



Annual Financial Statements of STS Group AG

as at 31 December 2025





This is a translation of the German “Jahresabschluss der STS Group AG zum 31. Dezember 2025”, sole authoritative and universally valid version is the German language document.



PROFIT AND LOSS ACCOUNT

FROM JANUARY 1 TO DECEMBER 31, 2025

in kEUR	2025	2024
1. Revenues	324	371
2. Other operating income	5,716	2,542
3. Personnel expenses		
a) Wages and salaries	-136	-152
b) Social security, post-employment and other employment benefit costs	-20	-18
4. Ammortization of intangible assets and depreciation of tangible assets	0	-36
5. Other operating expenses	-7,071	-3,905
<i>(thereof expenses from currency translation)</i>	0	0
6. Income from equity investments	0	2,631
<i>(thereof from affiliated companies)</i>	0	2,631
7. Income from loans of financial assets	4	1
<i>(thereof from affiliated companies)</i>	4	1
8. Other interest and similar income	143	180
<i>(thereof from affiliated companies)</i>	143	180
9. Interest and similar expenses	-1,030	-960
<i>(thereof from affiliated companies)</i>	-1,007	-959
10. Taxes on income	-60	-198
11. Profit after taxes in income	-2,128	456
12. Net loss for the year (previous year: net profit)	-2,128	456
13. Profit carried over from the previous year	456	2,331
14. Withdrawal for dividend distribution	-322	-264
15. Transfer to other retained earnings	-134	-2,067
16. Net loss (previous year: net profit)	-2,128	456



BALANCE SHEET

AS OF DECEMBER 31, 2025

in kEUR	December 31, 2025	December 31, 2024
Assets		
A. Fixed Assets		
III. Financial Assets		
Shares in affiliated companies	19,065	19,065
Loans to affiliated companies	38	33
	19,103	19,098
	19,103	19,098
B. Currents Assets		
I. Receivables and other assets		
Receivables from affiliated companies	7,962	7,697
<i>of which attributable to shareholders: 420 (previous year: 392)</i>		
Other assets	3	25
II. Cash and cash equivalents	862	1,371
	8,827	9,093
C. Prepaid expenses	4	13
Total assets	27,933	28,204



in kEUR	December 31, 2025	December 31, 2024
EQUITY AND LIABILITIES		
A. Share equity		
I. Subscribed capital	6,500	6,500
Calculated value Own shares	-50	-50
Issued capital	6,450	6,450
II. Treasury shares	6,193	6,193
III. Capital Reserve		
1. Legal Reserve	5	5
2. Legal Reserve	3,315	3,181
IV. Net loss (previous year: net profit)	-2,128	456
	13,835	16,285
B. Provisions		
Other provisions	506	859
	506	859
C. Liabilities		
1. Trade payables	513	81
2. Liabilities from affiliated companies	13,076	10,976
<i>which attributable to shareholders: 8,052 (previous year: 10,975)</i>		
3. Other liabilities	3	3
	13,592	11,060
Total equity and liabilities	27,933	28,204



Notes to the Financial Statements for STS Group AG as at 31 December 2025

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1. General information

STS Group AG (hereinafter also referred to as the "Company") is a publicly listed stock corporation based in Germany, with its registered office at Kabeler Straße 4, 58099 Hagen. It is registered in the Commercial Register of the Local Court of Hagen under HRB 12420.

The majority shareholder of STS Group AG is Adler Pelzer Holding GmbH, Hagen, Germany. The Company is listed on the General Standard of the Frankfurt Stock Exchange.

These annual financial statements of STS Group AG have been prepared in accordance with Sections 242 et seq. and Sections 264 et seq. of the German Commercial Code ("HGB") and the supplementary provisions of the German Stock Corporation Act ("AktG"). The company is capital market-oriented pursuant to Section 264d HGB and is therefore deemed a large company in accordance with Section 267(3) sentence 2 HGB. The profit and loss account has been prepared using the total cost method in accordance with Section 275(2) HGB. Notes to the balance sheet are provided in part in the notes.

The annual financial statements have been prepared in euros or thousands of euros (TEUR), unless otherwise stated. This may result in occasional rounding differences of +/- 1 TEUR.

The Company's financial year is the calendar year.

2. Accounting and valuation principles

The Company's financial statements were prepared in accordance with the following accounting and valuation methods and on a going concern basis (see Section 5.6 Financial and Liquidity Risk for further details).

Intangible assets acquired for consideration are capitalised at cost and amortised on a straight-line basis over five years in accordance with their expected useful life, with pro rata amortisation in the year of acquisition. Where the fair value of individual intangible fixed assets falls below their carrying amount, additional write-downs are recognised if the impairment is expected to be permanent.

Financial assets are measured at cost. Impairment losses are recognised if the impairment is expected to be permanent.

Receivables and other assets are stated at their nominal value or at the lower fair value as at the balance sheet date. Appropriate value adjustments are made for receivables where there are identifiable risks regarding their collectability; uncollectible receivables are written off.

Balances with banks are recognised at their nominal value as at the balance sheet date.

Prepayments and accrued income are recognised to the extent that they represent expenses for a specific period after the balance sheet date.

Subscribed capital is carried at par value.

Other provisions are measured in accordance with prudent commercial judgement and recognised at their settlement amount.

Liabilities are recognised at their settlement amount.

Transactions in **foreign currencies** are generally recognised at the historical exchange rate at the time of initial recognition. Assets and liabilities denominated in foreign currencies with a remaining term of one year or less are translated at the mid-market spot rate on the balance sheet date.

Deferred taxes are calculated on temporary differences between the carrying amounts of assets, liabilities and accruals under commercial law and tax law, as well as on tax loss carryforwards. However, loss carryforwards are only to be included to the extent that they can be offset against taxable income within the statutory period of five years. Deferred tax assets and liabilities are offset. Any resulting net tax liability is recognised in the balance sheet as a deferred tax liability. In the event of a tax relief, recognition is omitted in accordance with the capitalisation option. No deferred tax assets or liabilities arose in the reporting year.

Revenue is recognised monthly at the time of recharging.

Other operating income is recognised monthly at the time of recharging.

Expenses are recognised at the time they are incurred.



3. Notes to the balance sheet

3.1 Financial assets

As at 31 December 2025, financial assets amounted to TEUR 19,103 (2024: TEUR 19,098).

Investments in associates remained unchanged compared with 31 December 2024 and amount to TEUR 19,065. These investments relate to the following companies:

Name and location	Result of the financial year 2025 in kEUR	Share capital 2025 in kEUR	Capital shares as of 31.12.2025
STS Plastics SAS, Saint-Désirat, Frankreich	1,013	7,932	100%
STS Composites France SAS, St. Désirat, France	3,036	15,050	100%
MCR SAS, Tourmon, France	543	6,176	100%
STS Composites Germany GmbH, Kandel, Germany	108	-796	100%
Inoplast Truck S.A. de C.V., Ramos, Mexico	337	6,777	100% ¹⁾
STS Plastics Co. Ltd., Jiangyin, China	181	25,464	100%
STS Plastics (Shi Yan), Ltd., Shi Yan, China	-818	-1,055	100% ²⁾
STS Composites (Taixing) Co., Ltd., Taixing, China	0	0	100% ³⁾
STS Group North America Inc., Troy, Michigan, USA	-3,523	-13,054	100%

¹⁾ 0.02 % of the shares in Inoplast Truck S.A. de C.V., Mexico are held indirectly by STS Plastics Holding SAS, France.

²⁾ 100 % of the shares in STS Plastics (Shi Yan), Ltd., Shi Yan, China are held indirectly by STS Plastics Co. Ltd., Jiangyin, China.

³⁾ The company was incorporated during the financial year, but the capital was not paid up until the following year

The figures are based on IFRS.

Loans to associated companies with a carrying amount of TEUR 38 (2024: TEUR 33) consist of a long-term loan receivable from a subsidiary.

For further information on financial fixed assets, please refer to the statement of changes in fixed assets in Appendix 1 to the notes.

3.2 Receivables and other assets

Receivables and other assets amounted to TEUR 7,965 as at the balance sheet date (2024: TEUR 7,722). This increase is primarily attributable to the rise in receivables from associated companies. Receivables from associated companies comprise trade receivables of EUR 3,277 thousand (2024: EUR 1,624 thousand) and other assets of EUR 420 thousand (2024: EUR 392 thousand), relating to a clearing account with shareholders. Furthermore, receivables from affiliated companies include loans granted as at the balance sheet date amounting to TEUR 3,049 (2024: TEUR 3,049) with a remaining term of more than one year, as well as dividend entitlements amounting to TEUR 1,216 (2024: TEUR 2,631).

Other assets amounting to TEUR 3 (2024: TEUR 25) include corporation tax refunds of TEUR 1 (2024: TEUR 25). The decrease in the corporation tax refund arises from the reimbursement of the refund.

3.3 Cash at banks

As at 31 December 2025, cash and cash equivalents amounted to TEUR 862 (2024: TEUR 1,371).

3.4 Prepayments and accrued income

As at 31 December 2025, prepaid expenses amounted to EUR 4,000 (2024: EUR 13,000) and relate primarily to consultancy services in the finance and IT sectors.



3.5 Equity

The equity of STS Group AG is composed as follows:

in kEUR	December 31, 2025	December 31, 2024
Share capital	6,500	6,500
Own shares	-50	-50
Issued capital	6,450	6,450
Contingent capital	(0)	(0)
Capital reserves	6,193	6,193
Retained earnings		
legal reserves	5	5
other retained earnings	3,315	3,181
Accumulated gains carried forward	-2,128	456
Equity	13,835	16,285

Subscribed capital

The subscribed capital of STS Group AG amounted to TEUR 6,500 as at 31 December 2025 (31 December 2024: EUR 6,500 thousand) and consists of 6,500,000 (2024: 6,500,000) bearer shares (no-par value shares), each representing a proportionate amount of the company's share capital of EUR 1.00 (2024: EUR 1.00).

The subscribed capital of STS Group AG is fully paid up.

Each share in circulation entitles the holder to one vote at the Annual General Meeting.

Issued capital

Authorised capital

Authorised capital 2023/I

The Management Board is authorised by a resolution of the Annual General Meeting of 7 July 2023, with the approval of the Supervisory Board, to increase the share capital within a period of five years, from the date of entry of this Authorised Capital in the Commercial Register, by up to EUR 3,250,000.00, either in one or more instalments, by issuing up to 3,250,000 new no-par value bearer shares against cash and/or non-cash contributions ("Authorised Capital 2023/I"). The Authorised Capital was entered in the Commercial Register on 22 September 2023.

Shareholders are generally to be granted subscription rights. However, the Management Board is authorised, with the approval of the Supervisory Board, to exclude shareholders' subscription rights for one or more capital increases within the scope of Authorised Capital 2023/I,

(i) for fractional amounts;

(ii) in the case of capital increases against cash contributions, provided that the total proportionate amount of share capital attributable to the new shares for which subscription rights are excluded does not exceed 10% of the share capital existing at the time of the resolution by the Annual General Meeting or – if this amount is lower – at the time of exercising this authorisation, and the issue price of the new shares does not significantly fall below the stock market price of shares of the same class and with the same terms and conditions already listed on a stock exchange at the time the issue price is finally determined by the Management Board within the meaning of Sections 203 (1) and (2), 186 (3) sentence 4 of the German Stock Corporation Act (AktG). When calculating the 10% limit, shares that have already been issued or sold during the term of this authorisation at the time of its exercise, in direct or analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) with the exclusion of subscription rights, shall be taken into account. Furthermore, shares to be issued to service option and/or conversion rights or option and/or conversion obligations arising from convertible and/or option bonds, provided that these bonds were issued during the term of this authorisation with the exclusion of subscription rights in accordance with the analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG);

(iii) in the case of capital increases against contributions in kind for the issue of new shares in connection with business combinations for the purpose of acquiring companies, parts of companies or interests in companies, or other assets eligible for contribution in connection with such a business combination or acquisition, including the acquisition of claims against the Company or other assets;

(iv) to the extent necessary for the purposes of anti-dilution protection to ensure that the holders or creditors of option and/or convertible bonds issued or to be issued by the Company or its subsidiaries pursuant to an authorisation granted to the Management Board by the Annual General Meeting, to grant subscription rights to the extent to which they would be entitled following the exercise of option and/or conversion rights or the fulfilment of option and/or conversion obligations;

(v) to service option and/or conversion rights or option and/or conversion obligations arising from option and/or convertible bonds issued by the Company;

(vi) in the event of cooperation with another company, where such cooperation serves the interests of the Company and the cooperating company requires a shareholding;

(vii) to issue shares to members of the Management Board and employees of the Company, as well as to members of the management and employees of companies affiliated with the Company, for the purpose of fulfilling a share option scheme or any other employee participation scheme. In this context, the new shares may also be issued to an intermediary or an equivalent entity, which shall acquire these shares with the obligation to transfer them exclusively to the persons entitled hereunder.

Further details are set out in Section 4 (3) (as amended) of the Articles of Association of STS Group AG.

As no capital increases have been carried out to date and no drawdown has been made on the Authorised Capital 2023/I, the Authorised Capital 2023/I has not been reduced and remains in place in the amount of EUR 3,250,000.00.

Contingent capital

Conditional Capital 2018/I

The Company's share capital was increased by up to EUR 2,000,000.00 by resolution of the Annual General Meeting of 3 May 2018 through the issue of up to 2,000,000 new no-par value bearer shares, each representing a proportionate amount of the Company's share capital of EUR 1.00 per share ("Conditional Capital 2018/I"). Conditional Capital 2018/I was intended, amongst other things, for the grant of shares upon the exercise of option or conversion rights.

By the expiry of the authorisation period on 2 May 2023, no convertible bonds, warrants, profit participation rights and/or profit-sharing bonds had been issued and, consequently, no conversion or option rights to shares had been granted to creditors or holders of such bonds.

In view of the expiry of the authorisation period and on the basis of the authorisation granted to the Supervisory Board in Section 4 (3) of the previous version of the Company's Articles of Association to amend this Section 4 (3) of the previous version of the Company's Articles of Association, inter alia, after the expiry of the authorisation period, the Supervisory Board passed a resolution on 8 August 2025 to delete Section 4 (3) of the Articles of Association in its previous version. Section 4 (4) of the Articles of Association in its previous version thereby became the current Section 4 (3) of the Articles of Association of (Authorised Capital 2023/I).

Conditional Capital 2018/II

The Company's share capital was conditionally increased by a resolution of the Annual General Meeting of 3 May 2018 by up to EUR 500,000.00 through the issue of up to 500,000 new no-par value bearer shares, each representing a proportionate amount of the Company's share capital of EUR 1.00 per share ("Conditional Capital 2018/II"). Conditional Capital 2018/II will only be implemented to the extent that subscription rights have been issued under the 2018 Share Option Scheme in accordance with the resolution of the Annual General Meeting of 3 May 2018, the holders of the subscription rights exercise their right of subscription, and the Company does not grant any of its own shares to fulfil the subscription rights.

No subscription rights were issued by the Management Board prior to the expiry of the authorisation period on 2 May 2023.

Conditional Capital 2018/II did not provide, in Section 4 (4) of the previous version of the Company's Articles of Association, for any authorisation of the Supervisory Board to amend the aforementioned provision of the Articles of Association in accordance with the respective utilisation of Conditional Capital 2018/II and/or upon expiry of the authorisation period.

Accordingly, the Annual General Meeting on 13 June 2024 resolved, as a precautionary measure, to delete the provision in the Articles of Association relating to Contingent Capital 2018/II in Section 4 (4) of the previous version of the Company's Articles of Association without replacement. Section 4 (5) of the Company's Articles of Association relating to Authorised Capital 2023/I was consequently, as a first step, incorporated unchanged into the new Section 4 (4) of the previous version of the Company's Articles of Association, before the Authorised Capital 2023/I was converted into Section 4 (3) of the new version of the Company's Articles of Association by the Supervisory Board's resolution of 8 August 2025 to delete the Conditional Capital 2018/I.

Share buy-back

The Management Board of STS Group AG is authorised to repurchase its own shares and to sell repurchased shares in the cases provided for by law in Section 71 of the German Stock Corporation Act (AktG). On 21 November 2018, the Management Board, with the approval of the Supervisory Board, resolved to launch a share buy-back programme of up to EUR 1,000,000 (excluding incidental acquisition costs) by utilising the authorisation granted by the Annual General Meeting on 3 May 2018 ("Share Buy-back Programme 2018/I"). By this resolution, the Annual General Meeting authorised the Management Board, with the approval of the Supervisory Board, to acquire the Company's own shares up to a total of 10% of the Company's

share capital existing at the time of the resolution or – if this figure is lower – at the time the authorisation is exercised, until 2 May 2023. The shares acquired pursuant to this authorisation, together with other treasury shares of the Company which the Company has acquired and still holds or which are attributable to it pursuant to Sections 71a et seq. of the German Stock Corporation Act (AktG), may at no time exceed 10% of the Company's respective share capital. The acquisition of own shares shall take place, at the discretion of the Management Board, via the stock exchange or by means of a public offer to all shareholders or by means of a public invitation to shareholders to submit offers to sell.

The Management Board was authorised by a resolution of the Annual General Meeting on 3 May 2018 to use the treasury shares, in addition to selling them on the stock exchange or by means of an offer to all shareholders, for any permissible purpose, in particular as follows:

(i) They may be cancelled and the Company's share capital reduced by the portion of the share capital attributable to the cancelled shares.

(ii) They may be offered to third parties in exchange for non-cash consideration and transferred to them.

(iii) They may be sold to third parties for cash, provided that the price at which the Company's shares are sold does not fall significantly below the stock market price of a share in the Company at the time of sale (Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG)). The proportion of the share capital attributable to the number of shares sold pursuant to this authorisation may not exceed 10%.

(iv) They may be used to satisfy obligations or rights to acquire shares in the Company arising from and in connection with convertible bonds, warrants or profit participation rights with conversion or option rights issued by the Company or one of its group companies.

Further details are set out in the authorisation resolution.

The Management Board was also authorised by a resolution of the Annual General Meeting on 3 May 2018, with the approval of the Supervisory Board, to acquire treasury shares amounting to a total of up to 5% of the share capital existing at the time of the resolution through the use of derivatives (put or call options or a combination of both). The term of the options must be chosen such that the acquisition of shares upon exercise of the options takes place no later than 2 May 2023. Shareholders do not have the right – in accordance with Section 186(3) sentence 4 of the German Stock Corporation Act (AktG) – to enter into such option transactions

with the Company. Further details are set out in the authorisation resolution.

By the expiry of the authorisation period on 2 May 2023, the Company had repurchased a total of 50,000 of its own shares under the 2018/I, in the period from 22 November 2018 to 21 May 2019, a total of 50,000 of the Company's own shares. To date, the Company holds 50,000 of its own shares, for which it has no voting rights. The own shares represent approximately 0.8% of the share capital.

Capital reserve

As at 31 December 2025, the capital reserve amounted to EUR 6,193 thousand (2024: EUR 6,193 thousand).

No amounts were transferred to or withdrawn from the capital reserve in the 2025 financial year. As in the previous year, the capital reserve comprises the capital reserve pursuant to section 272 (2) (1) of the German Commercial Code (HGB) amounting to EUR 1,000 thousand and the capital reserve pursuant to section 272 (2) (4) of the German Commercial Code (HGB) amounting to EUR 5,193 thousand.

Retained earnings

The statutory reserve amounted to TEUR 5 as at 31 December 2025 (31 December 2024: TEUR 5). Other retained earnings amounted to TEUR 3,315 as at 31 December 2025 (31 December 2024: TEUR 3,181).

Retained earnings

The net loss for the financial year amounts to €2,128 thousand (31 December 2024 net profit: €456 thousand). The net loss comprises the profit carried forward from the previous year of EUR 456 thousand, reduced by a profit distribution (EUR 322 thousand) and an allocation to other retained earnings (EUR 134 thousand) (31 December 2024 profit carried forward: EUR 2,331 thousand).



3.6 Provisions

Provisions developed as follows in the 2025 financial year:

PROVISIONS

in kEUR	As of January 1, 2025	Utilisation	Reversal	Addition	As of December 31, 2025
Financial statement and audit costs	594	485	109	387	387
Personnel expenses	22	22	0	22	22
Supervisory board remuneration	220	220	0	0	0
Outstanding invoices	23	16	8	75	75
Other provisions	0	0	0	23	23
Total other provisions	859	742	117	506	506

3.7 Liabilities

Liabilities amounted to TEUR 13,592 in the reporting period (2024: TEUR 11,060) and comprise trade payables of TEUR 513 (2024: TEUR 81). Liabilities to associated companies amounting to TEUR 13,076 (2024: TEUR 10,976) relate to trade payables (TEUR 4,311; 2024: TEUR 1,953).

Other liabilities include tax liabilities amounting to EUR 2,000 (2024: EUR 2,000) and social security liabilities amounting to EUR 1,000 (2024: EUR 1,000).

Liabilities include loan liabilities to shareholders amounting to EUR 3,765 thousand (2024: EUR 9,023 thousand) with a remaining term of more than one but less than five years. The remaining liabilities to affiliated companies amounting to EUR 9,311 thousand (2024: EUR 1,953 thousand) have a remaining term of up to one year.

4. Notes to the income statement

4.1 Revenue

Revenue for the 2025 financial year, amounting to EUR 324 thousand (2024: EUR 371 thousand), results from fees charged to subsidiaries for management and corporate services.

4.2 Other operating income

Other operating income for the 2025 financial year amounts to €5,716 thousand (2024: €2,542 thousand) and comprises €117 thousand (2024: €3 thousand) in income from the release of provisions. This figure also includes income from benefits in kind for the private use of vehicles amounting to TEUR 10 (2024: TEUR 8). It further comprises other income from intra-group charging of administrative and consultancy services as well as research and development licences to affiliated companies amounting to approximately TEUR 5,589 (2024: TEUR 2,498),



and income relating to prior periods amounting to TEUR 1 (2024: TEUR 30). Research and development costs were charged on for the first time in the financial year in the amount of €2,879 thousand.

4.3 Staff costs

In the 2025 financial year, an average of 1 (2024: 1) employee was employed.

4.4 Depreciation

In the 2025 financial year, depreciation on intangible assets amounting to EUR 0 thousand (2024: EUR 36 thousand) was recognised. For further information on depreciation, please refer to the statement of changes in fixed assets in Appendix 1 to the notes.

4.5 Other operating expenses

Other operating expenses include:

in kEUR	2025	2024
Expenses for affiliated companies	5,643	2,498
Costs of financial statements and audits	532	721
Supervisory board compensation	220	220
Insurance, contributions and other levies	28	51
Expenses unrelated to the accounting period	14	45
Legal and consulting costs	193	40
Office and administrative expenses	29	32
Repair, maintenance and servicing	25	21
Rental expenses (including motor vehicles)	2	18
Stock market costs	20	17
Expenses from currency conversion	220	13
Motor vehicle costs	0	5
Incidental costs Money transfer costs	1	2
Travel expenses	0	1
Advertising costs	1	1
Expenses from other periods	143	219
Other operating expenses	7,071	3,905

Expenses relating to associated companies amounting to EUR 5,643 thousand (2024: EUR 2,498 thousand) primarily comprise management fees paid to the majority shareholder, as well as, for the first time, R&D and licence expenses, which are passed on in full to the subsidiaries as part of intra-group billing.

4.6 Income from investments

Income from investments amounted to TEUR 0 in the 2025 financial year (2024: TEUR 2,631) and, in the previous year, related to dividend income from a subsidiary.

4.7 Financial income and financial expenses

Income from loans granted from financial assets totalled TEUR 4 in the 2025 financial year (2024: TEUR 1), of which TEUR 4 (2024: TEUR 1) was from associated companies. Other interest income amounted to EUR 143 thousand in the 2025 financial year (2024: EUR 180 thousand), of which EUR 143 thousand (2024: EUR 180 thousand) was from associated companies.

Interest and similar expenses relating to associated companies in the 2025 financial year amounted to TEUR 1,007 (2024: TEUR 959). The financial income and expenses for the reporting year do not include any income or expenses of an exceptional magnitude or of exceptional significance.

4.8 Income tax

In the 2025 financial year, income tax amounted to EUR 60 thousand (2024: EUR 198 thousand). This figure relates primarily to withholding tax retained in respect of dividends from foreign subsidiaries and income tax.

Due to its affiliation with the Adler-Pelzer Group, the STS Group falls within the scope of the German Minimum Tax Act in the 2025 financial year, which implements the OECD Model Rules on Pillar 2. Adler Pelzer Holding GmbH will assume the role of national group head, whereas STS Group AG is a partially owned subsidiary of Adler Pelzer Holding GmbH. G.A.I.A. Holding Srl is reported as the ultimate parent company of the entire group. At the level of STS Group AG, according to current calculations, no tax expenses arising from the MinStG or corresponding foreign minimum tax laws will be recognised for its foreign investments in the 2025 financial year.



5. Other disclosures

5.1 Auditor's fees

Disclosures regarding the auditor's total fees are omitted from the annual financial statements of STS Group AG in accordance with Section 285(17) of the German Commercial Code (HGB), as STS Group AG prepares consolidated financial statements and the details of the total fees are provided in those consolidated financial statements. The total fees relate exclusively to audit services.

5.2 Supervisory Board

The members of the Supervisory Board of STS Group AG in the financial year 2025 were:

Paolo Scudieri,
Industrial Engineer
Chairman of the Supervisory Board and member of the Audit Committee

Chairman of the Board of:

- *Adler Plastic S.p.A., Ottaviano, Italy*
- *Adlergroup S.p.A., Milan, Italy*
- *G.A.I.A. Holding s.r.l., Desio, Italy*
- *STOA Institute for Management
e gestione di impresa – Società consortile
a responsabilità limitata, Naples, Italy*
- *Tecno Tessile Adler s.r.l., Airola (BN), Italy*
- *Mercato s.r.l., Milan, Italy*
- *Adler Aero S.p.A., Airola, Italy*
- *Napolicrea s.r.l., Naples, Italy*
- *Almas Partecipazioni Industriali s.r.l., Naples, Italy*
- *Future Around Liberty Community s.r.l., Naples, Italy*
- *SRM Services s.r.l., Naples, Italy*
- *C.F. Italia s.r.l. – Challenger Foam Italia, Turin, Italy*
- *Anfia Automotive Società Consortile a Responsabilità Limitata, Turin, Italy*
- *La.mm. Lavorazioni Meccaniche Metalli s.r.l., Verona, Italy*
- *Sistema Campania s.c. a r.l., Naples, Italy*

Managing Director of:

- *Tenuta La Fratta Società agricola a r.l., Siena, Italy*
- *Formula Center Italia s.r.l., Campobasso, Italy*
- *Essere S.p.A., Forlì (FC), Italy*
- *Almas Real Estate s.r.l., Milan, Italy*
- *Adlergroup Holding s.r.l., Naples, Italy*
- *Dattilo – High-Tech Transport and Logistics District S.c. a r.l., Naples, Italy*
- *Il Sole 24 Ore S.p.A., Milan, Italy*
- *Prosit Società Agricola a r.l., Trapani, Italy*

Pietro Lardini,
MBA (Bocconi)
Deputy Chairman of the Supervisory Board and Chairman of the Audit Committee

Managing Director of:

- *Adler Pelzer Holding GmbH, Hagen, Germany*
- *HP Pelzer Automotive GmbH, Hagen, Germany*
- *Adler Pelzer Clion GmbH*
- *RAT-Spezialmaschinen GmbH, Haiger, Germany*
- *Vegroteppichboden GmbH, Kirschau, Germany*
- *HP Pelzer Min GmbH, Hagen, Germany*
- *HP Pelzer Projektführungs GmbH, Hagen, Germany*
- *Adler Pelzer Brazil Holding GmbH, Hagen, Germany*
- *HP-Pelzer s.r.o., Plzeň, Czech Republic*
- *Adler Pelzer Swiss AG, Zug, Switzerland*
- *Hankook Pelzer Ltd., Incheon, South Korea*
- *Chongqing HP Pelzer Automotive Interior Systems Co., Ltd., Chongqing, China*
- *Hangzhou HP Pelzer Automotive Interior Systems Co., Ltd., Hangzhou, China*
- *Nanjing HP Pelzer Automotive Interiors System Co., Ltd., Nanjing, China*
- *HP Pelzer Automotive Interiors Systems (Taicang) Co. Ltd., Taicang, China*
- *Tianjin HP Pelzer Automotive Interior Systems Co. Ltd., Tianjin, China*
- *Taicang RAT Machinery & Technology Co. Ltd., Taicang, China*
- *Pimsa Adler Otomotiv A.S., Çayirova/Kocaeli, Turkey*
- *HP Pelzer Pimsa Otomotiv A.S., Çayirova/Kocaeli, Turkey*
- *Pimsa Otomotiv Tekstilleri Sanayi ve Ticaret A.S., Çayirova/Kocaeli, Turkey*
- *HP Pelzer Automotive Systems Inc., Troy (Michigan), USA*
- *Pelzer de Mexico S.A. de C.V., Puebla, Mexico*
- *HPP Systems de Mexico S.A. de C.V., Pachuca, Mexico*
- *Adler Pelzer Industrial (Taixing) Co., Ltd., Taixing, China*
- *TAIXING RAT Machinery & Technology Co., Ltd., Taixing, China*



Pietro Gaeta,

Solicitor

Member of the Supervisory Board and Deputy Chairman of the Audit Committee

Member of the Board of Directors of:

- *AdlerGroup S.p.A., Milan, Italy*
- *Adler Plastic S.p.A., Naples, Italy*
- *G.A.I.A. Holding S.r.l., Desio (MB), Italy*
- *Tecno Tessile Adler S.r.l., Airola (BN), Italy*
- *Tenuta La Fratta Società Agricola a r. l., Siena, Italy*
- *Mercato S.r.l., Milan, Italy*
- *Almas Partecipazioni Industriali s.r.l., Naples, Italy*

Chairman of the Board of:

- *AvvocatoGaeta S.t.a.p.a., Naples, Italy*

Chairman of the Board of Directors of the auditors of:

- *Società Nolana per Imprese Elettriche - S.N.I.E. S.p.A., Naples, Italy*
- *Mandara Group S.p.A., Naples, Italy*
- *G-Box S.p.A., Naples, Italy*
- *Vrent S.p.A., Milan, Italy*
- *VFM Technik S.p.A., Naples, Italy*

Managing Director of:

- *Faurema Holding S.r.l., Caserta, Italy*

The total remuneration of the Supervisory Board amounted to EUR 220,000 (2024: EUR 220,000).

5.3 Executive Board

Member of the Management Board of STS Group AG:

Alberto Buniato CEO (sole member of the Management Board)
MBA

Chairman of the Board of Directors of:
HPP Systems de Mexico S.A. de C.V., Pachuca, Mexico
Pelzer de Mexico S.A. de C.V., Puebla, Mexico

Member of the Board of Directors of:
STS Plastics Co., Ltd., Jiangyin, China
STS Composites (Taixing) Co., Ltd, Taixing, China

Chairman of the Management Board
HP Pelzer Automotive Systems Inc., Troy, USA

Member of the Management Board of:
HP Carpets, LLC, Dalton, USA
RAT de Mexico de S.A. de C.V., Puebla, Mexico

The Management Board was employed by Adler Pelzer Holding GmbH during the financial year and the previous year and therefore received no remuneration from STS Group AG. The **total remuneration** of the Management Board to be disclosed in the notes to the financial statements of STS Group AG therefore amounts to EUR 0 thousand in the financial year 2025 (2024: EUR 0 thousand).

5.4 Other financial obligations and contingent liabilities

There are other financial obligations arising from a one-year software contract totalling TEUR 3 (2024: TEUR 21).

There is a non-financial obligation to make a capital contribution of EUR 10,000 to STS Composites (Taixing) Co., Ltd., which was established on 3 July 2025, by 3 July 2030.

5.5 Liability

STS Group AG remains liable, as in the previous year, to an unlimited extent for any warranty claims by a customer in respect of a direct subsidiary.



STS Group AG has issued a firm letter of comfort to its subsidiary STS Composites Germany GmbH – unchanged from the previous year – in the amount of EUR 1,700,000, which is valid until 31 July 2028. STS Group AG undertakes to provide this company with liquid funds so that it is able to meet its current and future obligations at all times.

Furthermore – unchanged from the previous year – the company **guarantees** two loans to a direct subsidiary, each amounting to CNY 10,000,000 (EUR 1,214,000 as at 31 December 2025), up to a maximum amount of EUR 2,900,000.

The Company assesses – unchanged from the previous year – the risk of a potential call on all listed liabilities as unlikely, as the existing contingent liabilities of STS Group AG were reviewed as at the balance sheet date with regard to the risk situation, taking into account available information on the net assets, financial position and results of operations of the aforementioned companies.

5.6 Financial and liquidity risk

Liquidity risk comprises the following risks:

- Being unable to meet potential payment obligations at the time of maturity (liquidity risk).
- Being unable to obtain sufficient liquidity on the expected terms when required (refinancing risk).
- Being unable to close, extend or settle transactions due to market-related shortcomings or market disruptions, or only being able to do so at a loss or at excessive cost (market liquidity risk).

Prudent liquidity management involves maintaining a sufficient reserve of liquid funds. Given the dynamic nature of the business environment in which the Group operates, the aim is to maintain the necessary flexibility in financing within the Group by retaining sufficient unused credit facilities and factoring arrangements.

STS Group AG is ultimately subject to financing risk arising from its dependence on further financing from the majority shareholder or via the subsidiaries (through management fees and dividends). No management fees were charged to the French subsidiaries until 2023; from 2024 onwards, management fees were charged again. This financial dependence is generally offset by the annual dividend distribution from the Chinese subsidiary. No distribution (2024: CNY 20 million) to STS Group AG has been resolved for the financial year 2025. The Group may only dispose of the latter in compliance with applicable foreign exchange restrictions. The Management Board assumes that, if necessary, short-term loans may also be made available by the majority shareholder to counteract short-term liquidity bottlenecks.

5.7 Declaration of Compliance with the German Corporate Governance Code § 161 AktG

The Management Board and the Supervisory Board of STS Group AG have issued the required declaration of conformity in accordance with Section 161 of the German Stock Corporation Act (AktG) and made it available to shareholders on the STS Group AG website. The full text of the declaration of conformity is available on the STS Group AG website at www.sts.group/de/investor-relations/corporate-governance.

5.8 Group affiliation

The Company is the parent company of the STS Group and, as such, prepares consolidated

financial statements in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the European Union (EU), and in accordance with Section 315e(1) of the German Commercial Code (HGB) for the financial year ending 31 December 2025.

The Company is also included as a subsidiary in the voluntarily prepared consolidated financial statements of Adler Pelzer Holding GmbH, Hagen, Germany. The latter prepares the consolidated financial statements for the narrowest group of companies. As these are prepared on a voluntary basis, they are not disclosed. Adler Pelzer Holding GmbH, Hagen, is in turn included in the consolidated financial statements of G.A.I.A. Holding S.r.l. The latter prepares the consolidated financial statements for the widest group of companies. The consolidated financial statements of G.A.I.A. are published at the company's registered office in Desio, Italy, and are also published in the German Commercial Register.

Disclosure pursuant to Section 160 (1) No. 8 of the German Stock Corporation Act (AktG) regarding notifications of voting rights

Pursuant to Section 160(1)(8) of the German Stock Corporation Act (AktG), information must be provided regarding the existence of shareholdings that have been notified in accordance with Section 20(1) or (4) of the German Stock Corporation Act (AktG) or Section 33(1) or (2) of the German Securities Trading Act (WpHG). Under these provisions, investors whose share of voting rights in listed companies has reached, exceeded or fallen below certain thresholds are obliged to notify the company.

Changes may have occurred in the voting rights percentages listed since the dates stated, which were not subject to reporting to the company. As the company's shares are no-par value bearer shares, the company is generally only made aware of changes in shareholdings to the extent that they are subject to reporting requirements. The voting rights percentages listed below are based on the mandatory notifications pursuant to Section 33 of the WpHG.

Adler Pelzer Holding, Hagen, announced on 17 March 2021 the acquisition of instruments through which it exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights in STS Group AG, thereby holding a stake of 73.25% (corresponding to 4,761,327 voting rights).

Upon the completion of the takeover bid published on 9 August 2021 on 23 September 2021, Adler Pelzer Holding GmbH acquired a further 22,120 shares, thereby reaching a stake of 73.59%.

On 4 January 2022, HANSAINVEST Hanseatische Investment-GmbH, Hamburg, announced the



acquisition of shares in STS Group AG, which would cause it to exceed the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights in STS Group AG, thereby exceeding a 3% holding. As of that date, HANSAINVEST Hanseatische Investment-GmbH, Hamburg, thus held 3.36% of the voting rights (corresponding to 218,250 voting rights).

5.9 Events after the balance sheet date

On 16 January 2026, EUR 1,234 thousand was paid into the capital of STS Composites (Taixing) Co., Ltd.

The military escalation in the Middle East, in particular the hostilities between the USA, Israel and Iran that have been ongoing since 28 February 2026, as well as the resulting de facto blockade of the Strait of Hormuz, represents a significant new source of uncertainty for global economic development. Immediately after the outbreak of hostilities, the International Monetary Fund (IMF) noted disruptions to global trade, a significant rise in energy prices and increased volatility in the financial markets. According to the IMF, persistent disruptions to energy supplies could significantly increase global inflation and weigh on growth, particularly in energy-importing economies; a risk of stagflation cannot be ruled out. A quantitative assessment of the impact on the global economy was not available at the time of reporting. In the opinion of the STS Group, the developments described have no material direct impact on the STS Group's net assets, financial position and results of operations at the time of preparing the separate financial statements. The Company continues to monitor developments closely, particularly with regard to possible indirect effects from rising energy prices and potential disruptions in global supply chains

5.10 Proposal for the appropriation of profits (Section 285 No. 34 HGB)

The Management Board and Supervisory Board propose to the Annual General Meeting that the net loss of EUR 2,128 thousand reported as at 31 December 2025 be carried forward to new account. Against the backdrop of the strategic development of the STS Group, in particular the further expansion of international business activities with a focus on the Chinese market and the strengthening of the company's financial base, no distribution from retained earnings is proposed.

Hagen, 15 April 2026

.....
Alberto Buniato (Member of the Executive Board)



Appendix 1 to the notes

MOVEMENT SCHEDULE OF FIXED ASSETS FOR THE PERIOD JANUARY 1, 2025 TO DECEMBER 31, 2025

in EUR	Acquisition and production costs				
	01 January 2025	Additions	Disposals	Umbuchungen	31 December 2025
I. Intangible Assets					
Concessions, industrial property rights and similar rights and assets acquired against payment, as well as licenses to such rights and assets	197,000	-	-	-	197,000
	197,000				197,000
II. Financial Assets					
1. Shares in affiliated companies	19,065,022	-	-	-	19,065,022
2. Loans to affiliated companies	33,472	4,458	-	-	37,930
	19,098,494	4,458	-	-	19,102,952
Total	19,295,494	4,458	-	-	19,299,952



MOVEMENT SCHEDULE OF FIXED ASSETS FOR THE PERIOD JANUARY 1, 2025 TO DECEMBER 31, 2025

Accumulated amortizaion and depreciation				Net book value	Net book value
01 January 2025	Additions	Disposals	31 December 2025	31 December 2025	31 December 2024
196,998	-	-	196,998	2	2
196,998			196,998	2	2
-	-	-	-	19,065,022	19,065,022
-	-	-	-	37,930	33,472
-	-	-	-	19,102,952	19,098,494
196,998	-	-	196,998	19,102,955	19,098,496



Statement by the legal representatives

We declare to the best of our knowledge that, in accordance with the applicable accounting standards, the annual financial statements give a true and fair view of the Company's financial position, results of operations and cash flows, and that the management report, which is combined with the group management report, the course of business, including the results of operations, and the position of the company are presented in such a way as to give a true and fair view, and the significant opportunities and risks associated with the company's expected development are described.

Hagen, 15 April 2026

.....
Alberto Buniato (Board Member)

Auditor's Report

To STS Group AG, Hagen

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT

Audit Opinions

We have audited the annual financial statements of STS Group AG, Hagen, comprising the balance sheet as at 31 December 2025 and the profit and loss account for the financial year from 1 January to 31 December 2025, together with the notes to the financial statements, including a summary of accounting policies. In addition, we have audited the management report of STS Group AG, Hagen, which is combined with the group management report, for the financial year from 1 January to 31 December 2025. We have not audited the content of the sections of the management report referred to in the 'Other Information' section of our auditor's report in accordance with German statutory requirements.

In our opinion, based on the findings of our audit

the accompanying financial statements comply in all material respects with the German commercial law provisions applicable to corporations and, in accordance with German principles of proper accounting, give a true and fair view of the Company's financial position as at 31 December 2025 and of its profit situation for the financial year from 1 January to 31 December 2025, and

the accompanying management report as a whole gives a true and fair view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German statutory requirements and accurately presents the opportunities and risks associated with future development. Our audit opinion on the management report does not extend to the content of the components of the management report referred to in the section 'Other Information'.

In accordance with section 322(3), first sentence, of the German Commercial Code (HGB), we declare that our audit has not led to any objections regarding the regularity of the annual financial statements and the management report.

Basis for the audit opinions

We conducted our audit of the annual financial statements and the management report in accordance with Section 317 of the German Commercial Code (HGB) and the EU Audit Regulation (No. 537/2014; hereinafter "EU Audit Regulation"), in compliance with the German Standards on Auditing established by the Institute of Public Auditors in Germany (IDW). Our responsibilities under these regulations and standards are described in more detail in the section 'Auditor's responsibility for the audit of the annual financial statements and the management report' of our auditor's report. We are independent of the company in accordance with European law as well as German commercial and professional regulations, and have fulfilled our other German

professional obligations in accordance with these requirements. Furthermore, in accordance with Article 10(2)(f) of the EU Audit Regulation, we declare that we have not provided any prohibited non-audit services as defined in Article 5(1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to serve as a basis for our audit opinions on the financial statements and the management report.

Reference to other matters

The financial statements and management report of STS Group AG, Hagen, for the previous financial year ending 31 December 2024 were audited by another auditor, who issued unmodified audit opinions on these financial statements and this management report dated 25 April 2025.

Key audit matters in the audit of the financial statements

Key audit matters are those matters which, in our professional judgement, were of the greatest significance in our audit of the financial statements for the financial year from 1 January to 31 December 2025. These matters were taken into account in the context of our audit of the financial statements as a whole and in forming our audit opinion thereon; we do not issue a separate audit opinion on these matters.

Impairment of investments in associates

Related information in the financial statements and management report

With regard to the accounting policies applied to the impairment of investments in associates, we refer to the disclosures in the notes under the heading 'Accounting Policies' as well as to the sections 'Notes to the Balance Sheet' and 'Notes to the Profit and Loss Account'.

Facts and audit risks

The annual financial statements of STS Group AG, Hagen, show investments in associates amounting to EUR 19,065 thousand (previous year: EUR 19,065 thousand) under financial assets. These thus represent 68.3 per cent (previous year: 67.6 per cent) of the balance sheet total.

The impairment testing of shares in associated companies constitutes a particularly significant audit matter due to their materiality for the financial statements and the discretion involved in assessing whether there is objective evidence of reasons for a lower fair value or the cessation of such reasons. Furthermore, the valuations are highly dependent on the estimation of future cash inflows and the discount rate used. There is a risk that the identified need for impairment or reversal of impairment may be incorrectly assessed, and that a necessary impairment or reversal of impairment may therefore not be identified, or may be identified at an incorrect amount.

Audit approach and findings

With regard to the fair values determined by the legal representatives and their assessment of impairment and reversals as likely to be permanent, we examined the underlying budget

planning processes and the comparisons of the book values of the shares to net assets with the results of the cash flow models on which the valuation is based.

As part of our assessment of the recoverability of investments in associates, we carried out tests on a case-by-case basis. We analysed changes in the carrying amounts compared with the previous year and obtained an assessment from the legal representatives regarding any impairment losses that are likely to be permanent. We reviewed the valuation models both in terms of methodology and arithmetic. In our assessment of the plans and assumptions, we discussed and evaluated management's explanations regarding the key drivers of the plans against the backdrop of market expectations.

We were satisfied that the systems and processes in place, as well as the accounting and valuation policies applied, are appropriate, and that the assessments and assumptions made by the statutory representatives regarding the recoverability of investments in associates are well-founded and adequately documented.

Other information

The legal representatives and the Supervisory Board are responsible for the other information. The other information comprises the following components of the management report, the content of which has not been audited:

- the corporate governance statement pursuant to Sections 289f and 315d of the German Commercial Code (HGB), to which reference is made in the Group management report,
- the separate non-financial report pursuant to Sections 289b and 315b of the German Commercial Code (HGB), to which reference is made in the Group management report.

The other information also comprises:

- the assurances pursuant to section 264(2), third sentence, and section 289(1), fifth sentence, of the German Commercial Code (HGB) regarding the annual financial statements and the management report.

The legal representatives and the Supervisory Board are jointly responsible for the remuneration report. In all other respects, the legal representatives are responsible for the other information.

Our audit opinions on the annual financial statements and the management report do not extend to the other information, and accordingly we do not express an audit opinion or any other form of audit conclusion in respect thereof.

In connection with our audit, we have a responsibility to read the other information and, in doing so, to assess whether the other information:

contain material inconsistencies with the financial statements, the management report or our findings during the audit, or

otherwise appear to be materially misstated.

Responsibility of the legal representatives and the Supervisory Board for the financial statements and the management report

The legal representatives are responsible for the preparation of the financial statements, which comply in all material respects with the German commercial law provisions applicable to corporations, and for ensuring that the financial statements, in accordance with German generally accepted accounting principles, give a true and fair view of the company's financial position, results of operations and cash flows. Furthermore, the legal representatives are responsible for the internal controls which they have determined, in accordance with German generally accepted accounting principles, to be necessary to enable the preparation of financial statements that are free from material misstatements arising from fraudulent acts (i.e. accounting manipulation and financial losses) or errors.

In preparing the annual financial statements, the legal representatives are responsible for assessing the company's ability to continue as a going concern. Furthermore, they are responsible for disclosing matters relating to the going concern, where relevant. In addition, they are responsible for preparing the balance sheet on a going concern basis, provided that no actual or legal circumstances preclude this.

Furthermore, the legal representatives are responsible for preparing the management report, which as a whole provides a true and fair view of the company's position, is consistent with the annual financial statements in all material respects, complies with German statutory requirements and accurately presents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for the arrangements and measures (systems) which they have deemed necessary to enable the preparation of a management report in accordance with the applicable German statutory provisions, and to be able to provide sufficient and appropriate evidence for the statements in the management report.

The Supervisory Board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and the management report.

The auditor's responsibility for the audit of the annual financial statements and the management report

Our objective is to obtain reasonable assurance as to whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole gives a true and fair view of the company's position, is consistent in all material respects with the annual financial statements and with the findings of our audit, complies with German statutory requirements, and accurately presents the opportunities and risks of future development, as well as to issue an auditor's report containing our audit opinions on the annual financial statements and the management report.

Reasonable assurance is a high level of assurance, but not a guarantee, that an audit conducted in accordance with Section 317 of the German Commercial Code (HGB) and the EU Audit Regulation, in compliance with the German Standards on Auditing established by the Institute of Public Auditors in Germany (IDW), will always detect a material misstatement. Misstatements may result from fraudulent acts or errors and are considered material if it could reasonably be expected that, individually or in the aggregate, they would influence the economic decisions of users taken on the basis of these financial statements and the management report.

During the audit, we exercise professional judgement and maintain a critical attitude. Furthermore,

- we identify and assess the risks of material misstatements in the financial statements and the management report arising from fraud or error, plan and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to serve as a basis for our audit opinions. The risk that a material misstatement resulting from fraud will not be detected is higher than the risk that a material misstatement resulting from error will not be detected, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the circumvention of internal controls.
- we obtain an understanding of the internal controls relevant to the audit of the financial statements and the arrangements and measures relevant to the audit of the management report in order to plan audit procedures that are appropriate in the circumstances, but not with the aim of expressing an audit opinion on the effectiveness of the company's internal controls or these arrangements and measures.
- we assess the appropriateness of the accounting policies applied by the legal representatives and the reasonableness of the estimated values and related disclosures presented by the legal representatives.
- we draw conclusions on the appropriateness of the going concern accounting policy applied by the legal representatives and, based on the audit evidence obtained, whether there is any material uncertainty relating to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the relevant disclosures in the financial statements and the management report or, if these disclosures are inadequate, to modify our audit opinion accordingly.

We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit report. However, future events or circumstances may result in the Company being unable to continue as a going concern.

We assess the presentation, structure and content of the annual financial statements as a whole, including the disclosures, and whether the annual financial statements present the underlying transactions and events in such a way that, in accordance with German generally accepted accounting principles, they give a true and fair view of the Company's financial position, results of operations and cash flows.

We assess the consistency of the management report with the financial statements, its compliance with the law and the picture it conveys of the Company's position.

we perform audit procedures on the forward-looking statements presented by the legal representatives in the management report. On the basis of sufficient and appropriate audit evidence, we in particular verify the significant assumptions underlying the forward-looking statements made by the legal representatives and assess the appropriate derivation of the forward-looking statements from these assumptions. We do not express a separate audit opinion on the forward-looking statements or on the underlying assumptions. There is a significant unavoidable risk that future events may differ materially from the forward-looking statements.

We discuss with those charged with governance, amongst other things, the planned scope and timing of the audit, as well as significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We provide a statement to those charged with governance that we have complied with the relevant independence requirements and discuss with them all relationships and other matters that might reasonably be expected to affect our independence and, where relevant, the actions taken or safeguards applied to address independence threats.

We identify, from the matters discussed with those responsible for oversight, those matters that were most significant in the audit of the financial statements for the current reporting period and are therefore the key audit matters. We describe these matters in the auditor's report, unless laws or other regulations preclude public disclosure of the matter.

OTHER STATUTORY AND REGULATORY REQUIREMENTS

Report on the audit of the electronic representations of the annual financial statements and the management report prepared for disclosure purposes in accordance with section 317(3a) of the German Commercial Code (HGB)

Audit opinion

In accordance with section 317(3a) of the German Commercial Code (HGB), we have conducted an audit to obtain reasonable assurance as to whether the representations of the annual financial statements and the management report contained in the file STS_GROUP_AG_JAuLB_ESEF-2025-12-31-de.xhtml (MD5 hash value: b5c83bb17a2e807bb2f1ddf18fbf662e) and prepared for disclosure purposes (hereinafter also referred to as the 'ESEF documents') comply in all material respects with the requirements of Section 328(1) of the German Commercial Code (HGB) regarding the electronic reporting format ("ESEF format") in all material respects. In accordance with German statutory provisions, this review extends only to the conversion of the information in the annual financial statements and the management report into the ESEF format and therefore neither to the information contained in these representations nor to any other information contained in the aforementioned file.

In our opinion, the representations of the annual financial statements and the management report contained in the aforementioned file and prepared for disclosure purposes comply in all material respects with the requirements of section 328(1) of the German Commercial Code (HGB) regarding the electronic reporting format. This audit opinion, together with the audit opinions on the accompanying annual financial statements and the accompanying management report for the financial year from 1 January to 31 December contained in the preceding "Report on the Audit of the Annual Financial Statements and the Management Report" on the accompanying annual financial statements and the accompanying management report for the financial year from 1 January to 31 December 2025, we do not express any audit opinion on the information contained in these representations or on the other information contained in the aforementioned file.

Basis for the audit opinion

We conducted our audit of the financial statements and management report contained in the above-mentioned file in accordance with section 317(3a) of the German Commercial Code (HGB), in compliance with IDW Auditing Standard: Audit of electronic representations of financial statements and management reports prepared for disclosure purposes pursuant to Section 317(3a) of the German Commercial Code (HGB) (IDW PS 410 (06.2022)) and International Standard on Assurance Engagements 3000 (Revised). Our responsibility in this regard is described in further detail in the section 'Responsibility of the Statutory Auditor for

the Audit of the ESEF Documents'. Our audit firm has applied the IDW Quality Management Standard: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibility of the legal representatives and the Supervisory Board for the ESEF documents

The legal representatives of the company are responsible for the preparation of the ESEF documents containing the electronic versions of the annual financial statements and the management report in accordance with section 328(1), sentence 4, no. 1 of the German Commercial Code (HGB).

Furthermore, the company's legal representatives are responsible for the internal controls they deem necessary to enable the preparation of the ESEF documents, which must be free from material – intentional or unintentional – breaches of the requirements of Section 328(1) of the German Commercial Code (HGB) regarding the electronic reporting format.

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

Responsibility of the auditor for the audit of the ESEF documents

Our objective is to obtain reasonable assurance as to whether the ESEF documents are free from material – intentional or unintentional – breaches of the requirements of section 328(1) of the German Commercial Code (HGB). During the audit, we exercise due professional judgement and maintain a critical mindset. Furthermore,

we identify and assess the risks of material – intentional or unintentional – non-compliance with the requirements of section 328(1) of the German Commercial Code (HGB), plan and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to serve as a basis for our audit opinion.

we gain an understanding of the internal controls relevant to the audit of the ESEF documents in order to plan audit procedures that are appropriate in the circumstances, but not with the aim of expressing an audit opinion on the effectiveness of these controls.

we assess the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents complies with the requirements of Delegated Regulation (EU) 2019/815, as in force on the balance sheet date, regarding the technical specification for this file.

we assess whether the ESEF documents enable an XHTML reproduction of the audited annual financial statements and the audited management report that is identical in content.



Other disclosures pursuant to Article 10 of the EU Audit Regulation

We were appointed as auditors by the Annual General Meeting on 28 August 2025. We were commissioned by the Supervisory Board on 19 September 2025. We have been acting as auditors of STS Group AG, Hagen, since the 2025 financial year.

We confirm that the audit opinions contained in this audit report are consistent with the additional report to the audit committee in accordance with Article 11 of the EU Audit Regulation (audit report).

OTHER MATTERS – USE OF THE AUDIT OPINION

Our audit report must always be read in conjunction with the audited financial statements and the audited management report, as well as the audited ESEF documents. The financial statements and management report converted into the ESEF format – including the versions to be filed with the Companies Register – are merely electronic representations of the audited financial statements and the audited management report and do not replace them. In particular, the ESEF statement and our audit opinion contained therein may only be used in conjunction with the audited ESEF documents provided in electronic form.

Note on the supplementary audit

We issue this audit opinion on the annual financial statements, the management report and the ESEF documents on the basis of our statutory audit, completed on 15 April 2026, and our subsequent audit, completed on 30 April 2026, which related to the ESEF documents now submitted.

AUDITOR IN CHARGE

The auditor responsible for the audit is Polina Spang.

Munich, 15 April 2026/limited to the ESEF documents specified in the note on the supplementary audit: 30 April 2026”

Munich, 30 April 2026

Forvis Mazars GmbH & Co. KG

Audit firm

Tax consultancy

signed Thummert

Chartered Accountant

signed Spang

Chartered Accountant