-	-	-	-	-	-	-	-	-123	-123
<b>As at 30/09/2023</b>	<b>6,063</b>	<b>-8</b>	<b>41,979</b>	<b>41,225</b>	<b>332</b>	<b>3,527</b>	<b>559</b>	<b>2,145</b>	<b>95,820</b>	<b>313</b>	<b>96,133</b>
Consolidated profit or loss for the year	-	-	-	-13.282	-	-	-	-	-13.282	282	-13.000
Other comprehensive income	-	-	-	-	-	-2.099	-835	-155	-3.089	-	-3.089
<b>Total comprehensive income</b>	-	-	-	<b>-13.282</b>	-	<b>-2.099</b>	<b>-835</b>	<b>-155</b>	<b>-16.371</b>	<b>282</b>	<b>-16.089</b>
Change due to the sale or acquisition of non-controlling interests	-	-	-	-28	-	-	-	-	-28	-206	-234
Dividend distribution	-	-	-	-	-	-	-	-	-	-123	-123
<b>As at 30/09/2024</b>	<b>6,063</b>	<b>-8</b>	<b>41,979</b>	<b>27,915</b>	<b>332</b>	<b>1,428</b>	<b>-276</b>	<b>1,991</b>	<b>79,420</b>	<b>266</b>	<b>79,686</b>

# Consolidated Statement of Cash Flows

of Dr. Höhle Aktiengesellschaft for the period from 1 October 2023 to 30 September 2024 pursuant to IFRS

in T€	Notes (48)	01/10/2023- 30/09/2024	01/10/2022- 30/09/2023
<b>Net cash from operating activities</b>			
Consolidated profit/loss for the year before non-controlling interests and taxes		-12,233	-10,981
Adjustments for:			
Depreciation of intangible assets, property, plant and equipment and investment property	(10)	13,229	9,944
Financial income	(13)	-102	-253
Financial expenses	(14)	2,074	1,816
Other non-cash expenses and income	(48)	1,274	10,252
Profit from discontinued operations		-	326
<b>Operating profit before changes to net current assets</b>		4,243	11,105
Increase/decrease in provisions	(41)	-96	-804
Increase/decrease in trade receivables	(25)	662	740
Increase/decrease in receivables from other long-term investees and investors	(26)	46	23
Increase/decrease in other assets	(21,27)	-128	-956
Increase/decrease in reinsurance	(21)	-147	-183
Increase/decrease in inventories	(24)	2,679	-1,807
Increase/decrease in trade payables	(37)	-852	67
Increase/decrease in liabilities to other long-term investees and investors	(26)	-	-1
Increase/decrease in contract liabilities	(38)	260	-917
Increase/decrease in other current liabilities	(40)	1,055	122
<b>Cash generated from operations</b>		7,722	7,389
Interest paid	(14)	-1,903	-1,454
Income taxes paid	(15)	-289	-2,792
<b>Net cash from operating activities</b>		5,530	3,143
<b>Net cash from investing activities</b>			
Payments received from the disposal of intangible assets, property, plant and equipment and investment property	(20)	-	13
Acquisition of subsidiaries less acquired net cash	(3)	-390	-
Payments made for the acquisition of businesses in previous years		-325	-
Payments for the acquisition of property, plant and equipment and intangible assets	(20)	-2,094	-2,934
Change in financial assets		-211	-
Payments received from non-current receivables	(21)	-	814
Payments for non-current receivables	(21)	-	-313
Interest received	(14)	29	95
Payments received from the sale of discontinued operations		620	4,977
<b>Net cash from investing activities</b>		-2,372	2,651
<b>Net cash from financing activities</b>			
Payments received from loans and liabilities to banks	(32,39)	805	1,337
Payments for loans and liabilities to banks	(32,39)	-4,438	-3,398
Payments for the repayment portion of leasing liabilities	(33,43)	-1,148	-1,233
Dividends paid	(31)	-123	-123
<b>Net cash from financing activities</b>		-4,904	-3,417
Currency differences		-22	-71
Currency and consolidation-related change in cash and cash equivalents		-40	-120
<b>Net change in cash and cash equivalents</b>		-1,807	2,186
<b>Cash and cash equivalents at the beginning of the reporting period</b>	(29)	9,317	7,131
<b>Cash and cash equivalents at the end of the reporting period</b>	(29)	7,508	9,317

# Notes to the IFRS Consolidated Financial Statements

of Dr. Hönle Aktiengesellschaft for financial year 2023/2024

## GENERAL INFORMATION

### 1. Accounting basis

Dr. Hönle AG is a listed corporation. It is registered in the Commercial Register of the Munich (Germany) local court under HRB No. 127507. The Company's head office is located at Nicolaus-Otto-Str. 2 in 82205 Gilching near Munich, Germany.

In financial year 2023/2024, the Hönle Group reorganised its business by defining business units to replace the former segment structure. The original breakdown of the Group's activities into three segments – Equipment & Systems, Adhesives, and Glass & Lamps – reflected the types of products sold. The new structure consisting of business units reflects the areas of application of our products and thus puts our strategic focus more squarely on the customer. The Hönle Group now has three business units: Adhesive Systems, Curing, and Disinfection.

The Adhesive Systems BU – in addition to industrial adhesives – supplies adhesive curing systems. The Disinfection BU combines our activities in the areas of industrial water, surface and air disinfection, including microbiological testing. The Curing BU sells equipment for surface drying and curing paints, varnishes and other coatings.

The present consolidated financial statements of Dr. Hönle AG have been prepared in accordance with the International Financial Reporting Standards (IFRS) as applied in the European Union and the supplementary applicable provisions stipulated in Section 315e (1) of the German Commercial Code (HGB).

The consolidated financial statements include the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the statement of consolidated cash flows and the notes to the financial statements (Notes). The consolidated financial statements are supplemented by the combined management report of Dr. Hönle AG and the Group.

The financial year of Dr. Hönle AG and its included subsidiaries, with the exception of Hoenle UV Technology (Shanghai) Trading Ltd., China, and Panacol-Korea Co., Ltd., South Korea, corresponds to the period from 1 October to 30 September. The financial year of the above-mentioned subsidiaries corresponds to the calendar year. The two companies are included on the basis of interim financial statements.

The present consolidated financial statements were prepared in full compliance with relevant IFRS standards as approved by the EU, and therefore present a true and fair view of the Hönle Group's net assets, financial position and results of operations and cash flows.

The consolidated financial statements are prepared in euro currency. Unless otherwise stated, the amounts quoted are shown as T€ (thousand euros). Due to rounding effects, individual figures may not add up to the total stated. The consolidated financial statements are generally based on historical purchase and production costs, unless stated otherwise under section 5 (Accounting and Valuation Methods).

The consolidated financial statements are prepared on the basis of the going concern assumption.

The Dr. Hönle AG Management Board prepared the consolidated financial statements on 23 January 2025.

### 2. Estimates and assumptions

The preparation of the consolidated financial statements requires estimates and assumptions to be made that have impacted on the reported amounts and related disclosures. In preparing the consolidated financial statements, management exercises its discretionary powers to the best of its knowledge. However, actual results may deviate from these estimates and assumptions.

We have disclosed information about the assumptions made about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year in the notes to the financial statements under the respective item. Estimates and assumptions are especially important in the Hönle Group for assessing the recoverability of goodwill and inventories, for measuring pension provisions and other provisions and for calculating deferred taxes. In the year under review, one inventory-related estimate was changed as a result of our strategic realignment in which we refocused our business on our core activities. In this context, a more restrictive approach to inventory measurement was taken with increased write-downs in the financial year (see Note 24 for more details).

### 3. Consolidation

#### Consolidated group

The consolidated financial statements as at 30 September 2024 include the parent company, Dr. Hönle AG, and the following subsidiaries:

Name	Home State	Percentage of shares held Reporting year	Percentage of shares held Prior year	Held via
<b>Direct participations:</b>				
(1) AGITA Holding AG, Regensdorf/Zurich	Switzerland	100,00%	100,00%	
(2) Eltosch Grafix America Inc., Sugar Grove/Chicago	USA	100,00%	100,00%	
(3) GEPA Coating Solutions GmbH, Frickingen	Germany	0,00%	51,00%	
(4) Hoenle UV Technology (Shanghai) Trading Ltd., Shanghai	China	100,00%	100,00%	
(5) Honle UV France S.à.r.l., Lyon	France	100,00%	100,00%	
(6) Honle US Real Estate LLC, Torrington	USA	100,00%	100,00%	
(7) Hönle Electronics GmbH, Dornbirn	Austria	51,00%	51,00%	
(8) PrintConcept UV-Systeme GmbH, Kohlberg	Germany	100,00%	100,00%	
(9) Raesch Quarz (Malta) Ltd., Mosta	Malta	100,00%	100,00%	
(10) STERILSYSTEMS GmbH, Mauterndorf	Austria	100,00%	95,00%	
(11) Technigraf GmbH, Grävenwiesbach-Hundstadt	Germany	0,00%	55,00%	
(12) UMEX GmbH, Kirchheim b. Arnstadt	Germany	0,00%	60,26%	
(13) uv-technik Speziallampen GmbH, Ilmenau	Germany	100,00%	100,00%	
(14) STERIXENE SAS, Les Angles	France	51,00%	24,24%	
<b>Indirect participations:</b>				
(15) Eleco Panacol-EFD, SAS, Gennevilliers/Paris	France	99,96%	99,96%	(16)
(16) Panacol AG, Regensdorf/Zurich	Switzerland	100,00%	100,00%	(1)
(17) Panacol-Elosol GmbH, Steinbach/Frankfurt/M.	Germany	100,00%	100,00%	(16)
(18) Panacol-Korea Co., Ltd, Suwon-si	South Korea	100,00%	100,00%	(17)
(19) Panacol-USA Inc., Torrington	USA	100,00%	71,36%	(16)
(20) uv-technik international Ltd., Luton	Great Britain	100,00%	100,00%	(13)
<b>Associated companies:</b>				
(21) Metamorphic Materials Inc., Winsted	USA	30,00%	30,00%	(16)
(22) TECINVENT GmbH, Schömberg	Germany	35,00%	35,00%	

The investment quotas for all direct and indirect participations (equity investments) also represent the proportion of voting rights.

The exemption provisions of Section 264 (3) HGB were invoked with respect to (13) uv-technik Speziallampen GmbH and (17) Panacol-Elosol GmbH.

The above-mentioned companies listed under direct and indirect participations are consolidated in full due to the possibility of exerting control through the majority of voting rights.

Control is attained when the parent company

- can exercise control over the equity investments,
- is exposed to fluctuating returns from its equity investments and can exert an influence on the amount of returns due to its control over the equity investments.

Changes in the Group's investment quotas in subsidiaries that do not lead to a loss of control over the subsidiary concerned are accounted for as equity capital transactions.

Associated companies ("associates") pursuant to IAS 28 are accounted for at equity unless the shares are classified as assets held for sale, in which case accounting is based on IFRS 5. An associate is a company over which the Group can exert significant influence due to the Group's involvement in the associate's financial and business policy without, however, exerting control over the associate. Significant influence is assumed when the parent company holds 20% or more but less than 50% of the voting rights (associated company). In accordance with the equity method, shares in associated companies are to be included in the consolidated statement of financial position at cost which are adjusted for changes in the Group's share in profit or loss and in the other comprehensive income of the associated company after the acquisition date. Hönle AG's share in the profit/loss of an associated company is reported in the consolidated income statement. The share in changes in equity capital with neutral effects on profit or loss is reported directly in the consolidated equity capital.

Although Solitec Gesellschaft für technischen Produktvertrieb mbH (Solitec GmbH) with registered head office in Gilching, is a 100% participation (equity investment), it was not included in consolidation as the company is immaterial for providing a true and fair view of the Group's net assets, financial position and results of operations. Solitec GmbH reported net income of T€ -7 (PY: T€ -1) in financial year 2023/2024, while the amount of equity as at 30 September 2024 stands at T€ 44 (PY: T€ 51).

The scope of consolidation changed as follows compared with the previous year:

- Dr. Hönle AG sold its 55.00% share in Technigraf GmbH, Gräfenwiesbach-Hundstadt, effective 1 October 2023.
- Dr. Hönle AG sold its 60.26% share in UMEX GmbH, Kirchheim b. Arnstadt, effective 1 October 2023.
- Dr. Hönle AG sold its 51.00% share in GEPA Coating Solutions GmbH, Frickingen, effective 30 September 2024.

Due to the loss of control over the above-mentioned companies, payments of T€ 620 were received in the form of cash and cash equivalents. The amount of cash and cash equivalents over which control was lost is T€ 159. As a result of the loss of control, current assets of T€ 1,714, non-current assets of T€ 506, current liabilities of T€ 1,149 and non-current liabilities of T€ 92 were eliminated from the consolidated balance sheet as part of the deconsolidation. The deconsolidation gain from mentioned deconsolidations resulted in T€ 71.

- The remaining 5% of shares in STERILSYSTEMS GmbH, Mauterndorf/Austria were acquired in financial year 2023/2024 based on the option stipulated in the share purchase agreement previously concluded.
- The remaining 28.64% share in Panacol-USA Inc., Torrington/USA was acquired in April and June 2024.

On 1 May 2024, Dr. Hönle AG obtained control over STERIXENE SAS, domiciled in France, by acquiring an additional share in the company of 26.76%. After the acquisition, the total shareholding came to 51.00%. STERIXENE SAS specialises in the production and distribution of flash lamp systems. Its product portfolio also includes microbiological laboratory services. The business has been allocated to the Disinfection BU, where it will round off the range of services provided.



Due to the increase in our shareholding from 24.24% to 51.00%, we were required to apply the requirements of IFRS 3 on business combinations acquired in stages (step acquisitions).

The assets and liabilities acquired were as follows on the date of acquisition:

<b>Acquired assets and liabilities</b>	Fair value in T€
<b>Non-current assets</b>	
Intangible assets	280
Property, plant and equipment	117
Financial assets	8
<b>Current assets</b>	
Inventories	400
Trade receivables	136
Other receivables and assets	51
<b>Liabilities</b>	
Other non-current liabilities	-23
Deferred tax liabilities	-35
Trade payables	-140
Other current liabilities	-627
<b>Net assets</b>	167

Trade and other receivables comprise current receivables whose fair value corresponds to the gross amounts. There were no indications that the receivables acquired were uncollectible at the time of acquisition. Acquired cash and cash equivalents came to T€ 0.

Goodwill amounting to T€ 370 was recognised on initial consolidation at the time of acquisition. The goodwill resulted from the difference between the consideration paid and the net assets acquired. Remeasurement led to hidden reserves of T€ 140 in the area of intangible assets.

The consideration paid amounted to T€ 537 and consisted of the purchase price of T€ 430 to be paid in cash plus T€ 107 resulting from derecognition of the equity-accounted portion of the investment.

Revenue for the period between the date of acquisition and 30 September 2024 amounted to T€ 477 and net income to T€ 137. If the acquisition had taken effect at the start of the year, revenue would have come to T€ 886 and the contribution to consolidated net income would have amounted to T€ 23.

### Consolidation methods

Business combinations are accounted for using the acquisition method. The costs of an acquisition are measured at the fair value of the assets transferred and the liabilities transferred or entered into at the acquisition date. The identified assets acquired within the scope of a business combination as well as the liabilities transferred including contingent liabilities are initially measured at the respective fair values as of the acquisition date, irrespective of the scope of any non-controlling interests.

Asset-side differences between acquisition costs and the Company's prorated revalued equity capital are reported as goodwill in the consolidated statement of financial position. Debit-side differences are released and included in the operating result following re-examination. Differences resulting from the acquisition of non-controlling interests are set off directly in equity capital.

Non-controlling interests are valued at the prorated fair value of the acquired assets and transferred liabilities. Following initial recognition, profits and losses are allocated without any limitations in accordance with the proportionate investment share, and this may result in a negative balance with respect to non-controlling interests.

Transactions with non-controlling interests, which do not lead to a loss of control, are reported as equity capital transactions with neutral effect on profit or loss.

All intra- Group business transactions, balances, and intra- Group results are fully eliminated within the scope of consolidation.

### Currency translation

The functional currency and the reporting currency of Dr. Höhle AG and most of its European subsidiaries is the euro (€).

The functional currency for the independent subsidiaries in Switzerland, the United States, the UK and South Korea is the Swiss franc (CHF), the US dollar (USD), pound sterling (GBP), and the South Korean won (KRW). The functional currency for the independent Chinese subsidiary is the Chinese renminbi (RMB). Assets and debts are translated at the rates applicable as of the balance sheet date while equity capital is translated at historical rates. The resulting currency translation differences were recorded in equity capital and in the consolidated statement of comprehensive income with neutral effect on profit/loss. The development of this item is presented in the consolidated statement of changes in equity. Consolidated income statement items are translated using the average rate for the financial year.

in €		Reporting date rate		Average rate	
		30/09/2024	30/09/2023	2023/2024	2022/2023
1 Swiss Franc	CHF	1.0542	1.0238	1.0448	1.0214
1 US Dollar	USD	0.8932	0.9439	0.9223	0.9365
1 Chinese Renminbi	RMB	0.1274	0.1293	0.1280	0.1328
1 British Pound	GBP	1.1724	1.1683	1.1693	1.1486
1 South Korean Won	KRW	0.0007	0.0007	0.0007	0.0007

In accordance with IAS 21, foreign currency receivables and liabilities are generally translated at the mean spot exchange rate on the date of initial accounting entry and at the end of the reporting period at the mean exchange rate as of the balance sheet date. The resulting translation differences are recognised in profit/loss as income/expenses from exchange rate differences. No hedging transactions were concluded to hedge against currency risks.

## 4. New standards and interpretations and newly issued accounting provisions

### New standards and interpretations to be applied in the financial year

In financial year 2023/2024 the following new or amended standards of the IASB (International Accounting Standards Board) or IFRIC (International Financial Reporting Interpretations Committee) were to be applied for the first time. The first-time application had no material impact on the consolidated financial statements of Dr. Höhle AG.

Amendments to IFRS 17 - Insurance Contracts: The amendments address implementation requirements concerning insurance contracts.

Amendments to IAS 8 – Clarification of how entities should distinguish changes in accounting estimates from changes in accounting policies.

Amendments to IAS 1 – Guidance to help entities decide which accounting policies to disclose in their financial statements.

Amendments to IAS 12 – Guidance on how entities are to account for deferred taxes on certain transactions such as leases and decommissioning obligations / international tax reform – Pillar 2 model rules

#### **New standards and interpretations not yet mandatory**

Furthermore, the IASB and IFRIC issued the following standards, interpretations and amendments to existing standards as already adopted by the EU but not yet mandatory for Dr. Höhle AG in the financial year under review. As a general rule, Dr. Höhle AG does not apply new IFRS/IFRICs prior to the date of mandatory application (effective date). Possible effects on future consolidated financial statements are currently being reviewed.

Amendments to IAS 1 – Classification of liabilities as current or non-current (including deferring the date of initial application) and non-current liabilities with covenants.

Amendments to IFRS 16 – Lease liabilities in sale and leaseback transactions.

Amendments to IAS 7 and IFRS 7 – Supplier finance arrangements

Amendments to IAS 21 – Lack of exchangeability

## **5. Accounting and valuation methods**

The statement of financial position, the income statement and the statement of comprehensive income of companies included in the consolidated financial statements were prepared in a uniform manner using the parent company's accounting policies presented below.

### **Goodwill**

Goodwill is not subject to scheduled amortisation but is reviewed with regard to impairment at least once a year. A review is also carried out in the case of triggering events that indicate a possible impairment in value. Goodwill is stated at acquisition costs net of accumulated amortisation from impairments.

The goodwill impairment test is carried out at the level of cash generating units (CGUs) which represent the lowest level at which the goodwill is monitored for purposes of internal corporate management.

For purposes of the impairment test, the goodwill acquired within the context of a business combination is allocated to the cash generating unit which is expected to profit from the synergies of the business combination. If the carrying amount of the entity to which the goodwill is allocated is higher than its recoverable amount, the goodwill allocated to the cash-generating unit is amortised accordingly due to impairment. Impairment losses in excess of goodwill are recognised under non-current and/or current assets. The achievable amount is the higher of the two amounts from fair value less sales costs and the usage value of the unit.

The usage value is determined using the discounted cash flow method. In the process, future expected cash flows from the most recent management planning are used as a basis with long-term growth rates and assumptions concerning the margin development, and discounted with the capital costs of the unit to be measured.

No reinstatements of the original values of amortised goodwill are recorded in future periods if the achievable amount exceeds the carrying amount of the cash generating unit or the group of cash generating units to which the goodwill is allocated.

For details on the assumptions used in impairment tests, please see Note 20.

### Intangible assets

Acquired intangible assets and internally developed intangible assets are capitalised at acquisition and manufacturing cost in accordance with IAS 38 and are amortised over their expected useful lives using the straight line method.

The following useful lives were applied:

Customer base and other rights	5 to 10 years
Software	1 to 15 years
Licenses	3 to 10 years
Copyrights, patents and other commercial property rights	7 to 10 years
Formulas, secret procedures, models, drafts and prototypes	10 to 15 years

### Property, plant and equipment

Property, plant and equipment are measured at acquisition or manufacturing costs net of accumulated depreciation in accordance with IAS 16. Depreciable non-current assets are written down according to schedule using the straight line method of depreciation.

The following useful lives were applied:

Buildings	3 to 50 years
Technical equipment and machinery	1 to 20 years
Operating and business equipment	1 to 39 years

“Buildings” also includes leasehold improvements. Scheduled depreciation of leasehold improvements is defined in accordance with the expected useful life.

Maintenance expenses are treated as expense for the period.

### Leases

Lessees: Rights of use are measured at acquisition costs and include the amount of initial measurement of the lease liability and direct costs. The lease liability is measured at the present value of the lease payments not yet made. The leases are generally concluded for fixed periods of one to four years. The leases for buildings may stipulate longer terms. The agreements may contain arrangements on tacit renewals or renewal and termination options.

In specifying the term of leases for buildings, management takes into account all facts and circumstances that provide an economic incentive to exercise renewal options or the non-exercising of termination options. Term changes resulting from exercising renewal / termination options are included in the lease term only if renewal or non-exercise of a termination option is reasonably certain to occur.

This assessment is reviewed when a significant event or change in circumstances occurs that may impact on the previous assessment, but only if this is within the control of the Hönle Group.

Rights of use are subsequently measured at amortised acquisition costs. The rights of use are amortised on a straight-line basis over the shorter of the useful life and the lease term. If the exercise of a call option is sufficiently certain from the Group's perspective, amortisation is recognised over the useful life of the underlying asset.

If the contracts include an extension or termination option, the lease liability is revalued and the right-of-use asset is adjusted in the event that a significant event occurs that is within the control of the Hönle Group and was estimated differently within the scope of initial measurement.

The lease liabilities are amortised using the effective interest method.

Exemption options are exercised with respect to low-value leased assets and short-term leases.

Lessors: In a sublease agreement, Dr. Höhle AG would be the lessor. A lease is classified as a finance lease if substantially all the risks and rewards incidental to ownership of the leased asset are transferred to the sublessee. Receivables from finance leases are recognised in the amount of the net investment.

Interest income is recognised over the lease term in an amount producing a constant periodic rate of return on the net investment in the lease.

Lease receivables are amortised using the effective interest method.

#### **Discontinued operations**

Discontinued operations are reported as soon as a component of an entity is discontinued or has already been disposed of and the component represents a separate major line of business or geographical business segment. Discontinued operations are disclosed separately from continued operations in the consolidated income statement. Previous years are adjusted on a comparable basis as if the business segment had been classified as such from the beginning of the comparison year. No changes were made in the consolidated statement of financial position. Disclosures in the notes to the consolidated financial statements concern continued operations and assets not held for sale and any related liabilities.

#### **Investment property**

Property, which is not used for business purposes and exclusively serves to generate rental income and profit from value increases, is recognised at depreciated acquisition costs. The scheduled depreciation of this property runs for a period of 20 to 33 years.

#### **Investments accounted for using the equity method**

Associated companies are accounted for at equity and disclosed in the consolidated statement of financial position under "Investments accounted for using the equity method". A company on which the Group exerts a significant influence without, however, being able to control the company alone or jointly, qualifies as an associated company. IAS 28.5 assumes that a participation of more than 20% of the voting rights indicates significant control.

#### **Deferred taxes**

The liability method stipulated in IAS 12 is used to determine deferred taxes. In principle, this involves creating deferred tax assets and deferred tax liabilities for all temporary valuation differences between the values applied according to IFRS and the tax values of balance sheet items. Deferred tax assets were taken into account only where it is expected that taxable profits will be available in the future. Deductible temporary differences, unused tax losses as well as unused tax credit notes can be offset against these profits.

The tax rates used by the German companies differ due to differing trade tax factors at the individual locations.

Deferred taxes are measured using the tax rate expected for the period in which an asset is realised or an obligation is settled.

#### **Inventories**

In general, raw materials and supplies and merchandise are stated at acquisition costs in accordance with IAS 2. Acquisition costs are determined using the weighted average cost method as well as the FIFO method. Finished goods and work in progress are measured at manufacturing costs. The manufacturing costs contain, in addition to directly allocable costs, fixed and variable manufacturing and material overheads as well as the costs of value depletion of property, plant and equipment to the extent caused by manufacture. The manufacturing costs also include production-related administration costs and expenses incurred for voluntary social benefits.

Borrowing costs are charged to expenditure at the full amount since these costs cannot be directly allocated to qualified assets.

Slow-moving items are written down at the lower of acquisition or manufacturing costs and the net realisable value. The net realisable value represents the estimated sales proceeds that are achievable in the normal course of business, net of estimated manufacturing and selling costs.

### Financial assets

The categorisation of financial assets under IFRS 9 is based on the following three measurement categories:

- financial assets measured at amortised cost (AC)
- financial assets measured at fair value (FVthOCI) with neutral effect on profit or loss
- financial assets measured at fair value through profit or loss (FVthPL)

Financial assets are classified according to the underlying business model and the contractual cash flows of the financial assets. Essentially, the Dr. Hönle AG business model is to hold financial assets in order to recognise contractual cash flows.

Financial assets are measured at amortised cost (AC) if they comply with the "hold" business model and their contractual cash flows consist exclusively of interest and principal payments. Amortised cost is reduced by impairment losses. Interest income, exchange rate gains/losses and impairment losses are recognised in profit or loss. A gain or loss from derecognition is also recognised in the income statement.

With respect to equity instruments, IFRS 9 optionally permits measurement at fair value with neutral effect on profit or loss (FVthOCI). Dividends are recognised as income in profit or loss unless the dividend is clearly intended to cover part of the cost of the investment. Other net gains or losses are recognised in other comprehensive income and are never reclassified to profit or loss.

A debt instrument is designated as "FVthOCI measured" to the extent that both of the following conditions are met and the asset is not designated as FVthPL:

- It is held as part of a business model whose objective is both to hold financial assets to recognise the contractual cash flows and to sell financial assets; and
- its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding.

Debt instruments classified as FVthOCI are subsequently measured at fair value. Interest income, foreign exchange gains and losses and impairment losses are recognised in profit or loss. Other net gains or losses are recognised in other comprehensive income. On derecognition, the accumulated other comprehensive income is reclassified to profit or loss. The Group currently has no such debt instruments.

Financial assets whose cash flows do not consist exclusively of interest and principal payments are measured at fair value through profit or loss (FVthPL). Net gains and losses in this category, including any interest or dividend income, are recognised in the income statement. The Hönle Group does not currently have any financial assets measured at FVthPL. At present, derivatives are only reported within the scope of hedging relationships.

The impairment model under IFRS 9 takes into account expectations about the future and is based on expected credit losses. The model under IFRS 9 basically provides for three levels and is applicable to all financial assets (debt instruments) that are measured either at amortised cost or at fair value with neutral effect on income.

In the Group, the following classes of financial instruments are generally subject to the impairment model under IFRS 9:

- Non-current financial assets
- Trade receivables
- Current financial assets
- Cash and cash equivalents

**Level 1:**

Includes financial assets at the time of acquisition and, thereafter, those financial assets without a significant increase in credit risk since acquisition. Impairment is measured based on the expected credit loss within the next twelve months.

**Level 2:**

Includes financial assets that have experienced an increase in credit risk but whose credit quality has not yet been impaired. Impairment is measured based on the expected credit loss over the entire remaining term. The Group considers an increase in credit risk to be a deterioration in the credit rating of the counterparty.

**Level 3:**

Includes financial assets which show objective evidence of impairment or have a default status. The expected credit losses over the entire term of the financial asset and other qualitative information indicating significant financial difficulties of the debtor are recorded as impairment losses.

The Hönle Group makes use of the practical expedient under IFRS 9 for trade receivables with a financing component, contractual assets with a financing component and leasing receivables. Consequently, upon acquisition, these financial assets can be directly allocated to Level 2 rather than to Level 1, with the option of exclusively recording the expected credit loss over the entire term (lifetime expected credit loss).

Trade receivables and contract assets - each without a financing component - must be allocated to Level 2 of the valuation adjustment model when they are added, with the necessity of recording the lifetime expected credit loss.

A classification or reclassification to Level 3 takes place if there is objective evidence of impairment.

The Hönle Group applies an impairment matrix to determine the need for value adjustments on trade receivables. Reference is made in this regard to the explanations under "Management of Financial Risks-Credit Risks" in section 47.

Within the scope of the simplified approach for trade receivables, impairment is determined on the basis of default probabilities by customer group. In the process, past data is supplemented by future-oriented parameters. These parameters may include macroeconomic factors (e.g. growth in gross domestic product, unemployment rate) and forecasts of future economic conditions.



### **Derecognition**

A financial asset (or a portion of a financial asset or a portion of a group of similar financial assets) is derecognised when one of the following prerequisites is met:

- The contractual rights to the receipt of cash flows from a financial asset have expired.
- The Group has transferred its contractual rights to receive cash flows from a financial asset to a third party or has taken on a contractual obligation stipulating immediate payment of cash flow to a third party within the scope of an agreement (so-called pass-through agreement), and, in doing so, either (a) transferred substantially all the risks and awards of ownership of the financial asset or (b) neither transferred nor retained substantially all risks and awards of the ownership of the financial asset, but transferred control of the asset.

When the Group transfers the contractual rights to cash flows from an asset or enters into a pass-through agreement, it measures whether and to what extent the risks and rewards remain with the Group. If the Group neither transfers nor retains substantially all risks and rewards of ownership of the financial asset, and if it does not transfer control over the asset, the Group states the asset at the amount of the respective ongoing commitment. In this case, the Group also recognises a pertaining liability. The transferred asset and the associated liability are measured in such a way that the rights and obligations retained by the Group are accounted for.

When the continuing exposure formally provides a guarantee respecting the asset transferred, the scope of the continuing exposure corresponds to the lower of the original carrying amount of the asset and the maximum amount of the payment received that the Group might have to repay.

### **Assets held for sale**

Assets are classified as assets held for sale when the associated carrying amount is realised primarily through a sale transaction rather than through continued use. This condition is only considered to be met when the asset is immediately available for sale in its present condition and the sale is highly probable. The Management must have agreed to a sale of the respective asset and it must be assumed that the sale process will be completed within one year following the classification as asset held for sale. Assets that are classified as held for sale are measured at the lower of the assets' original carrying amount and the fair value, net of selling costs.

### **Cash and cash equivalents**

Cash on hand and bank balances are stated at nominal value. Credit balances denominated in foreign currencies are translated at the mean spot exchange rate applicable as of the balance sheet date.

### **Treasury stock**

Acquired own shares (treasury stock) are deducted from equity capital as a special item at the amount of the acquisition costs pursuant to IAS 32.33.

### **Liabilities**

Financial liabilities are either classified as financial liabilities that are measured at fair value through profit or loss, or as other liabilities measured at amortised acquisition costs. The Group defines the classification of financial liabilities upon initial recognition.

The Group's financial liabilities include trade payables and other liabilities, overdraft facilities, loans, financial guarantees, and derivative financial instruments.

When recognised for the first time, all financial liabilities are measured at fair value. In the case of loans, directly allocable transaction costs are additionally included in the measurement.

Within the scope of **subsequent measurement**, with the exception of derivative financial instruments, the financial liabilities are stated at amortised acquisition cost in accordance with the effective interest rate method. Derivative financial instruments are reported at fair value.

Amortised acquisition costs of **current liabilities** generally correspond to the nominal amount or the repayment amount. **Non-current** liabilities are reported at the respective present value or, if interest-bearing, at the respective repayable amounts.

In accordance with IAS 32.23, purchase price liabilities from written put options on non-controlling interests are stated as a liability at the amount of the present value of the expected payment obligation. Since the options are based on execution prices that are influenced by the corporate development, a change in the cash flow that determines the value of the financial liability leads to a balance sheet adjustment which, in the opinion of the IASB, is to be reported in profit or loss.

Short-term liabilities denominated in foreign currencies are translated at reporting date rates in accordance with IAS 21.

#### **Derecognition**

A financial liability is derecognised if the obligation underlying the liability has been settled, annulled or has expired. If an existing financial liability is replaced with another financial liability of the same lender with substantially different contractual terms and conditions, or if the terms and conditions of an existing liability are subject to significant changes, the replacement or change is treated as derecognition of the original liability and recognition of a new liability. The difference between the respective carrying amounts is reported in profit/loss.

#### **Derivative financial instruments and the accounting treatment of hedging relationships**

##### **Derecognition**

In accordance with its risk management strategy, the Hönle Group uses derivative financial instruments, such as interest rate swaps, to hedge against interest rate risks. These derivative financial instruments are stated at present value at the date of contract conclusion and are remeasured at fair value in subsequent periods. Derivative financial instruments are recognised as financial assets if their present values are positive and as financial liabilities if their present values are negative.

Gains and losses from changes in the fair value of derivatives are immediately reported in profit/loss, with the exception of the effective portion of a cash flow hedge which is stated as other comprehensive income in the statement of comprehensive income.

Hedging instruments are classified as follows for hedge accounting purposes:

- As a fair value hedge when the hedge relates to the risk of a change in the fair value of a recognised asset or a recognised liability or an unrecognised firm commitment,
- As a cash flow hedge if the hedge relates to the risk of cash flow fluctuations that can be allocated to the risk associated with a recognised asset, a recognised liability or the risk of a highly probable future transaction or the currency risk of an unrecognised firm commitment,
- As a hedge of a net investment in a foreign operation.

Hönle exclusively uses hedging instruments to hedge cash flows. At the beginning of a hedge, both the hedging relationship as well as the Group's risk management objectives and strategies with respect to the hedge are formally established and documented. The documentation contains the designation of the hedging instrument, the underlying transaction or the hedged transaction, the nature of the hedged risk, and a description of how the enterprise determines the effectiveness of changes in the fair value of the hedging instrument in compensating for the risk from changes in the cash flows of the hedged underlying transaction, which can be ascribed to the hedged risk. Such hedge relationships are deemed to be highly effective in compensating for risks arising from changes in cash flows. They are continuously evaluated to determine if they were actually highly effective during the entire reporting period for which the hedge relationship has been defined.

Hedging transactions that satisfy the strict criteria for hedge accounting are reported as follows:

#### **Cash flow hedges**

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the consolidated statement of comprehensive income and in the cash flow hedge reserve, while the ineffective portion is recognised immediately in profit/loss under "Other operating expenses". The Hönle Group uses interest rate swaps as a hedging instrument to hedge the interest rate risk of financial liabilities. For further details, please refer to Note 47.

The amounts recognised in consolidated other comprehensive income are transferred to the consolidated income statement in the period in which the hedged transaction impacts on profit or loss, e.g., when hedged financial income or expenses are recognised or when an expected sale is carried out. If a hedge results in the recognition of a non-financial asset or a non-financial liability, the amounts reported under Other comprehensive income become part of acquisition costs at the acquisition date of the non-financial asset or non-financial liability.

If an expected transaction or a firm commitment is no longer expected to materialise, the accumulated gains and losses previously recognised in equity are reclassified and reported in the consolidated income statement. If the hedging instrument expires or is sold, terminated, or exercised and the hedging instrument is not replaced or rolled over to another hedging instrument, or if the criteria for hedge accounting are no longer met, the accumulated gains and losses continue to be recognised under Other comprehensive income until the expected transaction or firm commitment impacts on profit or loss.

#### **Classification as current and non-current**

Derivative financial instruments that are not designated as hedging instruments and are effective as such, are classified as current or non-current, or are split up into a current and a non-current portion on the basis of an assessment of the facts and circumstances (i.e. the underlying contractual cash flows).

If the Group holds a derivative for a period of more than twelve months after the balance sheet date in its portfolio for hedging purposes (and does not state the derivative as a hedge relationship), the derivative is classified as non-current (or is divided into a current and a non-current portion) in accordance with the classification of the underlying item.

Derivative financial instruments that have been designated as hedging instruments and are effective as such are classified in accordance with the classification of the underlying hedged item.

The derivative financial instrument is only split into a current and a non-current portion if a reliable allocation can be made.

#### **Provisions**

**Provisions for pensions** are set up using the projected unit credit method pursuant to IAS 19 (Employee Benefits). Based on a prudent estimate of the relevant parameters, this method takes into account the pensions and vested pension benefits known as at the balance sheet date as well as expected future salary and pension increases. The calculation is carried out using actuarial reports on the basis of biometrical calculation assumptions.

**Other provisions** are reported in accordance with IAS 37 if a current legal or factual obligation exists as a result of a past event, if the outflow of resources with economic benefit concerning the settlement of this obligation is likely, and if the amount of the obligation can be assessed reliably. Other provisions take all recognisable risks into account. They are stated on the basis of their most probable amount.

### Government grants

**Government grants** pursuant to IAS 20 are recognised when there is reasonable assurance that the pertaining requirements are met and the grants will actually be received. Grants earmarked for the purchase or manufacture of non-current assets (asset value-based grants) are stated using the gross method ("deferred income") at the initial recognition and are released and recognised in the income statement on a scheduled basis over the assets' useful lives. In accordance with IAS 20.20, grants for expenses or losses already incurred or that serve as immediate financial support without pertaining expenses in the future are recognised as income in the period in which the corresponding claim arises.

### Income tax liabilities

**Income tax liabilities** include obligations arising from current income taxes.

### Borrowing costs

Borrowing costs are recognised in profit or loss as incurred unless they relate to a qualifying asset as defined in IAS 23.

### Measurement of fair value

The Group measures certain financial instruments (e.g. derivatives) at fair value at each reporting date and/or discloses the fair value of financial instruments as part of its disclosure requirements. Fair value is the price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date. In measuring fair value, it is assumed that the transaction in which the asset is sold or the liability is transferred would take place either

- in the principal market for the asset or the liability, or
- in the most advantageous market for the asset or liability, if a principal market is not available.

The Group must be able to access the principal market or the most advantageous market.

The fair value measurement of an asset or a liability is based on the criteria which market participants would use when determining the prices for an asset or a liability, assuming that market participants act in their economic best interest.

The fair value of a non-financial asset is measured based on the assumption that the market participant is capable of generating economic benefits through the highest and best use of the asset concerned or the sale of this asset to another market participant who would find the best and highest use of the asset.

The Group uses measurement techniques which are appropriate under the circumstances and for which sufficient data for measuring the fair value is available. In doing so, both observable and non-observable input factors are applied.

All assets and liabilities that are measured at fair value or are recognised at fair value in the financial statements, are classified on the basis of the fair value hierarchy described below, based on the input parameters of the lowest level which is of overall significance for fair value measurement:

Level 1:

quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2:

measurement methods where the input parameter of the lowest level, which, overall, is significant for measuring fair value, is observable on the market, either directly or indirectly.

Level 3:

measurement methods where the input parameter of the lowest level, which, overall, is significant for measuring fair value, is not observable on the market.

With respect to assets and liabilities that are reported in the financial statements on a recurring basis, the Group determines whether they were reclassified within the hierarchy levels by reviewing the classification (based on the

lowest level input parameters which, overall, are of significance for fair value measurement) at the end of each reporting period.

The employees responsible for Group accounting determine, together with the Management Board, the guidelines and procedures governing recurring and non-recurring fair value measurement.

In order to meet the information requirements respecting fair value, the Group defined groups of assets and groups of liabilities on the basis of type, specific features and risks as well as the levels of the above-stated fair value hierarchy.

### Revenue

Revenue from the sale of goods and provision of services is recognised when the Hönle Group has satisfied the corresponding performance obligation by transferring the goods to the customer or by having completed the service. The goods shall be deemed to have been transferred at the time at which the customer obtains the right of disposal concerning the goods. The time at which the right of disposal is transferred depends on the individual contractual conditions (delivery and service terms and conditions). The amount of revenue to be recognised is determined on the basis of the consideration.

## NOTES TO THE CONSOLIDATED INCOME STATEMENT

The consolidated income statement was prepared using the type of expenditure format.

### 6. Revenue

Sales revenues of T€ 98,729 (PY: T€ 106,342) include revenue from the sale of goods in the amount of T€ 95,056 (PY: T€ 103,118) and revenue from services in the amount of T€ 3,674 (PY: T€ 3,224).

All sales revenues are mainly recognised at a point in time and result from contracts concluded with customers.

For a further breakdown of revenue from contracts with customers, please refer to: Segment Reporting.

The following table provides information on receivables and contractual liabilities from contracts with customers. There are no contractual assets.

in T€	As at 30 /09 /2023	Change	As at 30 /09 /2024
Trade receivables	15,618	-698	14,920
Contract liabilities	1,711	260	1,971

The contractual liabilities relate to advance payments received from customers. The amount of T€ 1,711 reported under contractual liabilities at the beginning of the period was mainly recognised as revenue in the financial year. The expected term of contractual liabilities reported as of the balance sheet date is less than one year. No financing components, guarantees or reimbursement obligations were entered into in this context.

## 7. Other operating income

in T€	2023/2024	2022/2023
Income from exchange rate differences	188	458
Income from the release of provisions	443	1,069
Rental income	264	251
Off-period income	243	62
Other income	1,041	1,481
	<b>2,178</b>	<b>3,323</b>

Other income primarily comprises income of T€ 108 from the sale of assets (previous year: T€ 28), income of T€ 180 from charging on personnel costs (previous year: T€ 148) and income T€ 108 from insurance settlements (previous year: T€ 21). Other income also includes income of T€ 146 from the deconsolidation of GEPA Coating Solutions GmbH (previous year: T€ 0).

## 8. Cost of purchased materials and services

in T€	2023/2024	2022/2023
Cost of raw materials and supplies and of purchased merchandise	38,699	50,533
Cost of purchased services	608	583
	<b>39,307</b>	<b>51,116</b>

In the year under review, one inventory-related estimate was changed as a result of our strategic realignment in which we refocused our business on our core activities. In this context, a more restrictive approach to inventory measurement was taken with an increased one-off write-down of T€ 2,073 recognised in the financial year at the time of conversion. Of that amount, T€ 1,500 related to cost of materials and T€ 573 to changes in inventories. T€ 688 are extraordinary within the write-downs.

In the previous year, extraordinary write-downs of T€ 7,216 were recognised on mobile air disinfection devices due to discontinuation of the product line.

## 9. Personnel expenses

in T€	2023/2024	2022/2023
Wages and salaries	33,997	32,804
Social security and pension costs	7,327	6,738
	<b>41,324</b>	<b>39,542</b>

## 10. Depreciation, amortisation and impairment of property, plant and equipment and intangible assets

The structure of depreciation/ amortisation of property, plant and equipment and of intangible assets is presented in the Schedule of Non-Current Assets (Note 20).

The impairment tests carried out in financial year 2023/2024 led to a need for recording impairment losses of T€ 7,727 (PY: T€ 2,584) concerning goodwill and, in the previous year, of T€ 521 with respect to internally generated intangible assets. Further details concerning impairment tests are provided in the comments on non-current assets (Note 20).

## 11. Other operating expenses

Other operating expenses are broken down as follows:

in T€	2023/2024	2022/2023
Shipment, goods delivery, packaging	2,545	3,140
Cost of office space	1,696	2,016
Advertising and representation	1,505	1,834
Consulting, bookkeeping, year-end closing costs	1,418	1,389
Insurance, membership fees and charges	843	937
Travel expenses	1,759	1,346
Expenses from exchange rate differences	467	609
Other off-period expenses	144	90
Other expenses	5,376	5,370
	15,752	16,730

Other expenses (T€ 5,376, PY: T€ 5,370) include the following significant items:

Expenses from operating leases not covered by IFRS 16 totalled T€ 249 (PY: T€ 194) in financial year 2023/2024. Of this amount, T€ 120 (PY: T€ 62) relate to vehicles and T€ 129 (PY: T€ 132) to machinery and operating and office equipment. In this context, other expenses also include current vehicle costs of T€ 688 (PY: T€ 758).

Other expenses include cost incurred for personnel recruitment and personnel training in the amount of T€ 697 (PY: T€ 656), maintenance and repair costs of T€ 675 (PY: T€ 483) and postage and telephone costs of T€ 387 (PY: T€ 394). The item also includes expenses relating to equity holdings in the amount of T€ 5 (PY: T€ 11).

The remaining components of this item largely concern IT expenses in the amount of T€ 864 (PY: T€ 733), workshop and laboratory supplies and equipment in the amount of T€ 306 (PY: T€ 323) and Supervisory Board remuneration in the amount of T€ 178 (PY: T€ 183).

## 12. Profit/loss from investments accounted for using the equity method

This item includes the prorated results concerning Metamorphic Materials Inc., Winsted, Connecticut (USA), in the amount of T€ 51 (previous year: T€ 54) and TECINVENT GmbH, Schömberg, in the amount of T€ 0 (previous year: T€ - 2). The prorated results concerning STERIXENE SAS, Les Angles, France reported in the prior year in the amount of T€ 3 do not apply to the current year due to the consolidation requirement. For more information see Note 22 "Investments accounted for using the equity method".

## 13. Finance income

in T€	2023/2024	2022/2023
Other interest and similar income	51	198
	51	198

Other interest and similar income includes interest income on loan receivables from Dr. Hönle Medizintechnik GmbH in the amount of T€ 14.



#### 14. Finance costs

in T€	2023/2024	2022/2023
Interest and similar expenses	2,031	1,772
Interest expenses from the discounting of lease liabilities	43	44
	2,074	1,816

#### 15. Income taxes

Current and deferred tax expenses and tax income are structured as follows:

in T€	2023/2024	2022/2023
<b>Actual income tax expense and income</b>	<b>923</b>	<b>2,413</b>
<b>Deferred tax expense and income</b>		
from a change in non-current assets	21	-183
from a change in current assets	-35	296
from a change in provisions	11	121
from a change in liabilities	6	-40
from a change in the capital increase	-	-191
from a change in losses carried forward	216	-1,111
from value adjustments on losses carried forward	-	-1,192
from consolidation effects	-95	225
from currency differences	-27	-24
from discontinued operations	-100	-2
from other valuation differences	-153	-37
<b>Subtotal deferred tax</b>	<b>-157</b>	<b>-2,140</b>
	<b>766</b>	<b>273</b>

The following overview reconciles the tax expense that would notionally result when applying the current German tax rate of 28.03% (PY: 28.03%) of the Group parent (corporation tax, solidarity surcharge, trade tax), with the actual tax expense in the consolidated financial statements:

in T€	2023/2024	2022/2023
Earnings before tax (including discontinued operations)	-12,233	-10,654
Theoretical tax rate in %	28.03	28.03
Computed tax expense	-3,429	-2,986
Change in computed tax expense relative to the actual tax expense due to:		
Use of deferred taxes on loss carry forwards	357	1,860
Change in the value adjustment of deferred tax assets	-	17
Loss carry forwards that cannot be recognised	1,399	-
Deviating tax base	224	755
Off-period effects	-16	747
Impairment of goodwill and changes in scope of consolidation	2,220	-
Deviating local tax rates	11	-128
Change in tax rates	-	10
Discontinued operations	-	-2
Total tax expense – tax rate reconciliation statement	766	273
Effective Group tax rate in %	-6.26	-2.56

The listing below reflects the tax rates applicable in the respective countries and used for the calculation of deferred taxes. When calculating deferred taxes, the following tax rates were applied at the Group companies:

- Germany: 28.03% to 30.53% (PY: 28.03% to 30.53%)
- France: 25.0% (PY: 25.0%)
- Switzerland: 1.1% to 1.2% (PY: 1.1% to 1.2%)
- USA: 26.93% to 28.50% (PY: 26.93% to 28.50%)
- China: 25.00% (PY: 25.00%)
- Malta: 15.00% (PY: 15.00%)
- South Korea: 9.00% (PY: 9.00%)
- Austria: 23.00% (PY: 24.00%)
- UK: 25.00% (PY: 25.00%)

The income tax effects of T€ 1,172 (PY: T€ -144) disclosed in the statement of comprehensive income include the amount of T€ 846 (PY: T€ -42) which is attributable to a change in the present value of hedging transactions, and the amount of T€ 326 (PY: T€ -102) which is attributable to the change in actuarial gains and losses from pension obligation.

## 16. Share in earnings attributable to non-controlling interests

Non-controlling interests in the result for the financial year consist of the following:

in T€	2023/2024	2022/2023
<b>Profit shares</b>		
UMEX GmbH	-	17
STERIXENE SAS	193	-
Hönle Electronics GmbH	88	131
<b>Loss shares</b>		
GEPA Coating Solutions GmbH	-	-41
Technigraf GmbH	-	-30
	282	77

## 17. Off-period expenses and income

The item "Other operating income" includes off-period income in the amount of T€ 243 (PY: T€ 62) and T€ 443 (PY: T€ 1,069) from the reversal of provisions.

The line item "Other operating expenses" includes off-period expenses in the amount of T€ 144 (PY: T€ 90).

## 18. Research and development costs

Research costs are taken into account as expense as they accrue. Development costs are only capitalised when the Hönle Group meets the capitalisation requirements defined in IAS 38 "Intangible Assets". While the other development costs are aimed at further improving the Hönle Group's products and processes, it is almost impossible to assess the respective technical feasibility or useful lives. There are no reliable assessments respecting expenses for the further improvement of products and processes.

Expenses for research and development recorded as an expense during the reporting period amounted to T€ 7,286 (PY: T€ 7,539).

## 19. Earnings per share

In accordance with IAS 33, earnings per share are determined by dividing the profit share attributable to Dr. Hönle AG shareholders by the weighted average number of shares in circulation during the period.

The weighted average portfolio of own shares (treasury stock) as at the balance sheet date (1,076 shares of stock), is not taken into account in the calculation of undiluted earnings per share and in the diluted earnings per share.

The weighted average portfolio of shares developed as follows in the year under review:

Weighted average of ordinary shares	
As at 30 /09 /2023	6,061,854
As at 30 /09 /2024	6,061,854

	<b>2023/2024</b>	2022/2023
Profit share in T€ attributable to Dr. Höhle AG shareholders	<b>-13,282</b>	-11,006
Weighted average of ordinary shares in circulation during the period (shares of stock) (undiluted)	<b>6,061,854</b>	6,061,854
Weighted average of ordinary shares in circulation during the period (shares of stock) (diluted)	<b>6,061,854</b>	6,061,854
Undiluted earnings per share in €	<b>-2.19</b>	-1.82
Diluted earnings per share in €	<b>-2.19</b>	-1.82

In the previous year, profit/loss from continuing operations came to T€ -11,254, which corresponded to earnings per share (undiluted and diluted) of € -1.87.

## **NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

### **20. Non-current assets**

Non-current assets include the following balance sheet items in the consolidated statement of financial position:

- Goodwill
- Intangible assets
- Property, plant and equipment
- Investment property
- Investments accounted for using the equity method
- Financial assets

#### **Goodwill**

Goodwill values from business combinations are allocated to those cash-generating units that draw benefit from the combinations, irrespective of whether other assets or debts of the acquiring company have already been allocated to these units.

Each unit or group of units to which goodwill has been allocated (a) is to represent the lowest level within the group where the goodwill is monitored for internal management purposes, and (b) may not be larger than a business segment in terms of IFRS 8.

Höhle reviews goodwill for impairment at least once a year. The recoverable amount for these cash-generating units is determined in order to perform an impairment test pursuant to IAS 36. The recoverable amount for cash-generating units was determined on the basis of the value in use, respectively the fair value less costs of sale in the case of pending sales.

In the course of restructuring the Company in financial year 2023/2024, Dr. Höhle AG re-segmented the business, which included redefining its cash-generating units (CGUs). Therefore, the annual tests of impairment with respect to the 30 September 2024 reporting date were carried out both as usual based on the CGUs relating to the legally independent subsidiaries as well as based on the post-resegmentation CGUs that follow a business unit structure.

On 3 September 2024, Dr. Höhle AG's market capitalisation fell below the carrying amount of its equity. This triggered impairment testing as of that date in accordance with IAS 36. For reason of materiality, the corresponding impairment test was carried out on 01 September 2024.

The impairment test carried out on Dr. Höhle AG indicated a need for recognising impairment losses of T€ 4,698, since the recoverable amount was below the carrying amount of the cash-generating unit. Taking into account the growth rates applied and the weighted average cost of capital (WACC) used for the impairment test as at 1 September 2024, the recoverable amount of the cash-generating unit consisting of Dr. Höhle AG corresponded to its carrying amount after factoring in the impairment loss of T€ 4,698. Applying a lower revenue growth rate or a higher WACC would have reduced the recoverable amount of the cash-generating unit to below its carrying amount.

The impairment test performed also indicated a need to recognise impairment losses of T€ 3,029 on Raesch Quarz (Malta) Ltd. given that the recoverable amount was below the carrying amount of the cash-generating unit. Taking into account the growth rates applied and the WACC used for the impairment test as at September 1, 2024, the recoverable amount of the cash-generating unit – Raesch Quarz (Malta) Ltd. – corresponds to its carrying amount after factoring in the impairment loss of T€ 3,029. Applying a lower revenue growth rate or a higher WACC would have reduced the recoverable amount of the cash-generating unit to below its carrying amount.

The assumptions used to determine the recoverable amount already account for the cost-reducing measures initiated as well as maintenance CapEx. An average annual revenue increase of between 5.1% and 23.6% has been assumed for the respective companies for the short- to mid-term forecast period. In all, an average revenue growth rate of respectively 11.7% was assumed for the short- and mid-term planning period with respect to the companies concerned. Each of these growth rates is based on detailed projections of sales revenues, which include past revenue trends with respect to certain existing customers and forecasts of sales revenues for new customers, generally on the basis of current projects. The forecasts also take into account estimates and information provided by customers, as well as information and assumptions on emerging trends in the relevant markets (product-specific and regional).

For Dr. Höhle AG, a revenue decline of 2.6% has been assumed for financial year 2024/2025. This conservative outlook for revenue growth is based on overall economic prospects, especially for Germany. Sales revenues are expected to rise by 9.6% on average in the period up to financial year 2028/2029. The revenue increase in the years following the current financial year is largely expected to be achieved by streamlining marketing processes within the Group in order to leverage greater market potential.

A decline of 2.5% in sales revenue has been projected for Raesch Quarz (Malta) Ltd. for financial year 2024/2025. This conservative outlook for revenue growth is based on overall economic prospects. Sales revenues are expected to rise by 5.1% on average in the period up to financial year 2028/2029.

For STERILSYSTEMS GmbH, a revenue increase of 15.3% has been assumed for financial year 2024/2025, due mainly to assumptions of continued upward growth in the surface and air disinfection market and expansion of our European sales territory. Revenue growth is expected to average 13.3% in the period up to financial year 2028/2029.

Revenue growth of 1% p.a. is assumed for the years following the five-year planning horizon.

Cash flow forecasts were used to calculate the value in use of the cash-generating units using segment-specific WACC rates before income taxes of 14.06% for Dr. Höhle AG, 15.27% for PrintConcept GmbH, 14.72% for STERILSYSTEMS GmbH, 10.14% for uv-technik Speziallampen GmbH and 9.34% for Raesch Quarz (Malta) Ltd. The discount rates applied in the previous year ranged from 10.01% to 16.12%.

The value in use is the present value of future cash flows that are expected from the continued use of the cash-generating units and the respective disposal at the end of their useful life. The usage value is determined using the discounted cash flow method on the basis of current corporate planning data in accordance with IAS 36. The planning horizon is five years. A weighted average capital cost rate (WACC) is used to discount the cash flows.

The cash flow projection is based on the profits/losses of the individual Group companies which are determined within the scope of a detailed planning process using internal historical values and external economic data. Planning is based, in particular, on assumptions concerning the sales development, the sales prices and the purchase prices for materials and primary products. These assumptions are specifically used for the short-term planning horizon. The mid-

term planning horizon is primarily modelled using extrapolations, whereupon the long-term area assumes a constant growth rate in the perpetual annuity.

Prior to re-segmentation, a significant portion of the Hönle Group's goodwill was attributable to the following cash-generating units: Dr. Hönle AG, Raesch Quarz (Malta) Ltd. and STERILSYSTEMS GmbH.

No impairment losses needed to be recognised for STERILSYSTEMS GmbH or the other companies.

After accounting for the impairment losses resulting from impairment testing, the Hönle Group's goodwill prior to the re-segmentation amounted to T€ 11,043 (previous year: T€ 18,400) and was allocated as follows:

in T€	2023/2024	2022/2023
Dr. Hönle AG	1,076	5,774
PrintConcept GmbH	460	460
uv-technik Speziallampen GmbH	464	464
Raesch Quarz (Malta) Ltd.	3,261	6,290
STERILSYSTEMS GmbH	5,412	5,412
STERIXENE SAS	370	-
	<b>11,043</b>	18,400

The regular annual test of impairment was carried out at year-end. Due to the close time proximity, the same planning assumptions were used for the most part. The same revenue growth rates were also used.

On the basis of cash flow forecasts, the values in use of the cash-generating units were calculated using segment-specific cost of capital rates before income taxes for Dr. Hönle AG (14.00%), for PrintConcept GmbH (15.30%), for STERILSYSTEMS GmbH (14.56%), for uv-technik Speziallampen GmbH (9.86%), and for Raesch Quarz (Malta) Ltd. (9.32%). In the previous year, discount rates of between 10.01% and 16.12% were applied.

Taking into account the growth rates applied and the weighted average cost of capital (WACC) used for the impairment test as at 30 September 2024, the recoverable amount of the cash-generating unit consisting of Dr. Hönle AG exceeded its carrying amount by T€ 1,142. Lowering the revenue growth rate by 6.86 percentage points or increasing the WACC by 0.14 percentage points would have resulted in a recoverable amount for the cash-generating unit that corresponds to its carrying amount.

Taking into account the growth rates applied and the weighted average cost of capital (WACC) used for the impairment test as at 30 September 2024, the recoverable amount of the cash-generating unit consisting of STERILSYSTEMS GmbH exceeded its carrying amount by T€ 2,064. Lowering the revenue growth rate by 6.91 percentage points or increasing the WACC by 2.54 percentage points would have resulted in a recoverable amount for the cash-generating unit that corresponds to its carrying amount.

Taking into account the growth rates applied and the weighted average cost of capital (WACC) used for the impairment test as at 30 September 2024, the recoverable amount of the cash-generating unit consisting of Raesch Quarz (Malta) Ltd. exceeded its carrying amount by T€ 107. Lowering the revenue growth rate by 0.39 percentage points or increasing the WACC by 0.16 percentage points would have resulted in a recoverable amount for the cash-generating unit that corresponds to its carrying amount.

The calculations of value in use are based on assumptions that are subject to uncertainties. This relates in particular to sales revenue expectations, profit margin performance, discount rates and the growth rate, which serve as the basis for extrapolating cash flow projections beyond the detailed planning period.

The discount rates applied represent current market assessments in respect of the risks attributable to the cash-generating units. Discount rates are calculated on the basis of the weighted average cost of capital (WACC).

The weighted average cost of capital accounts for both equity capital and debt capital.

Equity capital costs are derived from the expected return on investment of typical market participants. Debt capital costs (borrowing costs) are based on the borrowing rate for typical market participants.

Segment-specific risk is taken into account by using individual beta factors. The beta factors are calculated annually on the basis of market data.

Forecasts of growth rates are based on expected inflation levels.

After recognising the impairment losses arising from the test of impairment carried out due to the triggering event, the recoverable amounts calculated in the context of regular annual impairment testing did not fall below the goodwill recognised for the cash-generating units.

In the context of re-segmenting the Company at the end of financial year 2023/2024, goodwill was allocated to the new segments – which correspond to the respective cash-generating unit – as follows:

- Curing: T€ 724
- Adhesive Systems: T€ 760
- Disinfection: T€ 9,559

A significant share of the Höhle Group's goodwill is attributable to the cash-generating unit corresponding to the Disinfection business unit.

Re-segmentation meant that an additional impairment test was carried out on an operating segment basis, in the context of which the recoverable amount was calculated as the value in use under the discounted cash flow method.

Cash flow forecasts were used to calculate the value in use of the cash-generating units using segment-specific WACC rates before income taxes of 13.64% for the Curing segment 12.92% for the Adhesive Systems segment and 11.93% for the Disinfection segment.

Revenue growth of 9.1% has been assumed for the Disinfection segment in financial year 2024/2025, due mainly to assumptions of continued upward growth in the water and surface disinfection market and expansion of our sales territories in the Americas and Asia. Revenue growth is expected to average 11.5% in the period up to financial year 2028/2029.

Taking into account the growth rates applied and the weighted average cost of capital (WACC) used for the impairment test as at 30 September 2024, the recoverable amount of the cash-generating unit consisting of the Disinfection segment exceeded its carrying amount by T€ 2,006. Lowering the revenue growth rate by 2.58 percentage points or increasing the WACC by 0.30 percentage points would have resulted in a recoverable amount for the cash-generating unit that corresponds to its carrying amount.

Revenue growth of 5.4% has been assumed for the Curing segment in financial year 2024/2025, based mainly on an expected increase in market share thanks to a revamped portfolio of products and services. Revenue growth is expected to average 8.8% in the period up to financial year 2028/2029.

Taking into account the growth rates applied and the weighted average cost of capital (WACC) used for the impairment test as at 30 September 2024, the recoverable amount of the cash-generating unit consisting of the Curing segment exceeded its carrying amount by T€ 263. Lowering the revenue growth rate by 8.9 percentage points or increasing the WACC by 0.08 percentage points would have resulted in a recoverable amount for the cash-generating unit that corresponds to its carrying amount.

Revenue growth of 1.6% has been assumed for the Adhesive Systems segment in financial year 2024/2025. Revenue growth is expected to average 14.4% in the period up to financial year 2028/2029.



### **Intangible assets**

Within the course of corporate acquisitions, brands, customer bases as well as production technologies were acquired and capitalised as intangible assets under non-current assets.

Intangible assets also include purchased development services and subsequent acquisition costs concerning ERP software.

In the previous year, intangible assets included, in particular, internally created assets in the amount of T€ 517 concerning a development project for which the recoverability was no longer given in accordance to IAS 38 in financial year 2022/2023 and was therefore written off.

Intangible assets with limited useful lives are carried at cost and amortised on a straight-line basis over a period of 1 to 15 years depending on their estimated useful lives. Intangible assets with indefinite useful lives are tested for impairment at annual intervals.

The development of other intangible assets in financial years 2023/2024 and 2022/ 2023 is as follows:

in T€	Gross carrying amount	Additions	Disposals	Reclassifications	Currency parities	Consolidated group	Gross carrying amount	Accumulated amortisation/ depreciation and impairment	Net carrying amount	Amortisation/ depreciation and impairment in financial year
	01/10/2023						30/09/2024	30/09/2024	2024	
Brand names	58	-	-	-	-	-	58	-15	43	-4
Customer base and other rights	5,418	19	-	-	-	127	5,564	-5,203	361	-247
Software	3,441	176	-93	-	-1	-	3,523	-3,445	78	-100
Patents, licenses and other industrial property rights	1,868	-	-	-	-	4	1,872	-1,536	337	-131
Procedures, models, designs and prototypes	1,556	82	-	-	-	91	1,729	-1,419	310	-11
Advance payments made on intangible assets	788	391	-	-	-	-3	1,176	-700	476	-
<b>Intangible assets</b>	<b>13,129</b>	<b>667</b>	<b>-93</b>	<b>0</b>	<b>-1</b>	<b>219</b>	<b>13,921</b>	<b>-12,318</b>	<b>1,604</b>	<b>-493</b>

in T€	Gross carrying amount	Additions	Disposals	Reclassifications	Currency parities	Consolidated group	Gross carrying amount	Accumulated amortisation/ depreciation and impairment	Net carrying amount	Amortisation/ depreciation and impairment in financial year
	01/10/2022						30/09/2023	30/09/2023	2023	
Brand names	58	-	-	-	-	-	58	-12	46	-4
Customer base and other rights	5,418	-	-	-	-	-	5,418	-4,956	462	-258
Software	3,256	121	-	72	-1	-6	3,441	-3,345	96	-139
Patents, licenses and other industrial property rights	1,849	20	-	-	-	-	1,868	-1,405	463	-119
Procedures, models, designs and prototypes	1,556	-	-	-	-	-	1,556	-1,407	149	-571
Advance payments made on intangible assets	28	839	-8	-71	-	-	788	-700	88	-700
<b>Intangible assets</b>	<b>12,164</b>	<b>980</b>	<b>-8</b>	<b>0</b>	<b>-1</b>	<b>-6</b>	<b>13,129</b>	<b>-11,825</b>	<b>1,304</b>	<b>-1,790</b>

### **Property, plant and equipment**

Items of property, plant and equipment subject to wear and tear are stated at cost and subsequently measured using the acquisition cost model. They are depreciated according to schedule over the respective estimated useful life.

### **Land and buildings**

This item discloses the Group's own land and buildings. The following companies are concerned:

- Dr. Höhle AG
- uv-technik Speziallampen GmbH
- Eleco Panacol – EFD, SAS
- Honle US Real Estate LLC – (reclassification to assets held for sale in 2023/2024)
- PANACOL-ELOSOL GmbH

### **Technical equipment and machinery**

The assets disclosed under this position are depreciated over their useful lives of between 1 to 20 years applying the straight-line method.

### **Operating and business equipment**

The assets disclosed under this position are depreciated over their useful lives of between 1 to 39 years applying the straight line method.

### **Rights of use**

The recognised leases mainly relate to leased buildings and leases of motor vehicles. Reference is made to Note 43: Leases

Property, plant and equipment developed as follows in financial years 2023/2024 and 2022/2023:

in T€	Gross carrying amount	Additions	Disposals	Reclassifications	Currency parities	Consolidated group	Gross carrying amount	Accumulated amortisation/ depreciation and impairment	Net carrying amount	Amortisation/ depreciation and impairment in financial year
	01/10/2023						30/09/2024	30/09/2024	2024	
Land and buildings	73,223	54	-1,327	-	-31	-	71,919	-11,539	60,380	-1,499
Technical equipment and machinery	33,404	474	-15	-7	-62	43	33,837	-29,604	4,233	-747
Other equipment, operating and business equipment	16,171	484	-127	-	-20	5	16,514	-12,339	4,175	-831
Lease rights of use IFRS 16	6,155	1,432	-1,771	-	-19	-38	5,759	-3,559	2,200	11
Payments on account and assets under construction	225	508	-68	7	-	62	733	-78	655	-
<b>Property, plant and equipment</b>	<b>129,178</b>	<b>2,951</b>	<b>-3,308</b>	<b>0</b>	<b>-131</b>	<b>71</b>	<b>128,761</b>	<b>-57,119</b>	<b>71,642</b>	<b>-3,066</b>

in T€	Gross carrying amount	Additions	Disposals	Reclassifications	Currency parities	Consolidated group	Gross carrying amount	Accumulated amortisation/ depreciation and impairment	Net carrying amount	Amortisation/ depreciation and impairment in financial year
	01/10/2022						30/09/2023	30/09/2023	2024	
Land and buildings	73,520	284	-303	31	-116	-194	73,223	-10,040	63,183	-1,957
Technical equipment and machinery	34,126	439	-97	590	-93	-1,560	33,404	-28,857	4,548	-59
Other equipment, operating and business equipment	15,665	844	-213	-	-41	-84	16,171	-11,508	4,663	-1,117
Lease rights of use IFRS 16	6,144	2,143	-1,576	-	-51	-505	6,155	-3,570	2,585	-590
Payments on account and assets under construction	469	393	-1	-621	0	-15	225	-78	148	28
<b>Property, plant and equipment</b>	<b>129,923</b>	<b>4,103</b>	<b>-2,190</b>	<b>0</b>	<b>-301</b>	<b>-2,358</b>	<b>129,178</b>	<b>-54,052</b>	<b>75,126</b>	<b>-3,695</b>

### Investment property

A property owned by Dr. Hönle AG and classified as investment property in the past financial year was reclassified to assets held for sale as at 30 September 2024 because the Company aims to dispose of the property within the next 12 months. The property generated revenue of T€ 213 in financial year 2023/2024. Significant expenses of T€ 40 were recognised in connection with generation of that revenue.

The line item developed as follows:

in T€	Gross carrying amount 01/10/2023	Additions	Disposals	Reclassi- fications	Currency parities	Consolidated group	Gross carrying amount 30/09/2024	Accumulated amortisation/ depreciation and impair- ment	Net carry- ing amount 30/09/2024	Amortisation/ depreciation and impairment in fi- nancial year 2024
Investment property	1,399	-	-1,399	-	-	-	-	-	-	-39

in T€	Gross carrying amount 01/10/2022	Additions	Disposals	Reclassi-fi- cations	Currency parities	Consoli- dated group	Gross carrying amount 30/09/2023	Accumu- lated amortisa- tion/ deprecia- tion and impair- ment	Net carry- ing amount 30/09/2023	Amortisation/ depreciation and impairment in fi- nancial year 2023
Investment property	1,399	-	-	-	-	-	1,399	-384	1,015	-39

The fair value in the amount of €1.6 million is derived from an appraisal performed by a real estate expert.

### Financial assets

This line item mainly includes shares in affiliated companies in the amount of T€ 26 (previous year: T€ 26) and equity investments of T€ 211 (previous year: T€ 0). Shares in affiliated companies relate to the 100% shareholding in Solitec GmbH, Gilching which is not included in the scope of consolidation due to its minor significance for the Group. The equity investment of T€ 211 relates to the acquisition of 8.24% of the shares in PRUUV GmbH, Dresden on 13 May 2024.

## 21. Other non-current assets

in T€	30/09/2024	30/09/2023
Asset values conc. reinsurance	2,465	2,318
Derivatives	2,004	4,949
Other	60	39
	4,529	7,307

## 22. Investments accounted for using the equity method

This line item includes the carrying amounts of the equity-accounted investments in Metamorphic Materials Inc. and TECINVENT GmbH. The carrying amount of equity-accounted investments came to T€ 262 as at 30 September 2024 (previous year: T€ 381). Due to the increase in our shareholding in STERIXENE SAS from 24.24% to 51.00% in financial year 2023/2024, STERIXENE SAS has been included in our scope of consolidation since May 2024. STERIXENE SAS had been included under "Investments accounted for using the equity method" in the amount of T€ 173 in the prior year. These investments are considered to be immaterial, both individually and in total.

The total profits and losses of the individual equity investments are broken down as follows:

Metamorphic Materials Inc.	T€ 170 T€	(PY: T€ 179)
TECINVENT GmbH	T€- 2	(PY: T€ -19)

## 23. Deferred tax assets and deferred tax liabilities

The tax deferrals recorded are to be allocated to the following balance sheet line items or tax issues, respectively:

in T€	Asset 30/09/2024	Liability 30/09/2024	Asset 30/09/2023	Liability 30/09/2023
Non-current assets	148	124	168	123
Current assets	97	100	93	131
Provisions	1,163	115	1,074	331
Liabilities	94	950	109	1,786
Tax losses carried forward	4,921	-	5,136	-
- <i>deferred taxes on losses</i>	4,921	-	5,136	-
- <i>value adjustments</i>	-	-	-	-
Consolidation effect	49	211	30	255
Netting of deferred tax assets/liabilities	-715	-715	-1,451	-1,451
	5,756	784	5,159	1,175

In accordance with IAS 12, deferred tax assets which are to be offset against unused tax losses carried forward are accounted for to the extent that future taxable income is likely to be available against which the unused tax losses can be offset.

The companies: Dr. Höhle AG, Hoenle UV Technology Shanghai, Ltd., Panacol AG, Panacol-USA, Inc., Panacol-Korea Co., Ltd., Eltosch Grafex America, and Höhle Electronics GmbH, report tax losses carried forward as at 30 September 2024. There are unused tax losses of T€ 25,583 for which no deferred tax assets has been recognised.

Value assessments are made on the basis of annual planning calculations from which predictions on the use of future tax losses can be derived. Only those losses are stated that are expected to be used within a period of five years.



## 24. Inventories

Inventories are structured as follows:

in T€	30/09/2024	30/09/2023
Raw materials and supplies incl. descriptive material (at acquisition costs)	19,790	22,456
Work in progress (at acquisition or manufacturing costs)	1,323	2,143
Finished goods and merchandise (at acquisition or manufacturing costs)	9,159	10,169
Prepayments made	182	279
	30,454	35,046

The carrying amount of inventories stated at net sales prices (fair value) amounts to T€ 1,583 (PY: T€ 1,471). In the 2023/2024 reporting period, inventories in the amount of T€ 35,624 (PY: T€ 44,212) and an impairment loss on inventories in the amount of T€ 2,931 (PY: T€ 7,767) were recognised under cost of materials.

In the year under review, one inventory-related estimate was changed as a result of our strategic realignment in which we refocused our business on our core activities. In this context, a more restrictive approach to inventory measurement was taken with an increased one-off write-down of T€ 2,073 (thereof extraordinary T€ 688) recognised in the financial year at the time the switch was made.

Inventories declined in the previous year due to write-downs of T€ 11,052 on mobile air disinfection devices arising from discontinuation of the product line.

The only reservations of title to the assets reported under inventories are those customary in the context of sales contracts.

## 25. Trade receivables

in T€	30/09/2024	30/09/2023
Total receivables	15,034	15,724
<i>less value adjustments</i>	-114	-106
	14,920	15,618

Trade receivables as at 30 September 2024 were measured taking into account the expected-loss-impairment-model stipulated in IFRS 9. The value adjustments were determined based on past experience with actual payment defaults and were adjusted for prospective expectations (see Note 47 "Management of financial risks - credit risks").

The development of impairment on trade receivables is as follows:

in T€	<b>2023/2024</b>	2022/2023
<b>As of 01/10/</b>	<b>106</b>	<b>196</b>
Change in impairment on trade receivables	<b>8</b>	-90
<b>As at 30/09/</b>	<b>114</b>	<b>106</b>

The receivables presented do not include any major delinquent receivables as at the reporting date and for which the Group has not recognised any impairment losses.

The fair values of trade receivables correspond to the carrying amounts. The residual term of trade receivables is less than one year.

## 26. Receivables from and liabilities to long-term investees and investors

This line item mainly consists of receivables due from TECINVENT GmbH in the amount of T€ 63 (previous year: T€ 58). In the previous year, this line item consisted of receivables due from STERIXENE SAS in the amount of T€ 50 that were eliminated on the initial consolidation of STERIXENE SAS in the year under review.

## 27. Other current assets

in T€	<b>30/09/2024</b>	30/09/2023
Prepaid expenses	<b>647</b>	607
Other current assets	<b>1,046</b>	1,265
	<b>1,693</b>	1,871

Other current assets are broken down as follows:

in T€	<b>30/09/2024</b>	30/09/2023
Receivables from related parties	<b>0</b>	468
Value added tax	<b>454</b>	379
Receivables from employees	<b>126</b>	88
Current portion of non-current loans	<b>82</b>	0
Other	<b>384</b>	330
	<b>1,046</b>	1,265

“Other” consists primarily of security deposits amounting to T€ 61 (previous year: T€ 60) and receivables from suppliers of T€ 145 (previous year: T€ 110).

The disclosed carrying amounts correspond to the fair values. The residual term is less than one year. With respect to receivables from related parties reference is made to Note 50.

The reported other assets are not subject to ownership restrictions or restraints on disposal.

## 28. Current tax assets

Current tax assets are structured as follows:

in T€	30/09/2024	30/09/2023
Dr. Höhle AG	272	843
PrintConcept GmbH	191	136
Eltosch Grafix America Inc.	88	93
STERILSYSTEMS GmbH	63	69
Panacol AG	21	22
PANACOL-ELOSOL GmbH	1,816	2,454
uv-technik Speziallampen GmbH	834	224
Höhle Electronics GmbH	35	3
Panacol-USA, Inc.	62	66
	<b>3,384</b>	<b>3,910</b>

## 29. Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank credit balances. At the same time, the line item represents cash and cash equivalents relevant to the consolidated cash flow statement in terms of IAS 7. The reported cash and cash equivalents are not subject to disposal restrictions.

## 30. Assets held for sale

This line item includes two properties classified as assets held for sale as at 30 September 2024. The properties are expected to be sold quickly. A total of T€ 976 of the carrying amount of the property owned by Dr. Höhle AG was reclassified from "investment property" to "assets held for sale". The amount reclassified with respect to Honle US Real Estate LLC came to T€ 983.

## 31. Equity

### Equity capital management

In addition to an adequate return on the equity capital employed, the Höhle Group aims at maintaining the equity ratio and pertaining liquidity reserves at a continuously high level in order to ensure further growth and increase corporate value.

Equity capital decreased by T€ 16,447 to T€ 79,686 year-on-year. The equity-to-assets ratio fell to 51.3% (PY: 54.6%).

With respect to changes in equity capital in financial year 2023/2024 reference is made to the statement of changes in consolidated equity.

Some of the loan agreements of the Group companies include covenants concerning the Group's economic equity capital (bank definition) and net indebtedness (bank definition). In the financial year under review, the agreed leverage ratio was breached with respect to the loans of a particular bank. The breach was remedied through a waiver agreement.

In the 2022/2023 financial year, the agreed loan covenants with regard to the adjusted operating business were complied with. The banks took the one-off factors into account with mitigating effect when calculating net debt.

### Subscribed capital

The subscribed capital (nominal capital) amounts to € 6,062,930 (PY: € 6,062,930). Accordingly, one share of stock grants a notional share of € 1.00 in corporate capital. The no par shares of stock are made out to the bearer.

As at the respective balance sheet date, shares issued and in circulation were as follows:

Share of stock	<b>30/09/2024</b>	30/09/2023
Number of shares issued	<b>6,062,930</b>	6,062,930
less treasury shares	<b>1,076</b>	1,076
Shares in circulation	<b>6,061,854</b>	6,061,854

### **Treasury shares**

The shareholders' meetings held in previous years authorised Dr. Höhle AG to acquire up to 10% of the respective nominal capital pursuant to Section 71 (1) No. 8 AktG [German Stock Corporation Act].

Effective 23 March 2023, the Annual General Meeting resolved to authorise the Dr. Höhle AG Management Board and Supervisory Board to acquire treasury stock up to a total of 10% of the nominal capital in the amount of € 6,062,930.00 up to 22 March 2025 pursuant to Section 71 (1) No. 8, AktG. The Company may not use the authorisation to trade in own shares (treasury stock). Dr. Höhle AG did not make use of the authorisation in financial year 2023/2024.

In previous years, the Company acquired shares or issued shares as follows, with a view to acquiring additional subsidiaries:

	As at 30/09/2023	Change	<b>As at 30/09/2024</b>
Number of treasury shares	1,076	-	<b>1,076</b>
Acquisition costs in T€	8	-	<b>8</b>
Average acquisition costs per share in €	7.77	-	<b>7.77</b>

In accordance with IAS 32, own shares are deducted from equity and disclosed as a separate item at acquisition costs of T€ 8. The average share price of all treasury stock held amounts to € 7.77. The stock exchange price amounted to € 11.70 as at the balance sheet date.

Pursuant to Section 71b AktG, Dr. Höhle AG is not entitled to any rights arising from own shares; in particular, these shares do not carry an entitlement to dividends.

### **Capital reserves**

Capital reserves include mainly the premiums from the capital increase associated with the stock flotation in financial year 2000/2001 and the issue of new shares in financial year 2019/2020.

### **Nature and purpose of reserves**

#### **Legal and other reserves**

The legal reserve was set up in accordance with Section 150 AktG. Unless distributed, the respective result for the year is transferred to retained earnings.

#### **Reserve for measurement in accordance with IFRS 9**

Changes from the initial application of the impairment model in accordance with IFRS 9 are recognised in this reserve after taking deferred taxes into account. As at 30 September 2024, the reserve amounted to T€ 332 (PY: T€ 332) after deferred taxes.

#### **Reserve for hedging transactions**

This reserve includes changes in the fair value of effective hedging transactions after accounting for deferred taxes. As at 30 September 2024, the reserve amounted to T€ 1,428 (PY: T€ 3,527) after deferred taxes.

### **Reserve for actuarial gains and losses in accordance with IAS 19**

The reserve for actuarial gains and losses in accordance with IAS 19 contains the actuarial losses from the measurement of pension obligations recognised with neutral effect on profit or loss in accordance with IAS 19 after taking deferred taxes into account.

### **Reserve for currency differences**

The reserve for currency differences is used to recognise currency differences arising from the translation of the financial statements of foreign subsidiaries.

### **Proposed dividend**

In view of the business development, the Dr. Höhle AG Management Board and Supervisory Board propose to the Annual General Meeting to be held in 2025 that no dividend be paid out for financial year 2023/2024, as was the case in the preceding year.

### **Authorised capital**

In accordance with a resolution passed by the Annual General Meeting on 23 March 2021, the Management Board was authorised until 22 March 2026 with the approval of the Supervisory Board, to increase the share capital by up to T€ 600 by issuing new, no-par-shares (ordinary shares) on one or more occasions.

### **Non-controlling interests**

Non-controlling interests are considered individually and collectively to be immaterial.

## **32. Non-current loans (less current portion)**

This line item includes the non-current portion of the following bank loans:

<u>in T€</u>	<u>Loan amount</u>	<u>Effective interest rate in %</u>	<u>Term</u>	<u>Repayment p. a.</u>	<u>Carrying amount 30.09.2024</u>
Loan Dr. Höhle AG	1,300	0.80	31/12/2024	208	52
Loan Dr. Höhle AG	30,100	2.24	30/06/2038	1,720	23,650
Loan Dr. Höhle AG	300	1.45	30/06/2040	15	236
Loan Dr. Höhle AG	200	1.45	30/06/2040	10	158
Loan Dr. Höhle AG	1,050	2.08	30/06/2027	263	722
Loan Dr. Höhle AG	3,000	5.38	31/07/2026	1,000	2,000
Loan PANACOL-ELOSOL GmbH	15,000	2.17	29/10/2038	841	11,845
Loan uv-technik GmbH	4,200	2.14	30/09/2037	240	3,120
Loan STERIXENE SAS	100	1.52	26/10/2025	18	19
Loan STERIXENE SAS	22	0.73	23/06/2026	6	10
Loan STERIXENE SAS	50	1.40	06/01/2026	10	14
Loan STERIXENE SAS	160	0.00	31/05/2028	32	120

The non-current and current portions of the above-stated loans are as follows:

in T€	Current portion	Non-current portion	Payer interest swap	Collateral
Loan Dr. Hönle AG	52	0	no	none
Loan Dr. Hönle AG	1,720	21,930	yes	Land charge
Loan Dr. Hönle AG	15	221	no	Land charge
Loan Dr. Hönle AG	10	148	no	Land charge
Loan Dr. Hönle AG	263	459	no	none
Loan Dr. Hönle AG	1,000	1,000	no	none
Loan PANACOL-ELOSOL GmbH	841	11,004	yes	Land charge
Loan uv-technik GmbH	240	2,880	yes	Land charge
Loan STERIXENE SAS	18	1	no	none
Loan STERIXENE SAS	6	4	no	none
Loan STERIXENE SAS	10	3	no	none
Loan STERIXENE SAS	32	88	no	none

### 33. Non-current and current lease obligations

in T€	30/09/2024	30/09/2023
Current lease liabilities	1,357	1,333
Non-current lease liabilities	1,133	1,274
	2,490	2,607

With regard to the disclosures on leases as at 30 September 2024, reference is made to Note 43.

### 34. Other non-current liabilities

This line item mainly includes liabilities from security deposits of T€ 89 (PY: T€ 89).

### 35. Pension provisions

Provisions for pension obligations are set up in connection with pension plans and pertaining old age-, invalidity- and surviving dependents commitments.

The pension provisions concerning defined benefit plans are determined in accordance with IAS 19 applying the projected unit credit method, i.e., future obligations are measured on the basis of prorated pension benefits accrued as at the balance sheet date. Trend assumptions concerning the relevant parameters, which impact on the amount of benefits, are accounted for. This relates, in particular, to fluctuation, future salary trends and the respective applicable interest rate.

The pension provisions mainly relate to pension commitments to employees of Group companies in Germany and, to a smaller degree, employees of the French subsidiaries. In Germany, there are otherwise no laws or regulations stipulating a minimum required allocation of funds.

The pension obligations were structured as follows as at the balance sheet date:

in T€	<b>30/09/2024</b>	30/09/2023
Present value of pension obligation as at beginning of the year	<b>8,448</b>	8,711
Reclassification to liabilities held for sale	-	-108
plus pension costs	<b>135</b>	155
plus interest costs	<b>349</b>	329
plus / net of actuarial gains / losses	<b>949</b>	-425
plus / net of severance payments on pension rights	-	-
net of pension payments	<b>-240</b>	-214
Value of pension obligation at year-end	<b>9,641</b>	8,448

Payments of T€ 240 (PY: T€ 214) are expected to be made in the 2024/2025 financial year with respect to the above pension obligations.

The Company assumes that the pension obligation in the amount of T€ 9,401 (PY: T€ 8,234) will be settled after more than twelve months. The average term of the pension obligations is 16.7 years (PY: 16.6 years).

Actuarial gains and losses arising in financial year 2023/2024 were transferred to or netted with equity with neutral effect on profit or loss, leading to the stated change in pension provisions with neutral effect on profit/loss.

The following actuarial assumptions were used to determine the carrying value of the pension obligation:

	<b>30/09/2024</b>	30/09/2023	30/09/2022
Discount rate in %	<b>4.06 - 4.10</b>	3.70 - 3.75	1.30
Income from fund assets in %	<b>1.30</b>	1.30	1.30
Growth rate of pension payments in %	<b>1.60 - 2.00</b>	1.60 - 2.00	1.60 - 2.00
Heubeck Mortality Tables	<b>2018_G</b>	2018_G	2018_G

The pensions obligation recognised is covered in the amount of T€ 5,234 (PY: T€ 5,236) by plan assets largely in the form of life insurance policies that are administered independently by various providers.

Sensitivity analyses carried out within the scope of the actuarial expert opinions as at 30 September 2024 led to the following results concerning the pension obligations:

in T€		<b>30/09/2024</b>
Amount of the pension obligation following a change in parameters		
Discount rate	+0,50%	<b>9,118</b>
Discount rate	-0,50%	<b>10,671</b>
Amount of the pension obligation following a change in parameters		
Growth rate of pension payments	+0,25%	<b>10,148</b>
Growth rate of pension payments	-0,25%	<b>9,562</b>
Amount of the pension obligation following a change in parameters		
Life expectancy	+10,00%	<b>8,547</b>

The sensitivity analyses with regard to the essential parameter mentioned above were carried out using an actuarial procedure which extrapolates the impact of realistic changes of major assumptions at the end of the reporting period to the obligation arising from the defined benefit plan.

The development of the parameters presented above is closely monitored by the Company and appropriate adjustments are made to the existing reinsurance policies as required.

The plan assets developed as follows in financial year 2023/2024:

in T€	<b>30/09/2024</b>	30/09/2023
Fair value of plan assets at the beginning of the year	<b>5,236</b>	4,700
Expected return on plan assets	<b>212</b>	170
Employer contributions paid	-	437
Benefits paid	<b>-10</b>	-20
plus/net of actuarial gains/losses	<b>-204</b>	-51
Fair value of plan assets at the end of the year	<b>5,234</b>	5,236

The expected total return on plan assets is calculated based on the market prices prevailing at that time for the period during which the obligation is met. These market prices are reflected in the basic assumptions.

The expected development of plan assets for financial year 2024/2025 is as follows:

in T€	30/09/2025
Fair value of plan assets at the beginning of the year	5,234
Expected return on plan assets	171
Employer contributions paid	0
Fair value of plan assets at the end of the year	5,405

The consolidated income statement for the financial year includes the following expenses for pension obligations:

in T€	<b>2023/2024</b>	2022/2023
Current service costs	<b>135</b>	155
Interest costs	<b>349</b>	329
Return on plan assets	<b>-211</b>	-170
	<b>273</b>	314



The balance sheet item "Pension provisions" saw the following movements in the reporting year:

in T€	<b>30/09/2024</b>	30/09/2023
Balance sheet value of pension provision at the beginning of the year	<b>3,212</b>	4,011
Reclassification to liabilities held for sale	-	-107
plus pension cost	<b>273</b>	317
net of contributions paid	-	-437
net of payments/pension benefits	<b>-240</b>	-214
plus payment from fund assets	-	-
less settlement of pension claims	-	-
Changes with neutral effect on profit/loss	<b>1,162</b>	-358
thereof from adjusted historical values	<b>-56</b>	125
thereof from biometric assumptions	<b>0</b>	1
thereof from financial assumptions	<b>1,218</b>	-484
Balance sheet value of pension provision at the end of the year	<b>4,407</b>	3,212

With respect to pension obligations concerning current or former Management Board members and managing directors, reference is made to Note 51.

### 36. Accrued public investment grants

in T€	<b>2023/2024</b>	<b>2022/2023</b>
<b>As at</b>		
<b>01/10/2023</b>	<b>63</b>	<b>115</b>
Applied for in the financial year	-	-
Recognised/released through profit/loss	<b>-4</b>	-52
<b>As at</b>		
<b>30/09/2024</b>	<b>60</b>	<b>63</b>

The public grants relate largely to the new construction of a production hall at uv-technik Speziallampen GmbH. It is expected that all conditions linked to these grants will be fulfilled. There are no significant uncertainties.

### 37. Trade payables

Trade payables are stated at settlement amounts. The carrying amount of trade payables as at the balance sheet date is T€ 6,366 (PY: T€ 7,558), of which the amount of T€ 1,226 (PY: T€ 2,340) concerns accrued liabilities. Given the short payment targets respecting these liabilities, the amount corresponds to the fair value of the liabilities.

### 38. Contract liabilities

Prepayments received on account of orders that are recognised as contract liabilities relate to payments from customers for services not yet provided by the Company. The amounts are shown excluding VAT. Reference in this respect is made to the explanations under Note 6: "Revenue".

### 39. Current liabilities to banks and current portion of non-current loans

The liabilities to banks are stated at the respective settlement amounts.

Current liabilities to banks amounted to T€ 12,978 (PY: T€ 12,416) at the end of the reporting period. With respect to the structure of the current portion of the loans included in this line item, reference is made to Note 32. In addition, this line item includes the short-term credit lines drawn down in the amount of T€ 8,807 (PY: T€ 8,001).

As at 30 September 2024, the overdraft facilities granted by banks totalled T€ 11,500 (PY: T€ 11,500) on which interest would have to be paid at market rates if utilised. Of the total, the amount of T€ 8,807 (PY: T€ 8,001) was drawn down as of the reporting date.

#### 40. Other current liabilities

in T€	30/09/2024	30/09/2023
Wage tax and VAT	937	838
Social security contributions	578	565
Profit sharing bonus and other bonuses	832	1,094
Christmas bonus	1,287	1,197
Holidays not taken	699	652
Flexi-time surpluses	725	455
Other personnel-related liabilities	1,063	818
Other	1,108	1,076
	<b>7,228</b>	<b>6,696</b>

Liabilities concerning profit sharing bonuses and other bonuses relate to variable remuneration components and profit-sharing bonuses vis à vis the management boards, managing directors and employees of individual companies included in the consolidated financial statements.

The liabilities for Christmas bonuses were set up to account for appropriate allocation of the Christmas allowance.

Liabilities for holidays not taken were determined on a pro rata temporis basis due to the deviating financial year.

The liabilities respecting flexi-time surpluses relate to employees' overtime account credits.

Liabilities for Supervisory Board compensation, included in the item "Other", amount to T€ 178 (PY: T€ 183).

#### 41. Other provisions

Other provisions developed as follows:

in T€	As at 01/10/2023	Utilisation	Release	Addition	Consoli- dated group	As at 30/09/2024
<b>Contractual obligations vis à vis third parties:</b>						
Warranties and guaranties	371	-229	-45	230	-3	<b>324</b>
Obligations from rental agree- ments	11	-	-1	-	-	<b>10</b>
Other	-	-	-	-	-	<b>-</b>
	<b>382</b>	<b>-229</b>	<b>-46</b>	<b>230</b>	<b>-3</b>	<b>334</b>

Provisions for warranties and guaranties relate to warranties provided with or without a legal obligation to do so, and to the cost of reworking as a result of returned goods. The provision is usually calculated at 0.5% of risk-prone revenue. The percentage rate is derived from historical values.

The expected outflow of cash used for the above-mentioned provisions amounts to T€ 194 in the subsequent year (PY: T€ 80).

Other provisions developed as follows in FY 2022/2023:

in T€	As at 01/10/2022	Utilisation	Release	Addition	Consolidated group	As at 30/09/2023
<b>Contractual obligations vis à vis third parties:</b>						
Warranties and guaranties	497	-13	-26	-73	-13	<b>371</b>
Obligations from rental agreements	21	-	-2	-	-8	<b>11</b>
Other	190	-	-190	-	-	-
	<b>708</b>	<b>-13</b>	<b>-218</b>	<b>-73</b>	<b>-22</b>	<b>382</b>

#### 42. Income tax liabilities

Liabilities from income taxes were stated at the amount of the expected actual payment obligations resulting from income taxes for both the financial year and previous years.

#### 43. Leases

Information on leases in which the Group acts as lessee is presented below.

##### Rights of use

Rights of use in connection with leased real estate, motor vehicles and IT equipment are presented as non-current assets within property, plant and equipment.

in T€	Land and buildings	Technical equipment and machinery	Other equip- ment, operat- ing and business equipment	Total
<b>As at 01/10/2023</b>	<b>1,275</b>	<b>1,144</b>	<b>166</b>	<b>2,585</b>
Additions to rights of use	629	795	8	1,432
Amount of amortisation in the financial year	-645	-682	-51	-1,378
Disposals of rights of use	1,141	614	16	1,771
Disposals of amortisation	-755	-614	-16	-1,384
Currency differences	-13	-1	0	-14
Disposals of changes in the consolidated group	0	-38	0	-38
<b>As at 30/09/2024</b>	<b>1,247</b>	<b>1,217</b>	<b>123</b>	<b>2,586</b>

in T€	Land and buildings	Technical equipment and machinery	Other equip- ment, operat- ing and business equipment	<b>Total</b>
<b>As at 01/10/2022</b>	<b>2,077</b>	<b>940</b>	<b>146</b>	<b>3,163</b>
Additions to rights of use	664	890	82	1,636
Amount of amortisation in the fi- nancial year	-947	-637	-59	-1,642
Disposals of rights of use	300	646	96	1,042
Disposals of amortisation	-300	-646	-96	-1,042
Currency differences	-37	-3	0	-40
Reclassification – Assets held for sale	-19	-5	-3	-27
Disposals of changes in the consoli- dated group	-463	-42	0	-505
<b>As at 30/09/2023</b>	<b>1,275</b>	<b>1,144</b>	<b>166</b>	<b>2,585</b>

Amounts recognised in the consolidated income statement:

in T€	<b>2023/2024</b>	2022/2023
Amortisation of rights of use	<b>1,378</b>	1,645
Interest expenses for lease liabilities	<b>43</b>	44
Expenses for leases of an asset of low value (including short-term leases)	<b>0</b>	40

Amounts recognised in the consolidated cash flow statement:

in T€	<b>2023/2024</b>	2022/2023
Cash flow from operating activities	<b>-52</b>	-39
Cash flow from financing activities	<b>-1,148</b>	-1,233

#### Lease liabilities

Lease liabilities in the amount of T€ 1,133 (PY: T€ 1,274) are included in the balance sheet item "Non-current lease liabilities" and in the amount of T€ 1,357 (PY: T€ 1,333) in the balance sheet item "Current lease liabilities". The maturities based on non-discounted cash flows are as follows:

2023/2024				
in T€	Residual term up to 1 year	Residual term 1 to 5 years	Residual term more than 5 years	<b>Total amount</b>
Lease liabilities based on non-discounted cash flow	1,389	1,149	0	<b>2,538</b>

2022/2023

in T€	Residual term up to 1 year	Residual term 1 to 5 years	Residual term more than 5 years	Total amount
Lease liabilities based on non-discounted cash flow	1,366	1,293	0	2,659

#### Finance lease receivables

Finance lease receivables amounted to T€ 327 (previous year: T€ 57), the majority of which related to receivables from a sublease agreement for a warehouse in the amount of T€ 296 (previous year: T€ 0). The receivable is reported in the amount of the net investment. Financial income in the financial year amounts to T€ 2.

The maturities of lease receivables are as follows:

in T€	Residual term up to 1 year	Residual term 1 to 5 years	Residual term more than 5 years	Total amount
Lease receivables	182	145	0	327

## OTHER DISCLOSURES

### 44. Contingent liabilities

Beyond the existing obligations which are covered by provisions, there is currently no significant obligation that would depend on future uncontrollable events.

No guaranties have been issued to parties outside the Group. There were advance payment guarantees of T€ 234 as at the end of reporting date.

### 45. Contingent receivables

No contingent receivables as defined under IAS 37 are reported.

### 46. Other financial obligations

Other financial obligations of the Group are broken down as follows:

in T€	due within 1 year	due in 1 to 5 years	due in more than 5 years	<b>30/09/2024</b> Total obligation
Equipment lease agreements	55	9	-	<b>63</b>
Order commitments	5,406	-	-	<b>5,406</b>
	5,460	9	-	<b>5,469</b>

Other financial obligations from equipment leases relate to short-term leases and low-value leases for which no right-of-use asset or lease liability has been recognised.

in T€				30/09/2023
	due within 1 year	due in 1 to 5 years	due in more than 5 years	Total obligation
Equipment lease agree- ments	58	3	-	61
Order commitments	5,125	-	-	5,125
	5,183	3	-	5,186

## 47. Management of financial risks

### Principles of risk management

Within the scope of its operative activities, the Höhle Group is exposed to risks which are dealt with in the Risk Report section of the Management Report.

Dr. Höhle AG has introduced a formalised risk management system in order to monitor risks. The governing principles are documented in a manual. In measuring the probability of a loss event and the probability of a loss amount (and taking into account any potential opportunities for the Group), a decision is made as to whether the pertaining risk is to be avoided, reduced, transferred or accepted. The risk situations are analysed and counter measures are defined and taken whenever necessary. The Dr. Höhle AG Management Board is informed at regular intervals about the Group's current risk situation and is also informed immediately if new risks should occur.

Significant risks associated with financial assets and debts are allocated to liquidity, credit, and market risks.

### Liquidity risks

Basically, liquidity risks relate to the risk that the Höhle Group might not be in a position to meet its obligations in the context of financial liabilities.

One of the Höhle Group's management objectives is a sustained increase in the operative cash flow. In this context, the liquidity situation is permanently and intensively monitored. The Dr. Höhle AG Management Board is informed at weekly intervals about the Group's liquidity situation. In particular, utilisation of the cash pooling account by Höhle Group subsidiaries is monitored. Moreover, all account balances of Höhle Group's bank accounts are reported in detail to the Management. The Group monitors the risk associated with possible liquidity bottlenecks on an ongoing basis and assesses the liquidity development of all Höhle Group companies, based on the respective liquidity status in combination with the earnings forecast and intended financial and investing transactions.

According to our current planning, no liquidity bottlenecks are recognisable within the Höhle Group at present. However, there are liquidity risks arising from non-compliance with contractual terms in loan agreements (covenants) so intensive monitoring and options for action are being addressed. If covenants are not complied with, it is assumed that the agreed key figures will be missed with a relatively small deviation, so that the situation can generally be remedied by means of a waiver agreement. In the event that further security needs to be provided, the Group has various options (collateral on assets, factoring) to counteract the risk of short-term maturity.

The following tables reflect the contractually agreed interest and principal payments concerning all liabilities:

Financial year 2023/2024

in T€	Residual term up to 1 year		Residual term 1 to 5 years		Residual term more than 5 years		Total amount	
	Interest	Repay- ment	Interest	Repay- ment	Interest	Repay- ment	Interest	Repay- ment
Liabilities to bank	938	12,978	2,790	12,897	2,522	24,878	6,250	50,752
<i>thereof from loan commitments not yet called in</i>	-	-	-	-	-	-	-	-
Trade payables	-	6,366	-	-	-	-	-	6,366
Leasing liabilities	32	1,357	16	1,133	-	-	48	2,490
Liabilities to other long-term investees and investors	-	1	-	-	-	-	-	1
Other financial liabili- ties	1	6,839	0	140	-	-	1	6,979
	<b>971</b>	<b>27,540</b>	<b>2,806</b>	<b>14,170</b>	<b>2,522</b>	<b>24,878</b>	<b>6,299</b>	<b>66,588</b>

The disclosures on interest in the liquidity profile "Liabilities to banks" include payments resulting from interest rate swaps. Reference is also made to the explanations under "Interest rate risks".

Financial year 2022/2023

in T€	Residual term up to 1 year		Residual term 1 to 5 years		Residual term more than 5 years		Total amount	
	Interest	Repay- ment	Interest	Repay- ment	Interest	Repay- ment	Interest	Repay- ment
Liabilities to bank	1,061	12,416	3,137	14,079	3,116	27,704	7,315	54,199
<i>thereof from loan commitments not yet called in</i>	-	-	-	-	-	-	-	-
Trade payables	-	7,558	-	-	-	-	-	7,558
Leasing liabilities	33	1,333	19	1,274	-	-	52	2,607
Liabilities to other long-term investees and investors	-	-	-	-	-	-	-	-
Other financial liabili- ties	2	6,462	2	269	-	-	4	6,731
	<b>1,097</b>	<b>27,768</b>	<b>3,158</b>	<b>15,622</b>	<b>3,116</b>	<b>27,704</b>	<b>7,371</b>	<b>71,094</b>

The disclosures on liabilities to banks in the liquidity profile include payments of interest resulting from interest rate swaps. More information can be found under "Interest rate risks".

## Credit risks

The credit risk refers to the default risk concerning financial assets.

The Accounting and Sales/Marketing departments assess the customer receivables default risk at regular intervals. Outstanding receivables from customers are monitored, in particular, by analysing the age structure lists with respect to the maturity of outstanding receivables. Supplies to key account customers, in particular customers from abroad, are generally covered by letters of credit or other hedging instruments. It is assumed that the actual risk is covered by applying the impairment model for trade receivables in accordance with IFRS 9.

The Hönle Group Management is informed at monthly intervals about the age structure statistics of outstanding receivables respecting all customers with special attention being paid to customer receivables involving amounts of more than T€ 10 where the maturity date is exceeded by more than 90 days.

The financial performance of specific customers or key account customers, respectively, is monitored permanently by external service providers or information that arises from the customers' payment pattern. In addition, market information is used in the assessment of customers' ability to comply with their payment obligations. The risk involved in large-scale contracts, in particular, is hedged on the basis of credit information and instalment plans. As a general rule, credit information is obtained with respect to new customers or in the event of a change in customers' payment pattern.

Risk concentrations may arise in the event that several business partners are engaged in similar activities in the same region or when, due to their economic features, their ability to meet their contractual obligations is impaired in the event of changes in the economic or political situation. In order to avoid disproportionately high risk concentrations, all segments and business units are being expanded. Identified default concentrations are continuously monitored and controlled. Selected hedging transactions are used within the Group with a view to avoiding risks at the level of individual business relationships.

The carrying amounts of financial assets represent the maximum default risk in the event that the contracting parties do not meet their payment obligations.

The (net-) impairment losses on financial assets recognised in the consolidated income statement result from impairment losses on trade receivables.

The Group's default risk is primarily due to trade receivables. A corresponding risk provision has been recognised for these financial assets. The Group assesses the risk concentration with regard to trade receivables as low. This assessment is supported by the fact that the Group's customers are divided into three different segments (Adhesive Systems, Curing and Disinfection). In addition, the customers operate on a worldwide scale and are active in various industries and largely independent markets, particularly in the Adhesive Systems and Disinfection segments.

The Group uses a value adjustment matrix to measure the expected credit losses on trade and other receivables. Depending on the receivables' age structure, loss allowances are recognised in respect of receivables uniformly throughout the Group.



Based on default risk rating categories, the gross carrying amounts of trade receivables are as follows:

in T€	Carrying amounts in T€ <b>30/09/2024</b>	Default rate in %	Impairment in T€ <b>30/09/2024</b>
<b>Overdue in days</b>			
Current (not yet due)	11,938	0.04	4
1 to 90 days overdue	2,425	2.10	51
91 to 180 days overdue	539	7.56	41
more than 180 days overdue	131	13.07	17
	<b>15,033</b>		<b>113</b>

in T€	Carrying amounts in T€ 30/09/2023	Default rate in %	Impairment in T€ 30/09/2023
<b>Overdue in days</b>			
Current (not yet due)	11,928	0.04	5
1 to 90 days overdue	3,506	2.10	74
91 to 180 days overdue	201	7.56	15
more than 180 days overdue	88	13.07	12
	15,723		105

The calculated loss ratios are based on historical values adjusted for prospective expectations. Any internal indications or external indications (e.g. information on significant financial difficulties or insolvency of the contractual partner) identified within the Group as of the balance sheet date are accounted for by setting up appropriate additional risk provisions.

With regard to other financial assets, experience has shown that no payment defaults are expected.

No impairment calculation is made for bank credit balances, as the Group does not expect any impairment. The default risk concerning bank credit balances is eliminated through risk diversification (different banks) and selecting banks with strong credit ratings. The risk assessment has not changed since the date of acquisition. The risk at the time of acquisition was assessed as insignificant.

The Hönle Group assumes recoverability of all trade receivables that are not subject to impairment. The other assets do not include any overdue items.

#### Market risks

The market risk is split up into currency and interest rate risks.

#### Currency risks

The Hönle Group is exposed to currency risks in as much as some of its purchases are made in foreign currencies and are not sold in the respective foreign currencies to the same extent.

Risks resulting from fluctuations in foreign currency receivables, liabilities, and from pending contracts and accrued and deferred items are largely associated with foreign currency transactions denominated in US dollar, Chinese renminbi, Japanese yen and South Korean won.

As at the balance sheet date, no rate hedging transactions were reported with respect to these foreign currency exposures.

If, relative to the US dollar, the euro had been stronger by 10%, the consolidated profit/loss would have improved by T€ 233 (PY: T€ 105) whereas a respective 10% weakening would have led to a deterioration in the consolidated profit/loss by T€ 285 (PY: T€ 128).

If the euro had been stronger by 10% relative to the Chinese renminbi, this would have led to an improvement in the consolidated profit/loss by T€ 89 (PY: T€ 78). A corresponding weakening of the euro in comparison with the Chinese renminbi would have led to a deterioration in the consolidated profit/loss by T€ 109 (PY: T€ 95).

If, relative to the Japanese yen, the euro had been stronger by 10%, the consolidated profit/loss would have deteriorated by T€ 2 (PY: T€ 17) whereas a weakening by 10% would have led to an improvement in the consolidated profit/loss by T€ 2 (PY: T€ 21).

If, relative to the South Korean won, the euro had been stronger by 10%, this would have led to an improvement in the consolidated profit/loss by T€ 51 (PY: T€ 31) whereas a 10% weakening would have led to a deterioration in the consolidated profit/loss by T€ 62 (PY: T€ 38).

Fluctuations in other currencies such as the Swiss franc or the British pound are of immaterial importance for the Group's results of operations.

#### Interest rate risks

Interest rate risks are associated with variable interest-bearing financial instruments vis à vis banks.

In the 2023/2024 financial year and in prior years, derivative financial instruments were used to hedge against the interest rate risks to which the Hönle Group is exposed.

The Group's strategy is aimed at ensuring that interest rate risks of variable-interest bank liabilities are hedged. Payer interest rate swaps are used as hedging instruments. The Group applies a hedging ratio of 1:1.

The Group determines the existence of an economic relationship between the hedging instrument and the hedged underlying transaction on the basis of reference interest rates, maturities, interest rate adjustment dates, maturities and nominal or notional amounts.

The Group uses the critical term match method to assess whether the derivative designated in a hedging relationship is expected to be effective in offsetting changes in the cash flows of the hedged underlying transaction.

As at the balance sheet date, the amounts relating to items designated as hedged items are as follows:

in T€	Change in value for calculating the ineffectiveness of the hedging relationship 30/09/2024	Reserve for the hedging of cash flows 30/09/2024
Variable-interest loans	2,945	2,945
in T€	Change in value for calculating the ineffectiveness of the hedging relationship 30/09/2023	Reserve for the hedging of cash flows 30/09/2023
Variable-interest loans	-90	-90

The amounts relating to items designated as hedging instruments, and the hedge ineffectiveness are as follows:

in T€	Nominal amount 30/09/2024	Assets 30/09/2024	Balance sheet items in which the hedging instrument is included
Interest rate swaps with floor	38,615	2,004	Other non-current assets
in T€	Nominal amount 30/09/2023	Assets 30/09/2023	Balance sheet items in which the hedging instrument is included
Interest rate swaps with floor	41,417	4,949	Other non-current liabilities
in T€			2023/2024
Change in value for calculating the ineffectiveness of hedging relationships			2,945
Change in value of the hedging instrument recognised in other comprehensive income			-90
Ineffectiveness recognised in profit/loss			-
Amount reclassified from the hedging reserve to profit or loss (Position: Interest and other expenses)			1

The interest rate swaps are treated as cash flow hedges. The interest rate swaps (variable to fixed) serve to hedge against rising interest rates on bank loans carrying variable interest rates. The fair value (= market value) corresponds to the value the respective company would receive or would have to pay at the dissolution of the transaction on the balance sheet date. The hedging instruments are stated in the consolidated balance sheet under the items "Other non-current receivables" and "Other non-current liabilities".

The fair values are determined by discounting the future cash flows from variable payments on the basis of generally accepted financial models. Valuation is based on interbank rates.

Changes in the fair values of hedge-effective derivatives in the amount of T€ 2,945 (PY: T€ -90) were recognised directly in consolidated equity under the reserve for hedging transactions, taking deferred taxes of T€ -846 (PY: T€ 42) into account. Reconciliation of the reserve for hedging transactions is shown in the statement of changes in equity. Apart from the interest rate risk, there are no other risk categories.

All other loans are subject to fixed interest agreements. The loans are measured at amortised acquisition costs using the effective interest rate method. Consequently, a change in market interest rates does not impact on measurement. Current overdrafts and credit balances on current accounts bear variable interest rates. If an average 2% increase in the interest level respecting current account loans were to be assumed, the additional interest expense would amount to T€ 139 (PY: T€ 141), assuming that the average negative balance of the current accounts will correspond to the annual average of the financial year. According to current information, market price changes concerning these financial instruments would not have any further significant impact on the Hönle Group results.

### Other disclosures regarding financial assets and debts

The following table provides an overview of the transition of financial assets and debts included in the balance sheet items pursuant to IFRS 9 categories as well as the impairment losses recognised in profit/loss in the respective financial year, the net profits/losses and the total interest expense and income.

in T€	Measure- ment category acc. to IFRS 9	Carrying amount acc. to IFRS 9 30/09/2024
Equity investments	FVthOCI	237
Other non-current assets	AC	60
Derivatives in connection with effective CF-hedge	CF-Hedge	2,004
Trade receivables	AC	14,920
Other current assets	AC	1,252
Liquid assets	AC	7,508
		25,981
Liabilities to banks	AC	50,752
Trade payables	AC	6,366
Other non-current financial liabilities	AC	140
Other current financial liabilities	AC	6,839
		64,097
<b>thereof aggregated acc. to IFRS 9 measurement categories</b>		
Amortised Cost (AC)		
Financial assets		23,740
Financial liabilities		64,097
Financial assets		
Fair value through other comprehensive income (FVthOCI)		237
Further disclosures regarding financial assets and liabilities		
Amount of impairment losses on financial assets recognised in profit or loss		123
Net change in derivatives in connection with effective CF-hedge recognised in other comprehensive income		2,945
Total interest expenses (amortised cost)		-1,918
Total interest income (amortised cost)		32

in T€	Measure- ment category acc. to IFRS 9	Carrying amount acc. to IFRS 9 30.09.2023
Equity investments	FVthOCI	26
Other non-current assets	AC	39
Derivatives in connection with effective CF-hedge	CF-Hedge	4,949
Trade receivables	AC	15,618
Other current assets	AC	1,658
Liquid assets	AC	9,317
		31,607
Liabilities to banks	AC	54,199
Trade payables	AC	7,558
Other non-current financial liabilities (without lease liability)	AC	269
Other current financial liabilities (without lease liability)	AC	6,462
		68,488
<b>thereof aggregated acc. to IFRS 9 measurement categories</b>		
Amortised Cost (AC)		
Financial assets		26,633
Financial liabilities		68,488
Financial assets		
Fair value through other comprehensive income (FVthOCI)		26
Further disclosures regarding financial assets and liabilities		
Amount of impairment losses on financial assets recognised in profit or loss		73
Net change in derivatives in connection with effective CF-hedge recognised in other comprehensive income		-90
Total interest expenses (amortised cost)		-1,503
Total interest income (amortised cost)		61

The carrying amounts of financial assets (trade receivables, other current assets and cash and cash equivalents) correspond to market values.

Other non-current assets include fixed-interest bearing receivables. The market values are determined in consideration of interest rates, corresponding impairment losses, and individual criteria. The carrying amounts correspond to market values as at the 30 September 2024 balance sheet date.

The carrying amounts of financial liabilities (current financial liabilities and trade payables) also correspond to market values. All line items are due within one year.

Non-current financial liabilities include fixed-interest bearing liabilities and liabilities with floating interest rates. The measurement of non-current financial liabilities at market values is based on the discounting of future cash flows over the contract term of the respective financial instruments, using the issuer's borrowing rate at the end of the reporting period. Management established that the carrying amounts of financial liabilities are almost equal to their fair values due to short terms to maturity or interest rates being in line with market conditions.

Interest rate swaps (derivatives with effective hedge relationship) are regularly measured using a valuation method that is based on input parameters that are observable in the market. The measurement methods most frequently applied include option price and swap models using present value calculations. The models make reference to various parameters such as the credit standing of business partners, FOREX spot and forward exchange rates and yield curves. As at 30 September 2024, the derivative items are measured at market value (mark-to-market). Both the default risk of the Group as well as the bank's default risk are classified as low.

The following table reflects the financial assets accounted for at fair values on the basis of hierarchy levels:

Category of assets		Prices quoted on active markets (Level 1)	Significant observable input parameter (Level 2)	Significant non-observable input parameter (Level 3)
in T€	Total			
<b>As at 30/09/2024</b>				
Interest rate swaps in connection with effective Cashflow hedge	2,004		2,004	
Category of assets		Prices quoted on active markets (Level 1)	Significant observable input parameter (Level 2)	Significant non-observable input parameter (Level 3)
in T€	Total			
<b>As at 30/09/2023</b>				
Interest rate swaps in connection with effective Cashflow hedge	4,949		4,949	

#### 48. Consolidated statement of cash flows

The consolidated cash flow statement indicates changes in the Group's cash and cash equivalents over the course of the financial year under review resulting from an inflow and outflow of funds. In accordance with IAS 7 (Cash Flow Statements), cash flows are split into operating, investing, and financing activities. The cash and cash equivalents under review encompass the liquid assets disclosed in the consolidated statement of financial position.

Additions to/disposals of cash and cash equivalents are presented using the indirect determination method.

Cash from current activities amounts to T€ 7,722 (PY: T€ 7,389) resulting from the consolidated net loss/net profit for the year before non-controlling interests and taxes in the amount of T€ -12,233 (PY: T€ -10,981), earnings from discontinued operations after taxes in the amount of T€ 0 (PY: T€ 327) and from adjustments relating to non-cash effects and financial results in the amount of T€ 16,476 (PY: T€ 22,086) as well as changes in net working capital. Other non-cash expenses and income (T€ 1,274, PY: T€ 10,252) included therein mainly relate to impairment losses recognised with respect to current assets.

Cash used for investing activities relates mainly to investments in property, plant and equipment and intangible assets in the amount of T€ 2,094 (PY: T€ 2,934). Also included are proceeds from the sale of consolidated companies in the amount of T€ 620 (PY: T€ 4,977).

The major outflows of cash used for financing activities comprise the repayment of liabilities to banks in the amount of T€ 4,438 (PY: T€ 3,398) in financial year 2023/2024 and the reported repayment portion of lease liabilities of T€ 1,148 (PY: T€ 1,233). The taking out of loans and the drawdown of current account facilities in the amount of T€ 805 (PY: T€ 1,337) represent the main cash flows from financing activities.

#### Reconciliation pursuant to IAS 7

in T€	As at 01/10/2023	Cash effective change	Non-cash changes					As at 30/09/2024
			Dispo- sals	Cur- rency differ- ences	New con- tracts	Change s in market value	Other	
Non-current lia- bilities	41,783	-4,008	-	-	-	-	-	<b>37,775</b>
Current liabilities	12,416	562	-	-	-	-	-	<b>12,978</b>
Lease liabilities	2,607	-1,148	-293	-14	1,338	-	-	<b>2,490</b>
Liabilities from other financial transactions	79	-25	-	-4	-	-	-	<b>50</b>
	<b>56,885</b>	<b>-4,619</b>	<b>-293</b>	<b>-18</b>	<b>1,338</b>	-	-	<b>53,293</b>

The liabilities from other financing transactions are a component of the balance sheet items: "Other non-current liabilities" and "Other current liabilities".

In all, cash and cash equivalents decreased from T€ 9,317 to T€ 7,508 in financial year 2023/2024.

#### 49. Segment reporting

Segment reporting was prepared in conformity with IFRS 8.

In financial year 2023/2024, the Hönle Group reorganised its business by defining business units to replace the former segment structure. The original breakdown of the Group's activities into three segments – Equipment & Systems, Adhesives, and Glass & Lamps – reflected the types of products sold. The new structure consisting of business units reflects the areas of application of our products and thus puts our strategic focus more squarely on the customer. The Hönle Group now has three business units: Adhesive Systems, Curing, and Disinfection.

At the Hönle Group, the parent company's Management Board is responsible for the allocation of resources and assessment of the segments' earnings power. The relevant segments were identified using the management approach in accordance with the Management Board's management information system.

The following business segments have been defined:

- Adhesive Systems
- Curing
- Disinfection

The Adhesive Systems segment – in addition to industrial adhesives – supplies adhesive curing systems. The Disinfection segment combines our activities in the areas of industrial water, surface and air disinfection, including microbiological testing. The Curing segment sells equipment for surface drying and curing paints, varnishes and other coatings.

Other business activities and other segments were not defined. Segmentation is based on the data provided by the internal accounting departments of the included legal entities.

The accounting principles governing segment reporting generally correspond to the accounting and valuation methods applied at the Hönle Group.



Financial year 2023/2024

in T€	Adhesives 2023/2024	Curing 2023/2024	Disinfection 2023/2024	Total 2023/2024	Elimina- tion 2023/2024	<b>Consolidated 2023/2024</b>
<b>Sales revenues</b>						
External customers	37,101	36,736	24,892	98,729	-	<b>98,729</b>
Sales with other business units	-	598	1,591	2,189	-2,189	-
Total sales	37,101	37,334	26,482	100,918	-2,189	<b>98,729</b>
<b>RESULT</b>						
<b>EBITDA</b>	<b>4,445</b>	<b>-3,204</b>	<b>1,726</b>	<b>2,967</b>	-	<b>2,967</b>
<b>EBIT</b>	<b>2,483</b>	<b>-10,037</b>	<b>-2,708</b>	<b>-10,262</b>	-	<b>-10,262</b>
Interest income	27	17	7	52	-0	<b>51</b>
Interest expenses	780	1,045	249	2,074	-	<b>2,074</b>
Investments accounted for using the equity method	51	-	-	51	-	<b>51</b>
<b>Earnings before taxes and non-controlling interests</b>	<b>1,781</b>	<b>-11,065</b>	<b>-2,950</b>	<b>-12,233</b>	-	<b>-12,233</b>
Income taxes	377	261	285	923	-	<b>923</b>
Deferred taxes	-511	287	67	-156	-	<b>-156</b>
<b>Earnings before non-controlling interests</b>	<b>1,915</b>	<b>-11,613</b>	<b>-3.301</b>	<b>-13.000</b>	-	<b>-13,000</b>
<b>OTHER INFORMATION</b>						
<b>Segment assets</b>	<b>57,895</b>	<b>38,449</b>	<b>45,571</b>	<b>141,915</b>	<b>-698</b>	<b>141,217</b>
Non-allocated assets						
Investments accounted for using the equity-method				262		<b>262</b>
Financial assets				237		<b>237</b>
Non-current receivables				4,529		<b>4,529</b>
Current tax assets				3,384		<b>3,384</b>
Deferred tax assets				5,756		<b>5,756</b>
<b>Consolidated assets</b>						<b>155,384</b>
<b>Segment liabilities</b>	<b>-8,008</b>	<b>35,042</b>	<b>8,415</b>	<b>35,449</b>	<b>-607</b>	<b>34,842</b>
Non-allocated liabilities						
Deferred tax liabilities				784		<b>784</b>
Current income tax liabilities				1,165		<b>1,165</b>
Non-current loans				38,908		<b>38,908</b>
<b>Consolidated liabilities (current and non-current)</b>						<b>75,699</b>
<b>Investments</b>	<b>881</b>	<b>666</b>	<b>639</b>	<b>2,187</b>	-	<b>2,187</b>
<b>Segment write-downs</b>	<b>1,962</b>	<b>6,833</b>	<b>4,434</b>	<b>13,229</b>	-	<b>13,229</b>
<b>Non-cash expenses of the segment</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>7</b>

Financial year 2022/2023

in T€	Adhesives 2022/2023	Curing 2022/2023	Disinfection 2022/2023	Total 2022/2023	Elimina- tion 2022/2023	Consolidated 2022/2023
<b>Sales revenues</b>						
External customers	38,462	42,845	25,035	106,342	-	106,342
Sales with other business units	-	781	2,248	3,029	-3,029	-
<b>Total sales</b>	38,462	43,627	27,283	109,371	-3,029	106,342
<b>RESULT</b>						
<b>EBITDA</b>	7,168	834	-7,677	324	-	324
<b>EBIT</b>	5,048	-4,758	-9,710	-9,419	-	-9,419
Interest income	79	84	38	201	-3	198
Interest expenses	676	902	238	1,816	-	1,816
Investments accounted for using the equity method	54	-2	3	55	-	55
<b>Earnings before taxes and non-controlling interests</b>	4,505	-5,575	-9,906	-10,977	-5	-10,982
Income taxes	561	1,016	835	2,413	-	2,413
Deferred taxes	1,094	-2,551	-680	-2,138	-2	-2,140
<b>Earnings before non-controlling interests</b>	2,850	-4,041	-10,061	-11,252	-3	-11,255
<b>OTHER INFORMATION</b>						
<b>Segment assets</b>	60,093	53,066	48,716	161,875	-2,501	159,374
Non-allocated assets						
Investments accounted for using the equity-method				381		381
Financial assets				26		26
Non-current receivables				7,307		7,307
Current tax assets				3,910		3,910
Deferred tax assets				5,159		5,159
<b>Consolidated assets</b>						176,156
<b>Segment liabilities</b>	-8,709	36,074	9,446	36,812	-2,381	34,431
Non-allocated liabilities						
Deferred tax liabilities				1,175		1,175
Current income tax liabilities				1,361		1,361
Non-current loans				43,057		43,057
<b>Consolidated liabilities (current and non-current)</b>						80,023
<b>Investments</b>	419	4,054	779	5,252	-175	5,077
<b>Segment write-downs</b>	2,119	5,592	2,032	9,743	-	9,743
<b>Non-cash expenses of the segment</b>	-	11,496	17	11,513	-	11,513

Financial year 2022/2023 (former segmentation)

in T€	Adhesives 2022/2023	Equipment & Systems 2022/2023	Glass & Lamps 2022/2023	Total 2022/2023	Elimina- tion 2022/2023	Consolidated 2022/2023
<b>Sales revenues</b>						
External customers	28,829	59,712	17,801	106,342	-	106,342
Sales with other business units	425	2,465	2,543	5,433	-5,433	-
Total sales	29,254	62,177	20,343	111,774	-5,433	106,341
<b>RESULT</b>						
<b>EBITDA</b>	<b>4,542</b>	<b>-7,000</b>	<b>2,982</b>	<b>524</b>	<b>-</b>	<b>524</b>
<b>EBIT</b>	<b>3,087</b>	<b>-14,567</b>	<b>2,061</b>	<b>-9,419</b>	<b>-</b>	<b>-9,419</b>
Interest income	65	256	10	331	-132	199
Interest expenses	363	1,409	179	1,951	-135	1,816
Investments accounted for using the equity method	54	-2	3	55		55
<b>Earnings before taxes and non-controlling interests</b>	<b>2,843</b>	<b>-15,720</b>	<b>1,895</b>	<b>-10,982</b>	<b>-</b>	<b>-10,982</b>
Income taxes	821	996	597	2,413	-	2,413
Deferred taxes	-5	-2,154	-7	-2,167	27	-2,140
<b>Earnings before non-controlling interests</b>	<b>2,028</b>	<b>-14,561</b>	<b>1,306</b>	<b>-11,227</b>		<b>-11,254</b>
<b>OTHER INFORMATION</b>						
<b>Segment assets</b>	<b>69,782</b>	<b>92,725</b>	<b>20,924</b>	<b>183,430</b>	<b>-24,056</b>	<b>159,374</b>
Non-allocated assets						
Investments accounted for using the equity-method				381		381
Financial assets				26		26
Non-current receivables				7,307		7,307
Current tax assets				3,910		3,910
Deferred tax assets				5,159		5,159
<b>Consolidated assets</b>						<b>176,156</b>
<b>Segment liabilities</b>	<b>10,557</b>	<b>59,904</b>	<b>4,100</b>	<b>74,562</b>	<b>-40,130</b>	<b>34,431</b>
Non-allocated liabilities						
Deferred tax liabilities				1,175		1,175
Current income tax liabilities				1,361		1,361
Non-current loans				43,057		43,057
<b>Consolidated liabilities (current and non-current)</b>						<b>80,023</b>
<b>Investments</b>	<b>712</b>	<b>3,382</b>	<b>1,158</b>	<b>5,252</b>	<b>-175</b>	<b>5,077</b>
<b>Segment write-downs</b>	<b>1,455</b>	<b>7,567</b>	<b>921</b>	<b>9,944</b>	<b>-</b>	<b>9,944</b>
<b>Non-cash expenses of the segment</b>	<b>-</b>	<b>11,496</b>	<b>17</b>	<b>11,513</b>	<b>-</b>	<b>11,513</b>

## Geographical information

Sales revenues generated with external customers are allocated on the basis of customer location.

The regional allocation of sales revenues is as follows:

in T€	2023/2024	2022/2023
Total revenue	98,729	106,342
Germany	34,825	39,425
RoW	63,904	66,919

In financial year 2023/,2024 no individual country, with the exception of Germany, accounted for more than 10% of total sales. In the current financial year, none of the individual customers account for more than 10% of total sales.

Non-current assets are allocated as follows:

in T€	30.09.2024	30.09.2023
Germany	71,670	73,614
Row	12,622	22,382

Segment assets are defined as the sum total of intangible assets, property, plant and equipment, inventories, short-term receivables, cash and cash equivalents and assets held for sale. Segment debt includes non-current and current obligations (including liabilities classified as held for sale). Non-cash segment expenses relate to changes in pension provisions, other provisions and impairment of current assets.

Intra- Group deliveries and services are subject to the same terms and conditions as external third parties (arm's length basis) with regard to transfer prices and their basis of calculation. There has been no change in this respect compared with previous years.

## 50. Related party disclosures

Related parties within the meaning of IAS 24 are identified below.

In accordance with IAS 24, related parties are other persons or entities that can be influenced by the reporting entity or that can influence the reporting entity, such as

- the members of the Management Board or Supervisory Board of Dr. Hönle AG
- associated companies
- non-consolidated subsidiaries.

With respect to disclosures relating to the Board of Management and the Supervisory Board, reference is made to our comments in Note 51.

With respect to reportable business relationships, reference is made to our comments on individual consolidated balance sheet and income statement items. Costs are passed on mainly between Solitec GmbH and Dr. Hönle AG within the scope of advertising. The respective amounts were of minor significance for the results of operations, however. TECINVENT GmbH also provided companies included in the Group with development services which were immaterial with respect to the results of operations.

Peter Möhrle Holding GmbH & Co. KG is also defined as related party, as it can influence on Dr. Hönle AG as an associated company.

## Controlled companies not included in the consolidated financial statements due to insignificance

Solitec Gesellschaft für technischen Produktvertrieb mbH, Gilching.

## Companies under significant influence of a supervisory board of the Group

Meyer Burger Technology AG, Thun/Switzerland.

Dr. Hönle AG reported a sales transaction in the amount of T€ 6 (net) involving Meyer Burger (Industries) GmbH, Bitterfeld-Wolfen, as an affiliated company of Meyer Burger Technology AG, in financial year 2023/2024.

## Relationships with Board members

none

## 51. Disclosures on corporate bodies

### Management Board

- Dr. Markus Arendt (Chairman), Dr.-rer. pol., Diplom-Wirtschaftsingenieur (degree in Engineering & Business) – since 1 May 2024  
Responsible for Sales & Marketing, Servicing, Production, Logistics, Development, Quality Management
- Robert Stark, M.S. in Finance – since 1 October 2024  
Responsible for Finance, IT, Human Resources, Purchasing, Investor Relations, Legal, Sustainability
- Dr. Franz Richter, Dr.-Ing. in Physics – until 30 April 2024  
Sole Management Board member
- Rainer Pumpe, Diplom-Ingenieur (degree in Engineering) – removal effective 30 September 2023 – employment contract ended on 31 December 2023  
Responsible for Production

As of the date of preparation of these financial statements, the Company was represented by two Management Board members with joint powers of representation.

Those Management Board members are authorised to represent the Company without restriction in legal transactions with themselves as third party representatives.

The total Management Board remuneration (excluding pension expense) in financial year 2023/ 2024 amounted to:

Dr. Franz Richter	T€ 214 T€ (PY: T€ 156)
Dr. Markus Arendt	T€ 219 T€ (PY: T€ 0)
Rainer Pumpe	T€ 64 (PY: T€ 261)

The structure of the remuneration for Management Board members is aligned to sustained corporate development. The monetary remuneration includes fixed and variable components based on the Hönle Group's performance.

The criteria used in evaluating the suitability of remuneration are as follows: The tasks of the respective Management Board member, personal performance, the economic situation, earnings, future outlook of the Company, standard practice in the industry and the Company's general remuneration structure. The Supervisory Board regularly reviews the structure and amount of the remuneration for Management Board members.

Pension commitments were granted to former Management Board members (Mr. Runge and Mr. Haimerl) in some cases. Within the context of the conversion of pension commitments for Management Board members, annual

pension components have been acquired starting from 1 January 2012. The amount of a pension component acquired in a given financial year is derived from the pension expenses that are converted into an annuity using age-dependent conversion factors. The pension expenses correspond to a fixed percentage rate of the annual fixed remuneration (excluding profit-sharing bonus). The designated benefit types are: old age pension (from the age of 60), disability pension and survivors' pension (for widows, widowers, partners and orphans). The amount of the disability and old age pensions corresponds to the total of vested rights components and the pension components acquired up to the time when a pension becomes due. The widow's/widower's and partner's pension corresponds to 60% of the disability or old age pension entitlement at the time of death or which was paid out at the time of death. The orphan's pension amounts to 12% of the mentioned pension entitlement for half-orphans and 20% for orphans. Reinsurance contracts were concluded with a view to covering the pension commitments.

#### **Remuneration not linked to performance**

in T€	Salary		Other Remuneration		Total	
	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024	2022/2023
Dr. Markus Arendt (from 01/05/2024)	215	-	4	-	219	-
Rainer Pumpe (until 31/12/2023)	58	246	6	15	64	261
Dr. Franz Richter (until 30/04/2024)	210	156	4	-	214	156
Norbert Haimerl (until 30/04/2023)	-	206	-	822	-	1,028
	483	608	14	837	497	1,445

#### **Performance-based remuneration**

There was no performance-based remuneration paid in the financial year under review nor in the previous year.

#### **Pensions**

in T€	Pension expenses pursuant to IAS 19	
	2023/2024	2022/2023
Norbert Haimerl	-	95
Heiko Runge	-	90
	-	185

#### **Pensions**

in T€	Present value of defined benefit obligations	
	2023/2024	2022/2023
Norbert Haimerl	2,549	2,369
Heiko Runge	2,544	2,199
	5,093	4,568

#### **Benefits paid in the event of termination of Management Board activity**

The Supervisory Board appoints the Dr. Hönle AG Management Board for a maximum term of office of five years.

An agreement governing a transitional allowance was concluded with the Management Board members Mr. Haimerl and Mr. Runge. In accordance with this agreement, Management Board members who resign from the Board after reaching the age of 50 and before reaching the age of 60, continue to receive payment of the fixed remuneration for 12 months as defined in their employment contracts. After the 12-month period, between 40% and up to a maximum of 50% of the fixed remuneration is paid until the pension commitment for Management Board members enters into

effect. However, the agreement concerning the transitional allowance only enters into effect provided that the respective Management Board member has been a member of the Company's Management Board for at least ten years and if she/he is not personally responsible for the termination of employment. Other income is to be deducted from the transitional allowance and can reduce or completely offset the allowance. In addition, the Supervisory Board is authorised to reduce the transitional allowance if the Company's economic position deteriorates. In the event that benefits were received erroneously or if the Supervisory Board reduced the benefits subsequently, the benefits granted must be repaid to the Company.

## Supervisory Board

### Compensation of Supervisory Board members

The compensation contains only fixed payments which are based on the duties and responsibilities of the respective Supervisory Board member. No other compensation, for example from advisory or brokerage services, is granted.

### Supervisory Board remuneration

in T€	2023/2024	2022/2023
Prof. Dr. Karl Hönle	-	30
Dr. Franz Richter	25	5
Günther Henrich	23	45
Dr. Bernhard Gimple	38	30
Prof. Dr. Imke Libon	30	30
Niklas Friedrichsen	48	43
Melanie Ott	15	-
	<b>178</b>	<b>183</b>

## Supervisory Board

- Dr. Franz Richter, Eichenau – Chairman (from 01 May 2024)  
Dr.-Ing. Physik/PhD in Physics, CEO & Chairman of the Board of Managing Directors of Meyer Burger Technology AG
- Günther Henrich, Schäftlarn – (until 20 March 2024)  
Business lawyer, independent
- Dr. Bernhard Gimple, Munich – Deputy Chairman  
Lawyer, independent
- Prof. Dr. Imke Libon, Munich  
Professor/Dean of the Department of Applied Natural Sciences and Mechatronics at the Munich University of Applied Sciences; Deputy Chairwoman of the Board of Directors of the Munich Student Union, an institution under public law
- Niklas Friedrichsen, Hamburg  
Diplom-Kaufmann (Business Administration graduate), tax consultant, spokesman for the management of PMF Vermögensverwaltung GmbH & Co. KG
- Melanie Ott, Düsseldorf (since 22 March 2024)  
Dipl.-Ing. Chemieingenieurwesen (Graduate Engineer, chemical engineering), CEO artimelt AG

Total compensation for the Supervisory Board in financial year 2023/2024 came to T€ 178 (PY: T€ 183).

More detailed information on the Management Board and Supervisory Board remuneration is included in the Remuneration Report, which is published separately.

## 52. Compliance declaration pursuant to Section 161 AktG - Corporate governance

In January 2025, the Management Board and the Supervisory Board of Dr. Hönle AG issued a compliance declaration as required under Section 161 AktG, and have provided shareholders with permanent access to it on the Company's Internet page under <https://www.hoenle.com/company/corporate-governance>.

## 53. Annual auditor's fees

For the financial year 2023/2024 the auditor RSM Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart, incurred fees of T€ 482 (PY: T€ 245) for the financial statement audit (individual and consolidated financial statements) and the formal audit of the remuneration report. The financial year includes expenses of T€ 100 relating to the previous year.

## 54. Employees

The average number of staff in the Group (excluding the Management Board), allocated according to functions, was as follows:

in T€	2023/2024	2022/2023
Sales & Marketing	108	105
Research, Development	99	91
Production, Service	233	247
Logistics	65	68
Administration	77	75
	582	586

## 55. Approval of the consolidated financial statements pursuant to IAS 10.17

The present consolidated financial statements were released by the Management Board for review by the Supervisory Board on 23 January 2025.

## 56. Events after the balance sheet date

Events after the balance sheet date that would impact significantly on the net assets, financial position and results of operations of Dr. Hönle AG have not occurred.

Gilching, 23 January 2025

Dr. Markus Arendt  
Chairman of the Management Board

Robert Stark  
Management Board



## Disclaimer

For reasons of better readability, the masculine form is generally used when referring to persons. It is used solely for reasons of expediency and does not imply any judgment. The masculine form refers to all genders equally (male, female, non-binary).

This annual report contains statements and information concerning Dr. Hönle AG and the Hönle Group which relate to future periods. The forward-looking statements represent assessments that were made on the basis of information available at the time when this report was prepared. Should the assumptions underlying the forecasts prove to be incorrect or should risks, such as those mentioned in the risk report, materialise, actual developments and results may deviate from current expectations. The Company assumes no obligation to update the statements contained in this management report, with the exception of publishing such updates as required by statutory provisions.

Furthermore, the figures and percentages contained in this report may be subject to rounding differences.

## Financial Calendar

30 January 2025

**Present Annual Report 2023/2024**

25 February 2025

**Quarterly Statement for Q1 2024/2025**

25 March 2025

**Annual General Meeting**

8 May 2025

**Half Year Report 2024/2025**

7 August 2025

**Quarterly Statement for Q3 2024/2025**

# Glossary

## **AktG**

Aktiengesetz (German Stock Corporation Act)

## **EBIT**

Earnings Before Interest and Taxes

## **EBIT margin**

The EBIT margin represents the ratio of profit before interest and taxes relative to aggregate operating performance

## **EBT**

Earnings Before Taxes

## **EnMS**

The Energy Management System (EnMS) pursuant to DIN EN ISO 50001 ensures the continuous and systematic improvement of an entity's energy-related performance

## **Aggregate operating performance**

The aggregate operating performance represents the sum total of sales revenue, inventory changes and other work performed by entity and capitalised

## **HGB**

Handelsgesetzbuch (German Commercial Code)

## **IASB**

International Accounting Standards Board – an international independent panel of accounting experts that develops and revises the International Financial Reporting Standards (IFRS).

## **IFRS**

International Financial Reporting Standards – international accounting guidelines for enterprises issued by the International Accounting Standards Board (IASB).

## **Cost of materials ratio**

The cost of materials ratio represents the ratio of cost of materials to aggregate operating performance

## **NEC Directive**

The NEC Directive defines national emission ceilings

## **Net profit on sales**

The net profit on sales represents the ratio of consolidated net loss/net profit for the year to sales revenues

## **Personnel expense ratio**

The personnel expense ratio represents the ratio of personnel expense relative to aggregate operating performance

## **Ratio of other operating expenses**

The ratio of other operating expenses represents the ratio of other operating expenses relative to aggregate operating performance

## **VOC**

Volatile Organic Compounds – organic chemicals that evaporate easily or, at low temperatures, act as reactive organic gases. The German Federal Immission Control Act (Bundes-Immissionsschutzverordnung) limits the emission of volatile organic compounds. The use of UV paints and coatings provides for the possibility of complying with the regulations stipulated in the German Federal Immission Control Act.

## **WpHG**

Wertpapierhandelsgesetz (German Securities Trading Act)



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