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ÅRSREDOVISNING

för

HALDEX AB

Org.nr. 556010-1155

Styrelsen och verkställande direktören får härmed avlämna årsredovisning för räkenskapsåret 2025-01-01 - 2025-12-31

Innehåll	**Sida**
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Undertecknad styrelseledamot i HALDEX AB intygar härmed, dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultat- och balansräkning fastställts på årsstämma den 27 maj 2026.
Stämman beslöt tillika godkänna styrelsens förslag till vinstdisposition.

LANDSKRONA 2026-05-27

Andreas Richter

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ÅRSREDOVISNING

för

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Styrelsen och verkställande direktören får härmed avlämna årsredovisning för räkenskapsåret 2025-01-01 - 2025-12-31

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FÖRVALTNINGSBERÄTTELSE

Årsredovisningen är upprättad i svenska kronor, TSEK.

Verksamheten

Verksamhetens art och inriktning
Företagets verksamhet är att utveckla, tillverka och marknadsföra lösningar till den globala fordonsindustrin med fokus på bromsprodukter/komponenter. Produktutbudet inkluderar kompletta skivbromsar med integrerad bromsjusteringsmekanism. Bolagets kunder utgörs huvudsakligen av tillverkare av tunga dragfordon, släpvagnar och bussar, samt axeltillverkare för dragfordon och släpvagnar.

Bolaget äger och förvaltar sedan 2015 immateriella rättigheter.

Inom bolagets verksamhet ryms även fastighetsförvaltning samt koncerngemensamma IT-funktioner.

Bolaget saknar signifikanta säsongsvariationer. Försäljningen påverkas däremot av kundens produktionsscheman, vilket innebär lägre försäljning under semesterperioder och när kunderna håller stängt på grund av helgdagar.

Säte
Företagets säte är Landskrona

Uppgift om ägare som har mer än tio procent av antalet andelar eller röster i företaget
Bolaget ägs av det tyska bolaget SAF-Holland SE.

Företaget är moderföretag men med hänvisning till undantagsreglerna i årsredovisningslagen 7 kap 2§ upprättas ingen egen koncernredovisning. Det överordnade moderföretaget SAF-Holland SE, med LEI 222100QJQLUJHWREL058, med säte i Bessenbach i Tyskland upprättar koncernredovisning.

Koncernredovisningen finns på SAF-Hollands hemsida www.safholland.com

Viktiga förhållanden och väsentliga händelser
Under 2025 har efterfrågan på Haldex produkter i Landskrona generellt legat på en högre nivå än tidigare år, men har samtidigt präglats av betydande variationer under årets gång. Bolaget har därför löpande övervakat försäljningsutvecklingen och vidtagit flera åtgärder för att anpassa tillverkningskostnaderna. Mot slutet av året prognostiserades en kraftigare försäljningsminskning, vilket ledde till en justering av de fasta kostnaderna för att långsiktigt harmonisera kostnadsbasen med ett potentiellt lägre behov kommande år.
Under året slutfördes installationen av de bearbetningsmaskiner som krävs för att möta kundernas framtida prognoser. Ytterligare processer introducerades för att öka flexibiliteten och minska beroendet av externa bearbetningsleverantörer. För att minimera riskerna relaterade till tillgången på skivbromsar inom koncernen har bolaget gjort en översyn av produktionen i EMEA-regionen. Detta resulterade i en flytt av en monteringslina från Landskrona till en systerfabrik inom koncernen. Materialflöden och montageprocesser startades upp under årets första hälft, vilket möjliggör montering av skivbromsar för trailer på två enheter i Europa.

Bolaget har under året aktivt arbetat med att attrahera nya kunder samt öka omsättningen hos befintliga kunder inom Truck-segmentet. Detta fokusområde är integrerat i SAF Holland-koncernens regionala strategi och kommer att fortsätta under 2026.

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Förväntad framtida utveckling samt väsentliga risker och osäkerhetsfaktorer
Utöver volymen av producerade fordon påverkas Haldex marknad av kund- och lagstiftarkrav. Dessa krav genererar trender och drivkrafter, exempelvis ett ökat fokus på säkerhet, miljömedvetenhet och förbättrade köregenskaper.

Ytterligare faktorer som har betydelse för bolaget är fordonstillverkarnas ambition att reducera vikt för att sänka bränsleförbrukningen. På marknader utanför Europa och Nordamerika noteras en ökande efterfrågan på avancerad teknologi, särskilt i regioner som Indien och Kina.

Den framtida introduktionen av striktare krav enligt EURO7 och implementeringen av beräkningsverktyget VECTO för trailers och släpvagnar medför behov av strategiska och tekniska lösningar för Haldex.

Forskning och utveckling
Varje år gör Haldex betydande investeringar i utvecklingsarbete inom koncernen för att säkerställa framtagandet av marknadsledande produkter och stärka företagets position på marknaden. Utvecklingsarbetet omfattar både framtagandet av helt nya produkter, enskilt och i vissa fall tillsammans med samarbetspartners, samt vidareutveckling av befintliga produktlösningar. Under året uppgick FoU-kostnaden i Landskrona till ca 142 mkr eller 14% av nettoomsättningen.
Under 2025 har två nya varianter av skivbroms i storlekarna 19,5" och 22,5" tekniskt färdigställts. Produkterna som är utvecklade för användning i tyngre trailerapplikationer och lastbilar/bussar, bygger på den väl beprövade och skalbara plattformen ModulT som sedan tidigare finns i flertalet varianter till både trailers och lastbilar. Planerad lansering sker under 2026.
Under vintersäsongen 2025 användes anläggningen i Arjeplog för att under tuffa miljöförhållanden sätta produkter på prov. Ett flertal av Haldex produkter i olika utvecklingsfaser utvärderades i olika fordonskonfigurationer med fokus på funktion, användbarhet och tillförlitlighet.
Förutom antalet tillverkade fordon påverkas Haldex marknad av krav från kunder och lagstiftare. Kraven bildar trender och drivkrafter som ex

Hållbarhetsupplysning
Haldex intensifierar sitt hållbarhetsarbete med fokus på säkerhet, etik, miljöfrågor och mänskliga rättigheter. Under året har bolaget genomfört flera initiativ för att vidareutveckla och stärka sin hållbarhetsstrategi.

Ledarskap och arbetsmiljö är prioriterade områden. De ledarforum som startades under 2024 har fortsatt under året, och vänder sig till samtliga chefer med personalansvar. Forumet erbjuder möjlighet att fördjupa och utveckla ledarskapet samt ge inspiration i chefsrollen. Insatser för att främja medarbetarnas hälsa har också varit i fokus, bland annat med ett tillgängligt gym och regelbundna träningspass med personlig tränare samt gemensamma lunchaktiviteter.

Bolaget hänvisar till koncernens hållbarhetsrapport, som finns inkluderad i årsredovisningen för SAF-Holland SE.

Rapporten kan läsas på SAF-Hollands webbplats: www.safholland.com

Tillstånds- eller anmälningspliktig verksamhet enligt miljöbalken
Bolaget bedriver verksamhet som omfattas av anmälningsplikt enligt miljöbalken. Verksamheten medför miljöpåverkan i form av buller, utsläpp till luft och vatten samt hantering av kemiska produkter och avfall. Bolaget innehar de tillstånd som krävs och följer de villkor som fastställts av tillsynsmyndigheten. Bullerutredningar görs var tredje år och grundvattenprovning görs varje år.

Under räkenskapsåret har bolaget genomfört åtgärder i syfte att minska energiförbrukning. Inga förelägganden eller sanktionsavgifter har meddelats under perioden. Bolaget bedömer att verksamhetens påverkan på den yttre miljön följer gällande regelverk och att genomförda förbättringsåtgärder bidrar till minskad miljöbelastning över tid.

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Flerårsöversikt

	2025	2024	2023	2022	2 021
Nettoomsättning	1 067 374	1 135 746	1 214 451	0	0
Res. efter finansiella poster	-81 512	219 469	180 442	-24 934	-187 110
Balansomslutning	2 625 432	2 809 118	3 866 626	4 031 457	4 515 000
Soliditet (%)	60,64	59,47	26,50	20,85	19,18

Definitioner av nyckeltal, se noter

Förändringar i eget kapital

	Aktiekapital	Uppskrivnings-fond	Reservfond	Fond för utvecklings-utgifter	Balanserat resultat inkl årets resultat
Belopp vid årets ingång	243 188	378 276	589 822	4 504	454 960
Upplösning av fond för utvecklingsutgifter				-2 753	2 753
Balanseras i ny räkning					0
Årets resultat					-78 513
Belopp vid årets utgång	243 188	378 276	589 822	1 751	379 200

Resultatdisposition (kronor)

Förslag till disposition av bolagets vinst

Till årsstämmans förfogande står	
balanserad vinst	457 712 993
årets förlust	-78 512 957
	379 200 036
Styrelsen föreslår att	
i ny räkning överföres	379 200 036
	379 200 036

Beträffande bolagets resultat och ställning i övrigt hänvisas till efterföljande resultat- och balansräkningar med tillhörande noter.

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RESULTATRÄKNING

	Not	2025-01-01 2025-12-31	2024-01-01 2024-12-31
Rörelsens intäkter m.m.			
Nettoomsättning	3	1 067 374	1 135 746
Kostnad för sålda varor		-986 866	-1 034 215
Bruttoresultat		80 508	101 531
Rörelsens kostnader	8, 9		
Försäljningskostnader		-26 768	-32 035
Administrationskostnader	6, 7	-133 372	-168 666
Forsknings- och utvecklingskostnader		-118 898	-144 122
Övriga rörelseintäkter	5	201 441	197 623
Övriga rörelsekostnader		-65 142	-48 639
		-142 739	-195 839
Rörelseresultat		-62 231	-94 308
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	10	26 908	257 627
Resultat från andelar i intresseföretag och gemensamt styrda företag	11	4 881	-8 725
Övriga ränteintäkter och liknande resultatposter	12	41 112	98 164
Övriga ränteintäkter från koncernföretag		22 804	68 272
Räntekostnader och liknande resultatposter	13	-98 313	-53 539
Räntekostnader till koncernföretag		-16 673	-48 022
		-19 281	313 777
Resultat efter finansiella poster		-81 512	219 469
Bokslutsdispositioner			
Erhållna koncernbidrag		3 000	0
		3 000	0
Resultat före skatt		-78 512	219 469
Skatt på årets resultat	14	-1	0
Årets resultat		**-78 513**	**219 469**

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BALANSRÄKNING

	Not	2025-12-31	2024-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Koncessioner, patent, licenser, varumärken m.m	15	4 506	11 935
		4 506	11 935
Materiella anläggningstillgångar			
Byggnader och mark	16	0	0
Maskiner och andra tekniska anläggningar	17	215 058	207 505
Inventarier, verktyg och installationer	18	39 554	45 946
Pågående nyanläggningar och förskott avseende materiella anläggningstillgångar	19	37 991	55 444
		292 603	308 895
Finansiella anläggningstillgångar			
Andelar i koncernföretag	20	1 452 149	1 099 036
Andelar i intresseföretag och gemensamt styrda företag	22	0	16 289
Uppskjuten skattefordran	23	31 390	31 390
Andra långfristiga fordringar		32 018	30 662
		1 515 557	1 177 377
Summa anläggningstillgångar		1 812 666	1 498 207
Omsättningstillgångar			
Varulager m.m.	24		
Råvaror och förnödenheter		36 362	36 394
Varor under tillverkning		11 095	10 577
Färdiga varor och handelsvaror		4 056	3 538
		51 513	50 509
Kortfristiga fordringar	21		
Kundfordringar		76 217	59 009
Fordringar hos koncernföretag		559 263	859 699
Övriga fordringar		23 071	16 798
Förutbetalda kostnader och upplupna intäkter	25	11 382	70 728
		669 933	1 006 234
Kassa och bank			
Kassa och bank		91 320	254 168
Summa kassa och bank		91 320	254 168
Summa omsättningstillgångar		812 766	1 310 911
SUMMA TILLGÅNGAR		**2 625 432**	**2 809 118**

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BALANSRÄKNING

	Not	2025-12-31	2024-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital	26	243 188	243 188
Uppskrivningsfond		378 276	378 276
Reservfond		591 573	594 326
		1 213 037	1 215 790
Fritt eget kapital			
Balanserat resultat	21	457 713	235 492
Årets resultat		-78 513	219 468
		379 200	454 960
Summa eget kapital		1 592 237	1 670 750
Avsättningar			
Avsättningar för pensioner och liknande förpliktelser enligt tryggandelagen		190 784	202 957
Uppskjuten skatteskuld	23	0	0
Övriga avsättningar	27	2 784	4 710
Summa avsättningar		193 568	207 667
Långfristiga skulder	28		
Skulder till koncernföretag		347 989	369 300
Summa långfristiga skulder		347 989	369 300
Kortfristiga skulder			
Leverantörsskulder		150 152	140 079
Skulder till koncernföretag		262 936	347 977
Aktuella skatteskulder		2 352	6 617
Övriga skulder		2 768	2 705
Upplupna kostnader och förutbetalda intäkter	29	73 430	64 023
Summa kortfristiga skulder		491 638	561 401
SUMMA EGET KAPITAL OCH SKULDER		**2 625 432**	**2 809 118**

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KASSAFLÖDESANALYS

	Not	2025-01-01 2025-12-31	2024-01-01 2024-12-31
Den löpande verksamheten			
Rörelseresultat		-62 231	-94 309
Justeringar för poster som inte ingår i kassaflödet	30	49 662	63 988
Erhållen ränta m.m.		25 472	74 280
Erlagd ränta		-21 695	-54 546
Betald inkomstskatt		-4 266	9 349
Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital		-13 058	-1 238
Kassaflöde från förändringar av rörelsekapital			
Minskning(+)/ökning(-) av varulager/pågående arbete		-1 005	13 613
Minskning(+)/ökning(-) av kundfordringar		-17 208	-24 794
Minskning(+)/ökning(-) av fordringar		356 509	625 109
Minskning(-)/ökning(+) av leverantörsskulder		10 073	-88 285
Minskning(-)/ökning(+) av kortfristiga skulder		-151 818	-1 041 243
Kassaflöde från den löpande verksamheten		183 493	-516 838
Investeringsverksamheten			
Förvärv av koncessioner, patent, licenser, varumärken samt liknande rättigheter	15	0	-1
Förvärv av maskiner och andra tekniska anläggningar	17	-115	0
Försäljning av maskiner o andra tekniska anläggningar		-89	1 152
Förvärv av inventarier, verktyg och installationer	18	0	-563
Förvärv av pågående nyanläggningar och förskott avseende materiella anläggningstillgångar	19	-39 746	-58 642
Tillskott till koncernföretag	20	-353 113	0
Utdelning från koncernföretag	10	26 908	69 331
Försäljning av andelar i koncernföretag		0	206 588
Försäljning av andelar i intresseföretag och gemensamt styrda företag		21 170	0
Placeringar i övriga finansiella anläggningstillgångar		-1 356	-2 423
Effekt av fusion		0	914 198
Ökning/minskning kortfrist. finansiella placeringar och fordringar		0	92 156
Kassaflöde från investeringsverksamheten		-346 341	1 221 796
Finansieringsverksamheten			
Amortering långfristiga lån		0	-751 295
Kassaflöde från finansieringsverksamheten		0	-751 295
Förändring av likvida medel		-162 848	-46 337
Likvida medel vid årets början		254 168	300 505
Likvida medel vid årets slut		**91 320**	**254 168**

NOTER

Not 1 Redovisnings- och värderingsprinciper

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Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning.

Fordringar
Fordringar har upptagits till de belopp varmed de beräknas inflyta.

Övriga tillgångar, avsättningar och skulder
Övriga tillgångar, avsättningar och skulder har värderats till anskaffningsvärden om inget annat anges nedan.

Intäktsredovisning
Varuförsäljning
Försäljning av varor redovisas när företaget till köparen har överfört de väsentliga risker och förmåner som är förknippade med ägandet, normalt när kunden har varorna i sin besittning.

Intäkter från försäljning av varor som inte har några betydande serviceförpliktelser redovisas vid levereras.

Andelar i koncernföretag, intresseföretag, gemensamt styrda företag och företag som det finns ägarintresse i
Intresseföretag är alla de företag där bolaget har ett betydande inflytande, vilket i regel gäller aktieinnehav som omfattar mellan 20% och 50% av rösterna. Innehav i intresseföretag redovisas enligt kapitalandelmetoden. Vid tillämpning av kapitalandelsmetoden värderas investeringen inledningsvis till anskaffningsvärde och det redovisade värdet ökas eller minskas därefter för att beakta bolagets andel av intresseföretagets vinst eller förslust efter förvärvstidpunkten.

Koncernbidrag och aktieägartillskott
Koncernbidrag redovisas som bokslutsdispositioner.

Materiella anläggningstillgångar
Materiella anläggningstillgångar redovisas till anskaffningsvärde med avdrag för ackumulerade avskrivningar och eventuella nedskrivningar. Tillgångarna skrivs av linjärt över tillgångarnas bedömda nyttjandeperiod förutom mark som inte skrivs av. Nyttjandeperioden omprövas per varje balansdag. Följande nyttjandeperioder tillämpas:

	Antal år
Maskiner och andra tekniska anläggningar	5-10
Inventarier, verktyg och installationer	3-10

Immateriella anläggningstillgångar
Immateriella anläggningstillgångar redovisas till anskaffningsvärde med avdrag för ackumulerade avskrivningar och eventuella nedskrivningar. Tillgångarna skrivs av linjärt över tillgångarnas bedömda nyttjandeperiod. Nyttjandeperioden omprövas per varje balansdag. Pågående projekt skrivs inte av utan nedskrivningsprövas årligen. Följande nyttjandeperioder tillämpas:

	Antal år
Koncessioner, patent, licenser, varumärken samt liknande rättigheter	5
Övriga immateriella anläggningstillgångar	7

Finansiella instrument
Finansiella instrument värderas utifrån anskaffningsvärde.

Leasing
Samtliga leasingavtal kostnadsförs linjärt över leasingperioden och redovisas som operationell leasing.

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Varulager
Varulagret är värderat till det lägsta av anskaffningsvärdet, beräknat enligt först-in-först-ut, och nettoförsäljningsvärde. Nettoförsäljningsvärdet har beräknats till försäljningsvärdet efter avdrag för beräknad försäljningskostnad, varmed hänsyn har tagits till inkurans.

Råvaror samt hel- och halvfabrikat har värderats till det lägsta av anskaffningsvärdet, beräknat enligt först-in-först-ut, och beräknat nettoförsäljningsvärde. I anskaffningsvärdet för egentillverkade halv- och helfabrikat har direkta och indirekta tillverkningskostnader ökat anskaffningsvärdet.

Inkomstskatt
Aktuell skatt är inkomstskatt för innevarande räkenskapsår som avser årets skattepliktiga resultat och den del av tidigare räkenskapsårs inkomstskatt som ännu inte har redovisats.
Aktuell skatt värderas till det sannolika beloppet enligt de skattesatser och skatteregler som gäller på balansdagen.

Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den omfattning det är sannolikt att avdragen kan avräknas mot framtida skattemässiga överskott.

Avsättningar
Avsättningar redovisas när det finns en legal eller informell förpliktelse till följd av en tidigare händelse, det är sannolikt att ett utflöde av resurser kommer att krävas för att reglera förpliktelsen och beloppen kan uppskattas på ett tillförlitligt sätt. Tidpunkten eller beloppet för utflödet kan fortfarande vara osäker.

Avsättningar för omstruktureringar redovisas bara om en fastställd och utförlig omstruktureringsplan har utarbetats och införts, eller om företaget minst har offentliggjort planens huvuddrag till dem som berörs av den. Avsättningar redovisas inte för utgifter som hör samman med den framtida verksamheten.

En avsättning redovisas till den bästa uppskattningen av det belopp som krävs för att reglera förpliktelsen på balansdagen. Avsättningar tas endast i anspråk för de utgifter som avsättningen ursprungligen var avsedd för. Avsättningar diskonteras till sina nuvärden där pengars tidsvärde är väsentligt.

Ersättningar till anställda
Pensioner
Förmånsbestämda pensionsplaner redovisas enligt erhållna besked från PRI. Pensionsförpliktelsen som säkerställts genom tecknande av en kapitalförsäkring värderas till kapitalförsäkringens redovisade värde.

Avgiftsbestämda pensionsplaner
Avgifter för avgiftsbestämda pensionsplaner kostnadsförs löpande.

Fordringar och skulder i utländsk valuta
Monetära fordringar och skulder i utländsk valuta har räknats om till balansdagens kurs.

Valutakursdifferenser som uppkommer vid reglering eller omräkning av monetära poster redovisas i resultaträkningen det räkenskapsår de uppkommer, antingen som en rörelsepost eller som en finansiell post utifrån den underliggande affärshändelsen.

Säkringsredovisning
Bolaget har sedan 2022 upphört med säkringsredovisning. Bedömning gjorde att exponeringen från de olika valutorna var förhållandevis liten.
All försäljning sker, nästan uteslutande, i EUR. Inköpen sker däremot i SEK , EUR, CNY, DKK, USD och GBP. Varav EUR står för ca 49%.

Kassaflödesanalys
Kassaflödesanalysen har upprättats enligt indirekt metod, där resultatet efter skatt justeras för poster som inte påverkar kassaflödet samt förändringar i rörelsekapital. Kassaflödet från den löpande verksamheten redovisas inklusive betalda räntor och skatter. Kassaflöde från investeringsverksamheten och finansieringsverksamheten presenteras separat.

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Bankmedel
Bolaget har banktillgodohavanden i koncernkonto, vilka klassificeras som fordringar alternativt skulder till koncernföretag i balansräkningen.

Fusion
Fusioner redovisas med tillämpning av BFNAR 2020:5 Redovisning av fusion. Anskaffningsvärdet för andelarna fördelas på de identifierbara tillgångar och skulder som fanns i det överlåtande företaget, och på eventuell goodwill som uppkom vid förvärvet av andelarna. Värdena justeras med utgångspunkt i förhållandena på fusionsdagen. Det innebär t.ex. att avskrivningar som belöper på identifierade övervärden och goodwill från anskaffningstillfället beaktas. Tillgångar och skulder som tillkommit efter förvärvet av andelarna värderas till bokförda värden.

Not 2 Uppskattningar och bedömningar

Haldex AB gör uppskattningar och bedömningar om framtiden. De uppskattningar och antaganden som innebär en betydande risk för väsentliga justeringar i redovisade värden för tillgångar och skulder under nästkommande år behandlas i huvuddrag nedan.

Inkurans i varulager

I bokslutet görs nedskrivningar för inkurans bland annat baserat på artiklars rörlighet de senaste två åren. Utgående inkuransreserv uppgår till 8 214 (6 105) tkr.

Garantiavsättning och kundåtagande

Reklamationer och garantiärenden är en naturlig del av verksamheten. Därtill ska beaktas att nya produkter på marknaden i ett inledningsskede ofta medför ökade garantikostnader. Bolaget gör löpande bedömningar och avsättningar för garantirelaterade kostnader, vilket dels består av reservationer utifrån erfarenhetsbaserad information, dels av specifika reservationer utifrån bästa bedömning av kostnader relaterade till identifierade brister. Under 2025 var kostnaden 740 TSEK (0 SEK).

Not 3 Nettoomsättning	2025	2024
Nettoomsättning uppdelad på geografisk marknad		
Europa	1 066 964	1 132 250
Amerika	211	88
Asien	189	3 408
	1 067 364	1 135 746

Not 4 Inköp och försäljning inom koncernen	2025	2024
Försäljning till koncernföretag	619 534	724 118
Inköp från koncernföretag	85 913	190 005

Not 5 Övriga rörelseintäkter	2025	2024
Övriga rörelseintäkter uppdelade på intäktsslag		
Koncernallokeringar	126 908	115 260
Royalty	65 671	76 881
Ersättning för utvecklingskostnader	927	5 112
Vinst vid avyttring av maskiner och inventarier	6 189	0
Övriga intäkter	1 746	370
	201 441	197 623

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Not 6	Leasingavtal - Operationell leasing leasetagare	2025	2024
	Under året har företagets leasingavgifter uppgått till	18 203	19 196
	Framtida minimileasingavgifter för icke uppsägningsbara leasingavtal, förfaller till betalning enligt följande:		
	Inom 1 år	14 917	16 180
	Mellan 2 till 5 år	56 117	59 096
	Senare än 5 år	53 343	72 220
		124 377	147 496

Not 7	Ersättning till revisorer	2025	2024
	Öhrlings PricewaterhouseCoopers AB		
	Revisionsuppdrag	1 240	1 111
	Övriga tjänster	124	0
	Övriga		
	Skatterådgivning	230	676
	Övriga tjänster	73	0
		1 667	1 787

Med revisionsuppdrag avses revisors arbete för den lagstadgade revisionen och med revisionsverksamhet olika typer av kvalitetssäkringstjänster. Övriga tjänster är sådant som inte ingår i revisionsuppdrag, revisionsverksamhet eller skatterådgivning.

Not 8	Personal	2025	2024
	Medelantal anställda		
	Medelantalet anställda bygger på av bolaget betalda närvarotimmar relaterade till en normal arbetstid.		
	Medelantal anställda har varit	263,00	261,00
	varav kvinnor	*61,00*	*57,00*
	varav män	*202,00*	*204,00*
	Löner, ersättningar m.m.		
	Löner, ersättningar, sociala kostnader och pensionskostnader har utgått med följande belopp:		
	Styrelsen och VD:		
	Löner och ersättningar	3 115	3 064
	Pensionskostnader	786	756
		3 901	3 820
	Övriga anställda:		
	Löner och ersättningar	139 857	136 039
	Pensionskostnader	8 212	21 745
		148 069	157 784
	Sociala kostnader	49 413	48 523
	Summa styrelse och övriga	201 383	210 127

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	Könsfördelning i styrelse och företagsledning		
	Antal styrelseledamöter	3	3
	varav kvinnor	*0*	*0*
	varav män	*3*	*3*
	Pensionsförpliktelser		
	Pensionsförpliktelser till styrelse och VD	721	689

Not 9	**Avskrivningar på materiella och immateriella anläggningstillgångar fördelade på funktion**	**2025**	**2024**
	Kostnad för sålda varor	45 409	42 772
	Försäljningskostnader	1 870	2 216
	Administrationskostnader	11 873	18 658
	Forsknings- och utvecklingskostnader	3 606	3 648
		62 758	67 294

Not 10	**Resultat från andelar i koncernföretag**	**2025**	**2024**
	Resultat vid försäljning av andelar	0	191 845
	Utdelning	26 908	69 331
	Resultat likvidation	0	-3 550
		26 908	257 626

Not 11	**Resultat från andelar i intresseföretag och gemensamt styrda företag**	**2025**	**2024**
	Resultatandel från året	0	-3 725
	Resultat vid avyttring	4 881	0
	Nedskrivningar	0	-5 000
		4 881	-8 725

Not 12	**Övriga ränteintäkter och liknande resultatposter**	**2025**	**2024**
	Räntor	2 668	6 008
	Kursdifferens	38 443	92 156
		41 112	98 164

Not 13	**Räntekostnader och liknande resultatposter**	**2025**	**2024**
	Kursdifferenser på skulder	93 291	47 014
	Övriga räntekostnader	5 022	6 525
		98 313	53 539

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Not 14	**Skatt på årets resultat**	**2025**	**2024**
	Aktuell skatt	-1	0
	Summa redovisad skatt	-1	0
	Avstämning av effektiv skatt		
	Resultat före skatt	-78 512	219 468
	Skattekostnad 20,60% (20,60%)	16 173	-45 210
	Skatteeffekt av:		
	Ej avdragsgilla kostnader	-290	-5 755
	Ej skattepliktiga intäkter	6 566	53 350
	Skatt hänförlig till tidigare år	-1	0
	I år uppkomna underskottsavdrag	-22 449	-2 385
	Summa redovisad skatt	-1	0

Uppskjuten skatt bokas ej upp då bolaget inte ser möjlighet att använda underskottsavdragen inom de närmsta åren.

Not 15	**Koncessioner, patent, licenser, varumärken m.m.**	**2025-12-31**	**2024-12-31**
	Ingående anskaffningsvärde	295 418	294 928
	Inköp	0	1
	Försäljningar/utrangeringar	0	-177
	Omklassificeringar	285	666
	Utgående ackumulerade anskaffningsvärden	295 704	295 418
	Ingående avskrivningar	-216 546	-202 502
	Försäljningar/utrangeringar		177
	Årets avskrivningar	-7 714	-14 221
	Utgående ackumulerade avskrivningar	-291 198	-216 546
	Ingående nedskrivningar	-66 937	-66 937
	Utgående ackumulerade nedskrivningar	-66 937	-66 937
	Utgående redovisat värde	4 506	11 935

Not 16	**Byggnader och mark**	**2025-12-31**	**2024-12-31**
	Ingående anskaffningsvärde	1 023	1 023
	Utgående ackumulerade anskaffningsvärden	1 023	1 023
	Ingående avskrivningar	-1 023	-1 023
	Utgående ackumulerade avskrivningar	-1 023	-1 023
	Utgående redovisat värde	0	0

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Not 17	**Maskiner och andra tekniska anläggningar**	**2025-12-31**	**2024-12-31**
	Ingående anskaffningsvärde	526 911	497 917
	Inköp	115	0
	Försäljningar/utrangeringar	-24 451	-49 181
	Omklassificeringar	43 741	78 175
	Utgående ackumulerade anskaffningsvärden	546 316	526 911
	Ingående avskrivningar	-302 984	-311 998
	Försäljningar/utrangeringar	24 105	49 068
	Årets avskrivningar	-35 957	-40 054
	Utgående ackumulerade avskrivningar	-314 836	-302 984
	Ingående nedskrivningar	-16 422	-16 422
	Utgående ackumulerade nedskrivningar	-16 422	-16 422
	Utgående redovisat värde	215 058	207 505

Not 18	**Inventarier, verktyg och installationer**	**2025-12-31**	**2024-12-31**
	Ingående anskaffningsvärde	223 351	199 981
	Inköp	0	563
	Försäljningar/utrangeringar	-23 140	-5 695
	Omklassificeringar	12 726	28 502
	Utgående ackumulerade anskaffningsvärden	212 937	223 351
	Ingående avskrivningar	-177 405	-169 708
	Försäljningar/utrangeringar	23 109	5 322
	Årets avskrivningar	-19 087	-13 019
	Utgående ackumulerade avskrivningar	-173 383	-177 405
	Utgående redovisat värde	39 554	45 946

Not 19	**Pågående nyanläggningar och förskott avseende materiella anläggningstillgångar**	**2025-12-31**	**2024-12-31**
	Ingående anskaffningsvärde	55 444	104 145
	Inköp	39 746	58 642
	Försäljningar/utrangeringar	-447	0
	Omklassificeringar	-56 752	-107 343
	Utgående ackumulerade anskaffningsvärden	37 991	55 444
	Utgående redovisat värde	37 991	55 444

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Not 20 Andelar i koncernföretag

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Företag Org.nummer Säte	Antal Kap.andel %	Redovisat värde
Haldex Europe S.A 320814882 Frankrike	625 000 100,00%	75 060
Haldex do Brasil Industria e Comercio Ltda 11609408146898784100500 Brasilien	22 934 331 100,00%	0
Haldex N.V. 0463012573 Belgien	4 400 100,00%	887
Haldex Int Trading Co Ltd 91310115607353 136P Kina	0 100,00%	0
Haldex Korea Ltd. 110111-1124231 Syd Korea	79 046 100,00%	0
Haldex Hungary Kft 01-09-718891 Ungern	1 100,00%	102 460
Haldex ANAND India Private Limited U99999MH1998PTC118876 Indien	1 800 000 60,00%	6 928
JSB Hesselman AB 556546-1844 Landskrona	1 000 100,00%	1 179 379
Haldex Russia LCC 1057748276915 Ryssland	 100,00%	39
Haldex Hong Kong Co Ltd 1092814 Hong Kong	 100,00%	84 359
Haldex Brake Products Pty Ltd 606385942 Australien	100 100,00%	440
Haldex Grau Ltd U34100PN2019FTC182798 Indien	100 100,00%	2 598
		1 452 149

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	2025-12-31	2024-12-31
Ingående anskaffningsvärde	1 099 036	1 576 152
Aktieägartillskott	353 113	0
Försäljningar/utrangeringar	0	-18 293
Fusioner	0	-458 823
Utgående ackumulerade anskaffningsvärden	1 452 149	1 099 036
Utgående redovisat värde	1 452 149	1 099 036

För de bolag där antal andelar inte uppgivits saknas denna uppgift.

Not 21 Sammandragen fusionerad balansräkning

	2025-12-31	2024-12-31
Finansiella anläggningstillgångar	0	2 597
Omsättningstillgångar	0	908 735
Eget Kapital	0	-887 782
Årets resultat	0	-23 054
Avsättningar	0	-366
Kortfristiga skulder	0	-130

Not 22 Andelar i intresseföretag och gemensamt styrda företag

Företag Organisationsnummer Säte	Antal Kap.andel %	Eget kapital Resultat	Redovisat värde
Shaanxi Fast Haldex Brake Products Co Ltd			0
Kina	0,00%		
			0

	2025-12-31	2024-12-31
Anskaffningsvärde övertaget via fusion	16 289	25 014
Försäljningar/utrangeringar	-16 289	-8 725
Utgående ackumulerade anskaffningsvärden	0	16 289
Utgående redovisat värde	0	16 289

Not 23 Uppskjuten skatt

	2025-12-31		2024-12-31	
	Temporär skillnad	Uppskjuten skattefordran	Temporär skillnad	Uppskjuten skattefordran
Underskottsavdrag	0	31 390	0	31 390
		31 390		31 390

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Not 24 Varulager	2025-12-31	2024-12-31
Råvaror och förnödenheter		
Bokfört värde	36 362	36 394
Varor under tillverkning		
Bokfört värde	11 095	10 577
Färdiga varor och handelsvaror		
Bokfört värde	4 056	3 538

Not 25 Förutbetalda kostnader och upplupna intäkter	2025-12-31	2024-12-31
Förutbetalda hyreskostnader	3 423	3 404
Förutbetalda försäkringspremier	384	0
Upplupna intäkter	2 168	55 542
Övriga förutbetalda kostnader	5 407	11 782
	11 382	70 728

Not 26 Upplysningar om aktiekapital

	Antal aktier	Kvotvärde per aktie
Antal/värde vid årets ingång	48 625 862	5,00
Antal/värde vid årets utgång	48 625 862	5,00

Not 27 Övriga avsättningar	2025-12-31	2024-12-31
Avsättningar för pensioner och liknande förpliktelser		
Redovisat värde vid årets början	202 957	196 328
Årets avsättningar	1 573	16 535
Belopp som tagits i anspråk under året	-5 559	-9 906
Outnyttjade belopp som har återförts under året	-8 187	0
Redovisat värde vid årets slut	190 784	202 957
Garantier		
Redovisat värde vid årets början	4 710	13 613
Årets avsättningar	435	-2 460
Belopp som tagits i anspråk under året	0	-6 443
Outnyttjade belopp som har återförts under året	-2 361	0
Redovisat värde vid årets slut	2 784	4 710

Not 28 Långfristiga skulder	2025-12-31	2024-12-31
Summa långfristiga skulder - betalas inom 1 år	347 989	369 300
Summa långfristiga skulder - betalas inom 2 till 5 år	0	0
Summa långfristiga skulder - betalas senare än 5 år	0	0
	347 989	369 300

Löptiden för skulden är 1 år men ses som långfristig då den refinansieras löpande.

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Not 29 Upplupna kostnader och förutbetalda intäkter	**2025-12-31**	**2024-12-31**
Upplupna löner	7 645	14 333
Upplupna semesterlöner	21 189	20 174
Upplupna sociala avgifter	20 865	20 042
Förutbetalda intäkter	0	0
Förutbetalda hyresintäkter	4 032	3 876
Övriga upplupna kostnader	19 699	5 598
	73 430	64 023

Not 30 Justering för poster som inte ingår i kassaflödet	**2025-12-31**	**2024-12-31**
Avskrivningar	62 758	67 294
Återförd nedskrivning av imm. tillgångar	0	-666
Avsättning via fusion	0	-366
Förlust vid försäljning av materiella och immateriella anläggningtillgångar	90	0
Avsättningar	-14 099	-2 274
Övriga poster	913	0
	49 662	63 988

Not 31 Disposition av vinst eller förlust

Förslag till disposition av bolagets vinst

Till årsstämmans förfogande står	
balanserad vinst	457 713
årets förlust	-78 513
	379 200
Styrelsen föreslår att	
i ny räkning överföres	379 200
	379 200

Not 32 Eventualförpliktelser	**2025-12-31**	**2024-12-31**
PRI	3 178	3 177
Borgen och garantiförbindelser för dotterbolag	391 418	462 154
	394 595	465 331

Not 33 Väsentliga händelser efter räkenskapsårets slut

Volymerna för Haldex ABs verksamhet i Landskrona har 2026 startat på en högre nivå än planerat. Årets första två månader ökade med ca 22% jämfört med budget. Den nuvarande prognosen för kommande månader indikerar att efterfrågan ökar något mot budget.

Efter räkenskapsårets utgång har skiljedom meddelats i en kommersiell tvist avseende levererade produkter. Skiljedomstolen har konstaterat att fel förelegat i produkterna, men ingen ersättning har tilldömts bolaget. Bolaget har ålagts att ersätta motpartens kostnader, vilka har redovisats i räkenskaperna för 2025.

Not 34 Definition av nyckeltal
Soliditet
Justerat eget kapital i procent av balansomslutning

HALDEX AB
Org.nr. 556010-1155

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Årsredovisningen beslutades
Landskrona den 2026-05-19

Andreas Richter
Verkställande direktör
2026-05-19

Alexander Geis
Styrelseledamot
2026-05-19

Frank Lorenz-Dietz
Styrelseledamot
2026-05-19

Vår revisionsberättelse har lämnats den 27 maj 2026

Öhrlings PricewaterhouseCoopers AB

Katarina Miles
Auktoriserad revisor

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Revisionsberättelse

Till bolagsstämman i Haldex AB, org.nr 556010-1155

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Haldex AB för år 2025.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Haldex ABs finansiella ställning per den 31 december 2025 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen för Haldex AB.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Haldex AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

En ytterligare beskrivning av vårt ansvar för revisionen av årsredovisningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Haldex AB för år 2025 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Haldex AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

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Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation, och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Den verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

En ytterligare beskrivning av vårt ansvar för revisionen av förvaltningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Helsingborg den 27 maj 2026

Öhrlings PricewaterhouseCoopers AB

Katarina Miles
Auktoriserad revisor

Annual Report 2025

SAF Holland Group

Prepared for tomorrow

For the sole purpose of improving readability, the Annual Report 2025 uses gender-neutral language. All personal designations and terms apply to all genders in the spirit of equal treatment.

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KEY FIGURES

in EUR thousand	Q1–Q4/2025	Q1–Q4/2024	Change absolute	Change in %
RESULTS OF OPERATIONS				
Sales	1,734,364	1,876,747	–142,383	–7.6%
Gross profit	387,170	417,728	–30,558	–7.3%
Gross profit margin in %	22.3%	22.3%		
Adjusted gross profit	398,996	425,507	–26,511	–6.2%
Adjusted gross profit margin in %	23.0%	22.7%		
EBITDA	221,669	252,405	–30,736	–12.2%
EBITDA margin in %	12.8%	13.4%		
Adjusted EBITDA	231,108	257,992	–26,884	–10.4%
Adjusted EBITDA margin in %	13.3%	13.7%		
EBIT	128,917	161,449	–32,532	–20.2%
EBIT margin in %	7.4%	8.6%		
Adjusted EBIT	164,039	190,450	–26,411	–13.9%
Adjusted EBIT margin in %	9.5%	10.1%		
Result for the period attributable to shareholders of the parent Company	50,949	77,349	–26,400	–34.1%
Adjusted result for the period attributable to the shareholders of the parent Company	84,280	110,129	–25,849	–23.5%
Basic earnings per share in EUR	1.12	1.70	–0.58	–34.1%
Adjusted earnings per share in EUR	1.86	2.43	–0.57	–23.5%
FINANCIAL POSITION				
Net cash flow from operating activities	160,323	200,652	–40,329	–20.1%
Net cash flow from investing activities (property, plant and equipment/intangible assets)	–49,232	–54,139	4,907	–9.1%
Operating free cash flow	111,091	146,513	–35,422	–24.2%
Net cash flow from investing activities (acquisition of subsidiaries)	–12,671	–39,810	27,139	–68.2%
Total free cash flow	98,420	106,703	–8,283	–7.8%
YIELD	**12/31/2025**	**12/31/2025**		
Return on capital employed (ROCE) in %	15.8%	18.3%		
BALANCE SHEET	**12/31/2025**	**12/31/2024**		
Balance sheet total	1,663,311	1,711,869	–48,558	–2.8%
Equity	491,954	527,100	–35,146	–6.7%
Equity ratio in %	29.6%	30.8%		
Non-current and current liabilities	1,171,357	1,184,769	–13,412	–1.1%
SUSTAINABILITY	**12/31/2025**	**12/31/2024**		
Scope 1 and 2 GHG emissions in t CO_2eq	35.276	37.524	–2.248	–6,0 %
Scope 3 GHG emissions in t CO_2eq	5.298.154	5.184.064	114.090	2,2 %
Lost time injury rate (LTIR) in %	10,51	11,25	–0,74	–6,6 %
Vulnerable functions covered by training programs in %	100 %	100 %		
Percentage of suppliers who have signed the code of conduct in %	97 %	n.a.		

All figures shown are rounded; minor discrepancies may arise due to additions to these amounts.

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PORTRAIT

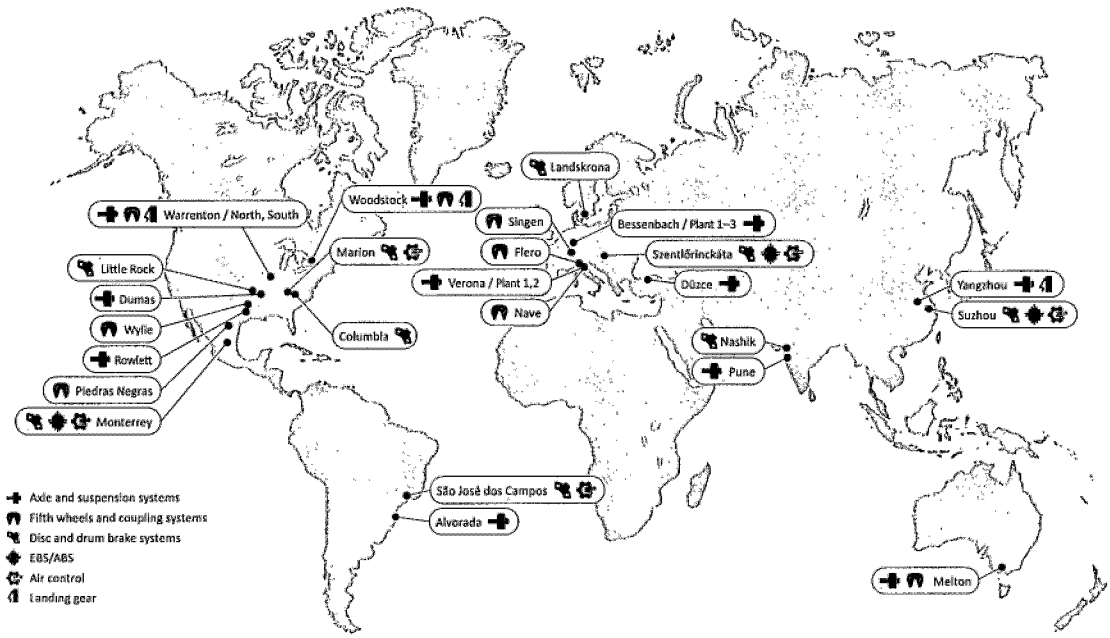
SAF-HOLLAND SE is a leading international manufacturer of chassis-related assemblies and components for trailers, trucks and buses. With its around 5,500 dedicated employees worldwide, the company generated sales of EUR 1.73 billion in 2025.

The product range includes axle and suspension systems for trailers as well as fifth wheels and coupling systems for trucks, trailers and semi-trailers as well as brake and EBS systems. In addition, SAF-HOLLAND also develops innovative products to increase the efficiency, safety and environmental friendliness of commercial vehicles. With the brands SAF, Holland, Haldex, Assali Stefen, KLL, Neway, Tecma, V.Orlandi and York, the Group achieved strong market positions in the top three positions in the most important regions worldwide in 2025.

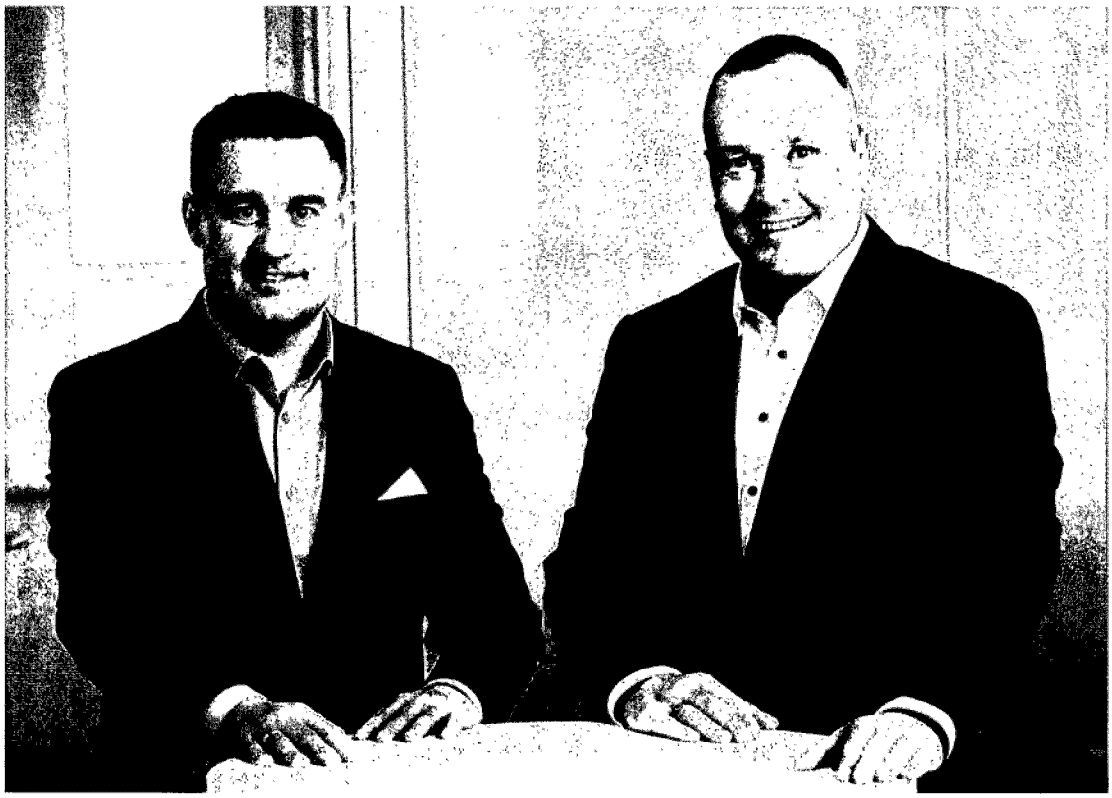
SAF-HOLLAND supplies manufacturers in the original equipment market on six continents. In the aftermarket business, the company supplies spare parts to manufacturers' service networks and wholesalers as well as to end customers and service centers via an extensive global distribution network.

SAF-HOLLAND WORLDWIDE

Production locations with main product groups



MANAGEMENT BOARD



Alexander Geis
Chairman of the Management Board
and Chief Executive Officer

Frank Lorenz-Dietz
Member of the Management Board
and Chief Financial Officer

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TO OUR SHAREHOLDERS

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LETTER FROM THE CHAIRMAN OF THE MANAGEMENT BOARD

Alexander Geis
Chairman of the Management Board and Chief Executive Officer

DEAR SHAREHOLDERS,

Fiscal year 2025 was marked by a challenging global environment for SAF-HOLLAND. Geopolitical tensions, in particular trade policy measures such as US trade tariffs, led to uncertainty in international markets and increased the demands on our operational management. As a result of this uncertainty, demand slowed in certain areas of the trailer and truck markets. Against this backdrop, 2025 was a challenging year in which the robustness of our business model and the adaptability of SAF-HOLLAND were once again clearly confirmed.

Thanks to our broadly diversified industrial production network in North America, with production sites in the United States, Canada and Mexico, as well as the trade agreement in force between these countries (United States–Mexico–Canada Agreement, USMCA), we were able to cushion the effects of the trade policy environment well. Our regional positioning and proximity to our customers enabled us to respond flexibly to changes in demand and secure our profitability, even under difficult conditions. As a result, we achieved a solid adjusted EBIT margin of 9.5% in fiscal year 2025 (previous year: 10.1%). In absolute terms, earnings before interest and taxes adjusted for special items amounted to EUR 164.0 million (previous year: EUR 190.5 million).

In terms of sales, US trade policy had a negative impact on the original equipment business, particularly in the Americas and APAC regions. The aftermarket business proved to be robust; therefore we were able to achieve Group sales of EUR 1.734.4 million (previous year: EUR 1,876.7 million).

SAF-HOLLAND remained on course in a market environment characterized by caution. Once again, the aftermarket business, which is relatively independent of economic cycles and cushions cyclical fluctuations in the original equipment business, was a key stabilizing factor. Together with consistent cost management, a high level of operational discipline, and the great commitment of our employees, we succeeded in closing the fiscal year on a solid note.

At the same time, we have consistently invested in the future viability of the Group. The introduction of SAP S/4 HANA got off to a successful start in January 2025 with its implementation at our site in Hungary. With the gradual harmonization of our IT and process landscape, we are laying the foundation for more efficient processes, improved data availability and

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greater transparency in Group management. This not only strengthens our operational excellence, but also increases our ability to successfully manage the company in an increasingly complex environment. In addition, a Group-wide efficiency program has been initiated to further improve our cost structures in sales and administrative functions and consistently implement our strategic orientation as part of the long-term Group strategy.

FURTHER DEVELOPMENT OF THE PRODUCTION AND SITE STRUCTURE

In the reporting year, we continued to develop our production and site structure in a targeted manner. In April 2025, we commissioned production lines for Haldex air disc brakes at our site in Düzce, Türkiye, thereby further increasing production and quality standards and shortening logistics routes. In addition, we expanded local production capacity with an additional assembly line for fifth wheels in order to better meet customer demand from regional production.

We have also further optimized our production structure in North America. Production of truck chassis has started at the new site in Rowlett, Texas, USA. With the relocation of fifth wheel coupling production from the Wylie, Texas, USA site, which is to be completed in the current year, we are specifically bundling production and creating the basis for more efficient processes and sustainable productivity increases.

ATTRACTIVE DIVIDEND POLICY AND SUSTAINABLE GROWTH IN VALUE

Our dividend policy is geared towards reliability and continuity. It provides for the distribution of 40–50% of the distributable earnings for the period. SAF-HOLLAND stands for an attractive distribution policy that allows its shareholders to participate appropriately in the company's success while maintaining the financial flexibility for future growth. We will continue this policy in the future. SAF-HOLLAND thus continues to position itself as an attractive investment, including for dividend-oriented investors. For fiscal year 2025, the Management Board and Supervisory Board will propose to the Annual General Meeting of SAF-HOLLAND SE on May 21, 2026, that a dividend of EUR 0.65 per share be distributed. This corresponds to around 47% of the distributable result for the period and thus around 57% of the result for the period attributable to shareholders. Based on the closing price of our share at the end of December 2025, this results in an attractive dividend yield of 4.2%.

In addition, we launched a share buyback program for the first time in the reporting year. The repurchase of our own shares is an expression of our confidence in the long-term strength and value development of SAF-HOLLAND. We see the share buyback as an attractive investment in our own company and a clear signal of our confidence in its long-term growth potential. At the same time, we are reaffirming our commitment to creating sustainable value for our shareholders.

"DRIVE2030" STRATEGY – A CLEAR FRAMEWORK FOR SUSTAINABLE GROWTH

With the "drive2030" company strategy presented in March 2025, we have created a new long-term orientation framework that will shape our business activities through 2030. The strategy is based on a robust, resilient business model and defines ambitious yet realistic goals for profitable growth. Our vision remains unchanged: SAF-HOLLAND is the most trusted and reliable partner for its customers worldwide and takes a leading role in the transformation of mobility.

"drive2030" is based on five strategic pillars: consistent customer focus, regional strength with local responsibility, technology as a key value driver, profitable growth based on a broad product portfolio and operational excellence along the entire value chain. These pillars are complemented by the cross-cutting themes of employees and sustainability, which are firmly anchored in all strategic decisions.

By 2030, SAF-HOLLAND is aiming to achieve Group sales of over EUR 3 billion and an adjusted EBIT margin of 10 to 12%. In addition to organic growth, targeted acquisitions, technological innovations – particularly in the areas of electrification, digitalization, and automated driving – and the further expansion of our global aftermarket business will play a key role. With "drive2030," we have set the course for creating sustainable value even in a changing market environment.

TARGETED STRATEGIC PROGRESS IN THE REPORTING YEAR

In line with our "drive2030" strategy, we made important structural and strategic progress in 2025. A significant step was the complete acquisition of the joint venture Haldex ANAND India Private Limited. By acquiring the outstanding shares, we are strengthening our position in the strategically important Indian commercial vehicle market and simplifying the localization of the Haldex product portfolio. Closer integration with our Indian subsidiary York, which focuses on the production and distribution of axle and suspension systems, opens up additional growth opportunities – both in the original equipment and high-margin aftermarket business.

In addition, we were able to win a major order in the military transport sector in the reporting year. The order from a US manufacturer of special trailers comprises the delivery of swivel axle bogies and other components and confirms the successful intensification of our sales activities in this demanding segment. The major order and the market response received from this customer segment underscore the successful implementation of our "drive2030" company strategy, which we are using to systematically tap into additional growth areas beyond the conventional commercial vehicle business – particularly in special applications and off-highway segments.

CONFIDENT OUTLOOK

Volatility and uncertainty will continue to accompany the markets in the future. Nevertheless, I am confident that SAF-HOLLAND is very well positioned with its clear "drive2030" strategy, its financial strength, its global positioning and the great commitment of its employees. We will consistently seize opportunities, reliably support our customers and continue on our successful path.

I would like to thank you, dear shareholders, for your trust and loyalty.

Sincerely yours,

Alexander Geis

Chairman of the Management Board
and Chief Executive Officer

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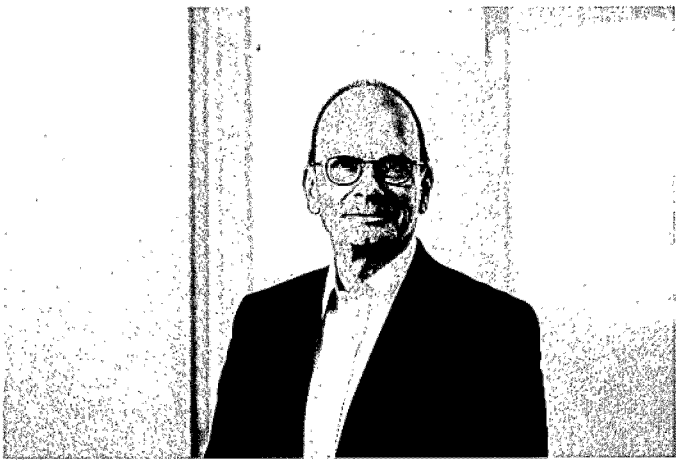
REPORT OF THE SUPERVISORY BOARD



Dr. Martin Kleinschmitt
Chairman of the Supervisory Board

DEAR SHAREHOLDERS,

Once again, we look back on a year in which SAF-HOLLAND faced a very challenging geopolitical environment. The uncertainties over trade policy resulting from US tariff policy had a major impact on developments in the Americas region, but also affected other economic regions. As a result, the economic recovery in the EMEA and APAC regions fell short of expectations. Once again, the company was able to demonstrate its resilience in this environment. Against this backdrop, the Management Board and the extended management team successfully steered the company through fiscal year 2025 while consistently keeping an eye on the strategic levers for the further development of the Group in line with the company strategy "drive2030". As the Supervisory Board, we advised the Management Board, exercised oversight and aligned the focus of our work with the current framework conditions.

In view of how important the Americas region is for the Group, we as the Supervisory Board placed a special focus on this region this year. We held two days of meetings on site, visited production sites, and exchanged ideas with the local management team. In addition, the Annual General Meeting followed our proposal to add a proven expert for the region to the Supervisory Board. The systematic handling of key geopolitical opportunities and risks was a regular item on the agenda this year.

As the Supervisory Board, we made important personnel decisions and extended the terms of office of the Management Board team comprised of CEO Alexander Geis and CFO Frank Lorenz-Dietz. We also closely monitored a change in the extended management team – the Executive Committee – by appointing Matthew Wolfe as the new President of the Americas region. This means we are well positioned for the future with regard to the Management Board and the extended management team.

Following the departure of Ingrid Jägering from our board, her position and the role of Chair of the Audit Committee had to be filled. We are delighted to have gained Dagmar Rehm as Ingrid Jägering's successor and Hans-Werner Kaas as a further member of the Supervisory Board.

COOPERATION BETWEEN THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

In the past fiscal year, the Supervisory Board of SAF-HOLLAND SE diligently and dutifully fulfilled its duties in accordance with the law, the Articles of Association and the Rules of Procedure, continuously advised the Management Board on the management of the company and monitored its work on an ongoing basis. Cooperation between the Supervisory Board and the Management Board was always constructive, open and trustful. The Management Board informed the Supervisory Board promptly, regularly and comprehensively about all significant events and developments at the company, both verbally and in writing. The focus here was on business development, the company's situation and status reports on central Group programs and initiatives. In addition, the Management Board and Supervisory Board closely coordinated the strategic direction of SAF-HOLLAND. Market developments, topics in the area of research and development, as well as the financial situation and planning, were discussed. As the Supervisory Board, we also dealt intensively with a variety of sustainability issues and sustainability reporting. In this context, the Supervisory Board discussed employee, social and environmental issues, respect for human rights and the fight against corruption and bribery in particular. Matters requiring approval were submitted by the Management Board well in advance and approved by the Supervisory Board after being reviewed. Resolutions on matters to be decided between meetings were passed by circular resolution on the basis of written information and telephone calls. We made use of this procedure nine times on the Supervisory Board and two times in the Audit Committee during the reporting year. In my role as Chairman of the Supervisory Board, I was in close and regular contact with the Chairman of the Management Board. In addition, Ingrid Jägering and, after her departure, Dagmar Rehm, as Chairwoman of the Audit Committee, regularly exchanged views on current developments with the Chief Financial Officer, the auditor and selected central Group functions.

MEETINGS OF THE SUPERVISORY BOARD

The Supervisory Board held a total of eight meetings in fiscal year 2025 – six of which were held in person and two virtually. The committees met a total of nine times in the fiscal year. In the case of the Audit Committee, two of the four meetings were held virtually. The Nomination and Remuneration Committee held all five of its meetings virtually. The option of virtual participation was available for all meetings and was used in individual cases.

An average attendance rate of 97% was achieved at the plenary and committee meetings. A detailed overview of the attendance of Supervisory Board members at plenary and committee meetings can be found below:

Participation overview

Member	Plenary	Audit Committee	Nomination/ Remuneration Committee	Total quota
Dr. Martin Kleinschmitt	8/8	4/4	5/5	100%
Ingrid Jägering (until May 20)	2/2	2/2		100%
Carsten Reinhardt	8/8		5/5	100%
Matthias Arleth	7/8		4/5	85%
Hans-Werner Kaas (from July 29)	5/5			100%
Dagmar Rehm (from May 20)	6/6	2/2		100%
Jurate Keblyte	8/8	4/4	5/5	100%
Total	98%	100%	93%	97%

At each meeting of the Supervisory Board in fiscal year 2025, we received reports from the Management Board on the status of the operational business development and on key Group initiatives and projects. We dealt with acquisition and investment projects as well as opportunities and risks for the company on an ad hoc basis. Where committee meetings were held in advance, the committee chairpersons reported on the main content of the committee meetings and were available to answer questions. In addition, we generally provided for various regular resolutions and an agenda item without the Management Board present for reflection and a confidential exchange at each Supervisory Board meeting. We hereby follow recommendation D.6 of the German Corporate Governance Code to hold regular meetings without the Management Board being present.

At the meeting on March 14, 2025, we discussed in particular the Annual and Consolidated Financial Statements for 2024, including the Combined Management Report and the Audit Report for the company for fiscal year 2024. The financial statements were approved by the Supervisory Board after thorough review. In approving the Annual and Consolidated Financial Statements, we followed the recommendation of the Audit Committee. The same applied to the audit of the

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Sustainability Report and the Non-financial Group Statement by the Supervisory Board. In one part of the balance sheet meeting, we met without the Management Board for our exchange with the auditor. We approved the Management Board's proposal for the appropriation of net retained earnings and adopted the agenda and the proposed resolutions contained therein for the Annual General Meeting to be held in person on May 20, 2025. This did not include the nominations for the Supervisory Board, which were decided upon after the meeting by way of a circular resolution following a prior recommendation by the Nomination and Remuneration Committee. In addition, we resolved to propose to the Annual General Meeting that PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC) be reappointed as auditor for fiscal year 2025. Other proposed resolutions included the approval of the Remuneration Report and a revised remuneration system for the members of the Management Board. In addition, an increase in the size of the Supervisory Board from five to six members was proposed, as well as renewed authorization to hold virtual Annual General Meetings, both of which resulted in amendments to the Articles of Association. At the meeting, we also resolved on the recommendation of the Nomination and Remuneration Committee to set a new target for the share of women on the Supervisory Board as a result of the increase in its size. Further resolutions concerned the Report of the Supervisory Board and the Declaration on Corporate Governance. We approved the Remuneration Report, which was audited by PwC in accordance with Section 162 (3) of the German Stock Corporation Act (AktG). Based on the recommendation of the Nomination and Remuneration Committee, we passed a resolution to extend the appointment of CFO Frank Lorenz-Dietz to the Management Board and passed further resolutions in connection with the remuneration of the Management Board. In addition, we received reports on the capital market and on current focus topics and projects of the Management Board. Finally, at the first meeting of the year, we defined the focal points of our work for fiscal year 2025 and approved a resolution by the Management Board on financing measures.

The next Supervisory Board meeting followed on May 19, 2025, the day before the Annual General Meeting. As part of a business update, the Management Board reported to us on current business developments, the activities of individual foreign subsidiaries and a joint venture, and current financing measures. We also received a report on activities in the area of R&D and discussed M&A projects. In addition to other standard resolutions, we approved the appointment of Matthew Wolfe as the new President of the Americas region. Finally, we discussed management performance based on the results of a corresponding evaluation process. In addition, our first Supervisory Board training session of the fiscal year on the topic of "The Future of Manufacturing" was held by an external speaker.

The Annual General Meeting was followed by another face-to-face meeting on May 20, 2025. We elected Carsten Reinhardt as Deputy Chairman of the Supervisory Board and Dagmar Rehm as a member of the Audit Committee. The members of the Audit Committee then elected her as their Chairwoman. We reflected on the Annual General Meeting and the training session from the previous day and received a report on geopolitical opportunities and risks, including current developments in the area of customs duties. Finally, the focus was placed on the topics of health, safety, and environmental protection (HSE) in production.

The virtual meeting on August 4, 2025, focused on discussing the half-year financial report and reports on current business developments and projects, including activities in the area of sustainability. We passed a resolution in the context of financing and extended the appointment of CEO Alexander Geis to the Management Board. We adopted our updated competency profile and the qualification matrix for the Supervisory Board, which can be viewed on the company's website and in the Corporate Governance Statement.

We held the meetings on September 23 and 24, 2025, as part of our excursion to the Americas region, starting in Muskegon, Michigan, and then in St. Louis, Missouri. We used the excursion to get to know various production sites in the region and to strengthen the exchange with the local management team. The focus of the meeting on September 23, 2025, was therefore on comprehensive reports from the presidents of the regions and the CFO of the Americas region. At this meeting, the Management Board also reported on current business developments and current projects as usual, and we passed a resolution in connection with ongoing financing activities. At the meeting on September 24, 2025, we received in-depth reports from those responsible for all control functions: We received an update on the risk management system, the internal control system, the compliance management system, and from the internal audit department. We then conducted further training for the Supervisory Board on the topic of "leadership" with the support of an external expert.

The virtual meeting held on December 2, 2025, focused on various internal Supervisory Board matters. We first received a comprehensive report from Human Resources on current activities and priorities (including digitalization, talent management, sustainability, etc.). In addition, as part of our regular committee work, we dealt with succession planning for the Management Board, the Executive Committee, and selected other functions within the Group. We also used the meeting to reflect on our cooperation within the Supervisory Board, discussed the implementation status of the measures from the previous year's self-assessment as scheduled, and discussed the results of an externally conducted benchmark study on Supervisory Board remuneration.

At the face-to-face meeting on December 10, 2025, a number of topics were once again on our agenda, in addition to the regular reports. As is tradition, the meeting focused on the budget for the coming year, medium-term planning, and performance targets for the members of the Management Board. Another focus of the December meeting was the "drive2030" strategy and the topic of R&D. We also adopted the Declaration of Conformity for fiscal year 2025 and passed resolutions on Management Board remuneration based on the recommendations of the Nomination and Remuneration Committee.

In the fiscal year, we also passed individual resolutions by written circulation procedure. Following the meetings of the Nomination and Remuneration Committee, we passed a resolution on the nominations for new members of the Supervisory Board and approved resolutions of the Management Board on financing measures, M&A issues, individual personnel measures, and a share buyback program. The Audit Committee approved individual permissible non-audit services by circular resolution.

WORK OF THE COMMITTEES

The Supervisory Board sets up Supervisory Board committees to promote the effectiveness of its work. To the extent permitted by law, individual decision-making powers can also be transferred to the committees. Two committees have currently been formed: the Audit Committee and the Nomination and Remuneration Committee.

If necessary, special committees can be set up at any time to deal with specific topics. No use was made of this option this fiscal year.

Audit Committee

The Audit Committee met four times in the reporting year. The Audit Committee's work focused on the audit of the Annual and Consolidated Financial Statements for fiscal year 2024, including the Combined Management Report, the audit of the Non-financial Group Statement, and the preparation of recommendations for resolutions for the Supervisory Board. In addition, the Audit Committee made recommendations to the Supervisory Board regarding the appointment of the auditor, dealt with the quality of the audit and the implementation of previously defined measures for continuous quality improvement, and discussed the effects of the new IFRS 18 accounting standard on the audit.

At each meeting of the Audit Committee, the Chairwoman of the Audit Committee reported on her regular exchanges with the Management Board, the auditor, and key functions within the company. The CFO also reported on current issues in the finance department and in his other areas of responsibility.

Other topics that were the focus of the committee included the discussion of the quarterly financial statements for the first and third quarters, sustainability reporting, risk management, internal auditing, the internal control system (ICS), compliance and legal matters, tax issues, export control, and capital market issues. The committee received regular reports from those responsible for the key control functions on current developments and the effectiveness and ongoing development of the control systems. For example, regular reports were provided on compliance within the Group, the global compliance organization and its further development, tax compliance, and the further development of risk management. The committee also reviewed the audit results for 2025 and approved the audit planning for fiscal year 2026. The committee received a report from the person responsible for the internal control system (ICS) on activities to further develop the ICS. The Audit Committee monitored ongoing financing activities during the fiscal year and prepared individual issues for the plenary session. It also dealt with a compliance issue in depth. The committee also focused on the topic of IT and received regular reports on the progress of the SAP S/4HANA implementation project, IT security, and compliance with various regulatory requirements, such as NIS2.

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The contents of the meetings were presented to the Supervisory Board as part of the oral reports from the committee meetings and – where necessary – submitted for decision. The auditor attended the meeting at which the 2024 Audit Report was explained, as well as another meeting to discuss the audit procedure for the 2025 audit of the Annual and Consolidated Financial Statements. The Chairwoman of the Audit Committee is also in regular contact with the auditor, including outside of meetings, and maintains close and regular communication, particularly during the audit phase. The auditor informs the Audit Committee immediately of all findings and events of significance to its tasks that come to his attention during the audit. He informs the Audit Committee and makes a note in the Audit Report if he discovers facts during the audit that indicate an inaccuracy in the declaration on the German Corporate Governance Code issued by the Management Board and Supervisory Board. The auditor has declared to the Audit Committee that there are no circumstances that would give rise to the assumption that he is biased. The Audit Committee obtained the required independence agreement from the auditor, reviewed the auditor's qualifications and concluded a fee agreement with the auditor. The Audit Committee, and in particular its chairperson, is also in regular contact with the auditor regarding the quality of the audit and receives regular reports from on this the auditor. In the reporting year, the Audit Committee discussed the results and recommendations for action from the external assessment of the quality of the previous year's audit and the status of their implementation. The Audit Committee approves any non-audit services provided by the auditor. The Audit Committee includes Dagmar Rehm (and, until May 20, 2025, Ingrid Jägering), Dr. Martin Kleinschmitt and Jurate Keblyte, all proven financial experts. All members of the Audit Committee also have expertise in sustainability issues, which is continuously developed.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee held a total of five meetings in 2025. One focus of the committee's work this year was on preparing the nominations for the members of the Supervisory Board who were elected to the Supervisory Board at the Annual General Meeting. Another focus this year was on the reappointments of the members of the Management Board, which were also prepared by the committee.

The Nomination and Remuneration Committee prepared the resolutions on all remuneration issues for the Management Board, including the financial targets and sustainability targets. It dealt with the Remuneration Report and addressed a corresponding resolution recommendation to the Supervisory Board.

In addition, the committee focused on succession planning for the Management Board, including transparency regarding talent and talent development, and played a leading role in evaluating management performance. Based on the remuneration-related issues addressed at the Annual General Meeting, the committee reviewed the remuneration system with the support of an external remuneration consultant and dealt with a remuneration report on the remuneration of the Supervisory Board.

CONFLICTS OF INTEREST

No conflicts of interest of Supervisory Board members arose in the reporting year. If necessary, members of the Supervisory Board consult with the Chairman of the Supervisory Board on how to deal with any conflicts of interest that may arise.

CORPORATE GOVERNANCE

SAF-HOLLAND SE is a company in the legal form of a European company (Societas Europaea, SE). As an SE domiciled in Germany, SAF-HOLLAND SE is subject to European and German SE regulations as well as German stock corporation law. As a listed company in Germany, SAF-HOLLAND SE's corporate governance is based on the German Corporate Governance Code (GCGC) as amended. Corporate governance is also governed by the Articles of Association, the Rules of Procedure and internal guidelines.

SAF-HOLLAND SE has a dual management system that provides for a strict separation of personnel and functions between the Management Board as the management body and the Supervisory Board as the monitoring body (two-tier board). The Management Board manages the company, while the Supervisory Board monitors and advises the Management Board. Both bodies work closely together in a spirit of trust for the benefit of the company.

SAF-HOLLAND SE is a financial holding company without its own operating business. The management of the company's business by the Management Board focuses primarily on the strategic direction of SAF-HOLLAND and monitoring the business activities of the individual direct and indirect operating subsidiaries.

In 2025, the Supervisory Board and its committees continued to focus intensively on the topic of corporate governance and the continuous further optimization of committee work. The Management Board and Supervisory Board of SAF-HOLLAND SE issued the 2025 Declaration of Conformity with the recommendations of the German Corporate Governance Code on December 10, 2025. The current Declaration of Conformity and previous Declarations of Conformity can be viewed on the company's website.

Further information on the company's corporate governance can be found in the Corporate Governance Statement. This is also available on the company website.

AUDIT OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS AND BALANCE SHEET MEETING

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC), which was appointed by the Annual General Meeting on May 20, 2025, to audit the financial statements for fiscal year 2025, audited the Annual and Consolidated Financial Statements prepared by the Management Board as of December 31, 2025, including the Combined Management Report for fiscal year 2025, and issued an unqualified audit opinion. It was determined that the Annual and Consolidated Financial Statements give a true and fair view of the asset, financial and earnings position. The audit partner responsible was Stefan Hartwig.

The Annual Financial Statements of SAF-HOLLAND SE and the Combined Management Report for the SAF-HOLLAND Group were prepared in accordance with German statutory accounting regulations. The Consolidated Financial Statements were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and in accordance with the additional requirements of German legal pursuant to Section 315e (1) of the German Commercial Code (HGB).

After preliminary referral to the Audit Committee, the Supervisory Board dealt with the Annual and Consolidated Financial Statements and the Combined Management Report for fiscal year 2025 at its meeting on March 13, 2026, and discussed them in detail with the Management Board. The auditor reported on the scope, focus and key findings of the audit, focusing in particular on the key audit matters and the audit procedures performed. No significant weaknesses in the internal control system or the risk management system were reported. The auditor reported both at the meeting of the Audit Committee and at the meeting of the Supervisory Board and was available to answer in-depth questions. In accordance with the German Act to Strengthen Financial Market Integrity (FISG), the Management Board's opportunities to participate in discussions with the auditor were also restricted. In following the committee's recommendation, the Supervisory Board concurred with the results of the audit by the auditor, raised no objections and approved the Annual and Consolidated Financial Statements for fiscal year 2025. The Annual Financial Statements are thus adopted.

The Remuneration Report was subjected to the legally required formal audit by the auditor in accordance with Section 162 (1) and (2) of the German Stock Corporation Act (AktG).

Due to rotation requirements, PwC audited the Annual and Consolidated Financial Statements for fiscal year 2025 for the last time. For this reason, SAF-HOLLAND conducted a non-discriminatory and transparent tendering process in the previous fiscal year in accordance with the European Parliament Regulation (EU-APrVO), for which the Audit Committee was primarily responsible. As a result of the tendering process, the Audit Committee recommended EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft for appointment as auditor and Group auditor for fiscal year 2026. It reviewed its recommendation at its meeting on March 12, 2026, and reconfirmed it.

The Supervisory Board has endorsed the Management Board's proposal for the appropriation of net retained profits and will propose to the Annual General Meeting on May 21, 2026, that a dividend of EUR 0.65 per share be distributed for fiscal year 2025.

The Non-financial Group Statement for fiscal year 2025 was discussed by the Audit Committee at its meeting on March 12, 2026, and by the Supervisory Board at its meeting on March 13, 2026.

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CHANGES IN THE MANAGEMENT BOARD AND SUPERVISORY BOARD

As described above, there were no changes to the Management Board in fiscal year 2025, but there were changes to the Supervisory Board. Ingrid Jägering resigned from the Supervisory Board at the end of the 2025 Annual General Meeting. She was succeeded by Dagmar Rehm, who, as a financial expert, also took over as Chairwoman of the Audit Committee. In addition, the 2025 Annual General Meeting resolved to expand the Supervisory Board from five to six members. The new position on the Supervisory Board was filled by Hans-Werner Kaas, who had also been elected as a member of the Supervisory Board by the Annual General Meeting, with entry in the commercial register on July 29, 2025. On behalf of the other members of the Supervisory Board and the Management Board, I would like to take this opportunity to thank Ingrid Jägering for her many years of outstanding commitment to SAF-HOLLAND.

The Supervisory Board would like to thank the members of the Management Board, the employee representatives and all employees for their great commitment and hard work in fiscal year 2025.

Bessenbach, March 13, 2026

For the Supervisory Board

Dr. Martin Kleinschmitt
Chairman of the Supervisory Board

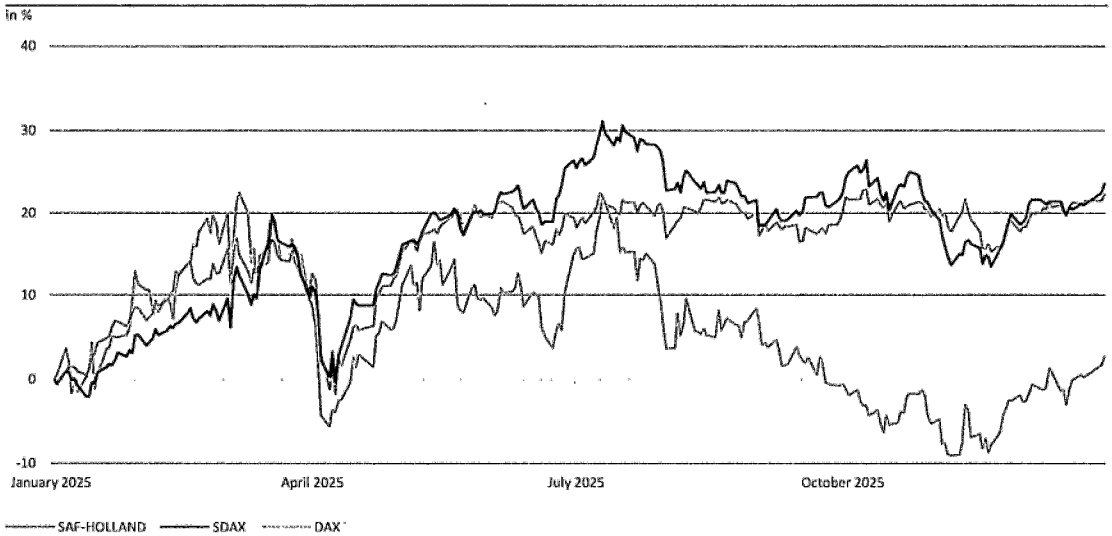
SAF-HOLLAND ON THE CAPITAL MARKET

STOCK MARKET AND SHARE PRICE DEVELOPMENT IN 2025

CHALLENGING MARKET ENVIRONMENT SHAPES STOCK MARKETS IN 2025

Due to the continued decline in inflation and the resulting interest rate cuts by the ECB, stock markets performed positively overall in 2025, but were also influenced by geopolitical tensions and new economic policy measures in the US. Considering this situation, the German stock market proved to be robust: The DAX reached a new record high of 24,611,25 points in October 2025 and ended the year up 23.0% at 24,490.41 points. Deutsche Börse AG's SDAX, which focuses more on small and mid-caps and in which the SAF-HOLLAND share is also listed, recorded a change of 25.3% for 2025 as a whole and closed the year at 17,174.73 points.

Performance of SAF-HOLLAND SE shares relative to DAX and SDAX



Despite a challenging market environment, the SAF-HOLLAND share recorded significant price gains at times in 2025, closing at EUR 15.30 at the end of the year. Compared to the closing price in 2024, this represented a change of +3.5%, which means the share price lagged behind the benchmark indices DAX and SDAX once again. The main reason for this was the challenging market environment due to a reluctance to buy in the wake of US tariff policy. As a result, SAF-HOLLAND SE's market capitalization declined slightly in 2025 from EUR 670.9 million to around EUR 694.5 million. Accordingly, the company reached position 117 in the index ranking of Deutsche Börse AG, which was used to determine the composition of the index, at the end of December 2025 (previous year: position 111).

SAF-HOLLAND SHARE TRADING VOLUME

According to a Bloomberg market share analysis, the Xetra trading platform remained the most important trading venue for the SAF-HOLLAND share in 2025. Xetra accounted for 48% of the volume traded in the reporting year (previous year: 44.4%). The average daily turnover of SAF-HOLLAND shares on Xetra in 2025 was 69,771 shares (previous year: 78,485 shares). In terms of value, this equated to an average daily trading volume of EUR 1.10 million (previous year: EUR 1.30 million). Taking all German stock exchanges into account, the average daily turnover in shares amounted to 71,141 shares (previous year: 81,564). In addition, an average of 74,352 SAF-HOLLAND shares were traded on multilateral trading platforms on a daily basis.

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Key share data

WKN/ISIN	SAFH00/DE000SAFH001
Ticker symbol	SFQ
Initial listing	July 26, 2007
Stock exchange	Frankfurt
Transperancy standard	Prime Standard
Index	SDAX
Number of shares	45,394,302
Free float	99.2%
Designated sponsor	Hauck Aufhäuser Lampe Privatbank AG
Year high/low 2025[1]	19.08 Euro / 12.50 Euro
Year-end price 2025[1]	15.30 Euro
Full-year performance 2025	3.5%
Market capitalization as of December 31, 2025	694.5 EUR mn

[1] Xetra price

INVESTOR RELATIONS ACTIVITIES

IN CONTINUOUS CONTACT WITH ALL STAKEHOLDERS

SAF-HOLLAND's investor relations activities are aimed at providing all capital market participants with comprehensive, timely and transparent information on the company's strategic objectives and current market and business developments. To this end, SAF-HOLLAND maintains a close and ongoing dialog with its current shareholders, potential investors and analysts. The company regularly participates in capital market conferences, organizes international roadshows and informs fund managers and analysts on site during company visits and plant tours. This dialog is supplemented by a number of conference calls and video conferences, which mainly focus on current developments and events.

In 2025, the focus of communication continued to be on positioning SAF-HOLLAND as a resilient company in the transportation sector combined with sustainable, robust profitability. One key element was highlighting the aftermarket business, which contributed significantly to stability by cushioning what were in some cases sharp regional market declines. In addition, emphasis was placed on the consistent, flexible adaptation of cost structures to effectively counter the challenging market environment.

The presentation of the new corporate strategy "drive2030" at Capital Market Day 2025 represented an important strategic milestone. With "drive2030", SAF-HOLLAND has unveiled a clear long-term orientation aimed at profitable growth, global efficiency gains, and targeted portfolio and innovation initiatives. Also, ambitious economic goals were communicated that transparently and comprehensively underpin the future development of the company.

In addition to regular dialog with current and potential investors from Germany, one focus of investor relations work was on increasingly addressing investors from outside Germany. Among other activities, virtual and physical roadshows were held in France, the UK, Spain, Austria, Finland, Switzerland and the Netherlands. The Management Board and investor relations managers participated in a total of 16 capital market conferences and roadshows in 2025.

EXTENSIVE PROVISION OF INFORMATION AND DIRECT CONTACT

Detailed and up-to-date information on the SAF-HOLLAND share is published on the internet on the SAF-HOLLAND Investor Relations website at http://corporate.safholland.com/en/investor-relations. The latest financial news and reports, presentations and conference call recordings as well as an overview of the current consensus estimates of the analysts who cover the SAF-HOLLAND share are available on this website. The contact details of the investor relations contacts for telephone or digital contact are also available on this website.

PREDOMINANTLY BUY RECOMMENDATIONS FOR THE SAF-HOLLAND SHARE

The SAF-HOLLAND share continued to be monitored regularly by banks and research firms in the reporting year 2025. At the end of the year, four analysts recommended buying the share, while two rated it as a "hold." The analysts' price targets ranged from EUR 15.00 to EUR 26.00, with an average price target of EUR 16.75.

Analyst ratings as of December 31, 2025

Bank	Recommendations
Berenberg	Buy
Deutsche Bank	Hold
DZ Bank	Buy
Kepler Cheuvreux	Hold
Oddo BHF	Outperform
Warburg Research	Buy

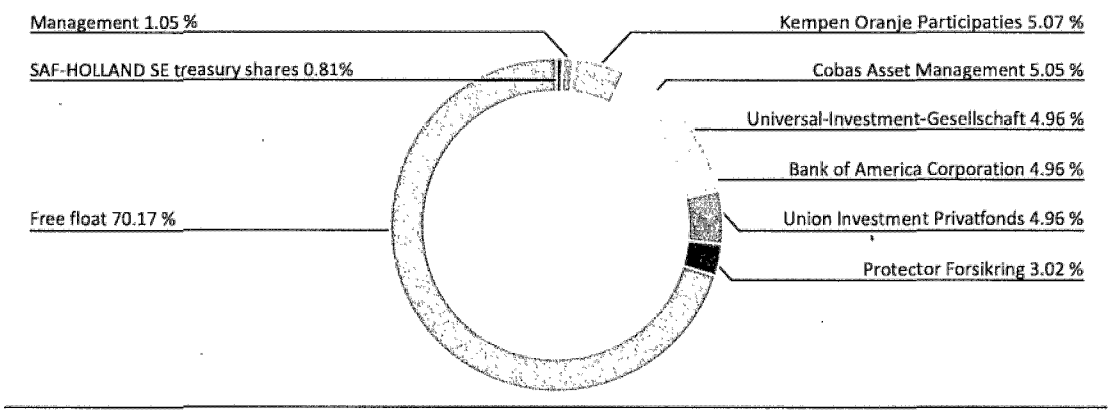
The latest analyst ratings are available on the Investor Relations website at https://corporate.safholland.com/en/investor-relations/share/consensus.

INTERNATIONAL SHAREHOLDER STRUCTURE

According to Deutsche Börse AG's definition, 100% of the company's shares issued are in free float. The shareholder base mainly consists of institutional investors such as investment funds and asset managers, banks and insurance companies, as well as private investors from Germany and abroad. The company's largest shareholders currently include investment firms from the Netherlands, Spain, the US, Germany and Norway. The share of international investors holding SAF-HOLLAND shares is around 70%.

Based on the voting rights notifications received, six institutional investors directly or indirectly held more than 3% of the share capital of SAF-HOLLAND SE as of December 31, 2025.

Shareholder structure as of December 31, 2025



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Voting rights notifications > 3% as of December 31, 2025

Shareholder name	Country of origin	% shares of notified voting rights
Kempen Oranje Participaties	Netherland	5.07 %
Cobas Asset Management	Spain	5.05 %
Bank of America Corporation	USA	4.96 %
Universal-Investment-Gesellschaft	Germany	4.96 %
Union Investment Privatfonds	Germany	4.96 %
Protector Forsikring	Norway	3.02 %

Active members of the Management Board and the Supervisory Board of SAF-HOLLAND SE together held 1.1% of the shares outstanding as of December 31, 2025.

2025 SHARE BUYBACK PROGRAM

SAF-HOLLAND RESOLVES SHARE BUYBACK PROGRAM WITH A VOLUME OF UP TO EUR 40 MILLION

By resolution dated November 11, 2025, the Management Board of SAF-HOLLAND SE, with the approval of the Supervisory Board, launched a share buyback program with a total volume of up to EUR 40 million (excluding incidental acquisition costs) in light of the robust liquidity situation and solid financing structure. The repurchase of its own shares, which is to take place from November 28, 2025, to December 31, 2026, will be carried out in accordance with the safe harbor provisions of Article 5 of Regulation (EU) No. 596/2014 (Market Abuse Regulation) in conjunction with Delegated Regulation (EU) 2016/1052. The measure is based on the authorization granted by the Annual General Meeting on June 10, 2021, to acquire treasury shares of up to 10% of the share capital and underscores the confidence of the Management Board and Supervisory Board in the strength and future viability of SAF-HOLLAND as well as in the long-term value enhancement potential of the company. At the same time, the program serves to further optimize the capital structure and continuously create sustainable value for shareholders.

ANNUAL GENERAL MEETING 2025 APPROVES ALL ITEMS ON THE AGENDA AND RESOLVES DIVIDEND OF EUR 0.85 PER SHARE ONCE AGAIN

The Annual General Meeting of SAF-HOLLAND SE was held as an in-person event on May 20, 2025, in Lohr am Main/Germany. The shareholders approved all items on the agenda proposed by the Management Board and Supervisory Board, including the proposal to pay a dividend of EUR 0.85 per share. This represents a distribution ratio of 49.9% of result for the period attributable to shareholders of the parent company. In addition, the Annual General Meeting approved the proposal to expand the Supervisory Board from five to six members and elected two new Supervisory Board members.

DIVIDEND OF EUR 0.65 PER SHARE PROPOSED FOR FISCAL YEAR 2025

The goal of SAF-HOLLAND's company policy is to allow shareholders to participate appropriately in its success through dividends. The dividend policy of SAF-HOLLAND SE generally provides for the distribution of 40% to 50% of the available result for the period. In this context, the Management Board adjusted the calculation method for the result for the period relevant for distribution in the past fiscal year. In order to take unrealized, charged foreign currency exchange rate changes in the financial result into account, the available result for the period is adjusted by the balance of these unrealized currency effects, taking the Group tax rate into consideration. On this basis, the Management Board and Supervisory Board will propose to the Annual General Meeting on May 21, 2026, that a dividend of EUR 0.65 (previous year: EUR 0.85) per share be distributed for fiscal year 2025. With a total distribution amount of EUR 29.3 million, this corresponds to a payout ratio of around 57% of the Group's result for the period attributable to shareholders.

CREDIT RATING

CONTINUED "BBB-" INVESTMENT GRADE RATING

In its rating report dated April 22, 2025, Scope Ratings GmbH ("Scope") confirms SAF-HOLLAND SE's long-term investment grade rating of BBB- with a stable outlook. In its rating report, Scope particularly recognizes SAF-HOLLAND's leading market positions in oligopolistic markets for chassis systems and components. It also highlights the resilient business model with a high share of less cyclical, high-margin aftermarket sales and growth in the replacement aftermarket business as a result of a growing product population in the market. In addition, it underscores the solid geographical positioning with a "local-for-local" approach.

REMUNERATION REPORT 2025

REMUNERATION REPORT 2025 23

REPORT OF THE INDEPENDET AUDITOR ON THE FORMAL AUDIT OF THE REMUNERATION REPORT PERSUANT TO § [ARTICLE] 162 ABS. [PARAGRAPH] 3 AKTG 38

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REMUNERATION REPORT 2025

The Remuneration Report explains the remuneration system for both the members of the Management Board and the members of the Supervisory Board and presents the individual remuneration granted and due to the individual members of the Management Board and the Supervisory Board in fiscal year 2025.

The Remuneration Report has been prepared on the basis of the earnings-oriented view since reporting year 2024. Remuneration is therefore reported in the Remuneration Report for the fiscal year in which the activity underlying the remuneration was fully performed.

The report explains in detail the individual structure and amount of the various components of the Management Board and Supervisory Board remuneration. The report complies with the requirements of Section 162 of the German Stock Corporation Act (AktG), and the recommendations of the German Corporate Governance Code (GCGC). The Annual General Meeting on May 20, 2025, approved the Remuneration Report 2024 by a majority of 95.97%. Compilation of the Remuneration Report pursuant to Section 162 of the German Stock Corporation Act (AktG) is the responsibility of the Management Board and the Supervisory Board. The Remuneration Report and the independent auditor's report regarding the formal audit that was conducted are contained in the Annual Report and can also be accessed from the website of SAF-HOLLAND SE.

COMPOSITION OF THE MANAGEMENT BOARD

There were no changes to the Management Board in fiscal year 2025. The Management Board is comprised of the CEO, Alexander Geis, and the CFO, Frank Lorenz-Dietz.

MANAGEMENT BOARD REMUNERATION

BASIC PRINCIPLES OF REMUNERATION

The current system of Management Board remuneration was approved by the participants in the Annual General Meeting on May 20, 2025. Resolutions on remuneration are generally prepared by the Nomination and Remuneration Committee. If necessary, the Nomination and Remuneration Committee can recommend that the Supervisory Board make amendments to the remuneration system. In the event of substantial changes, and at least every four years, the remuneration system is submitted to the Annual General Meeting for approval.

The remuneration system is aligned towards the business strategy and is aimed at performance-based and sustainable corporate governance and ensuring the long-term success of the company. The criteria for determining the appropriateness of remuneration consist of the individual duties of the Management Board members, their personal performance, the economic situation, success and future prospects of the company.

The employment contracts of the Management Board stipulate that an annual review of the amount of fixed remuneration be carried out. The Nomination and Remuneration Committee reviews the appropriateness and market conformity of the remuneration of each individual member of the Management Board in terms of its amount and structure and discusses its findings with the Supervisory Board.

The aforementioned remuneration also covers the activities of Managing Directors or Supervisory Board members at subsidiaries.

SUMMARY OF MANAGEMENT BOARD REMUNERATION IN 2025

The remuneration of the members of the Management Board of SAF-HOLLAND SE consists of fixed and variable components. The fixed, non-performance-based portion of remuneration consists of a fixed annual base salary and fringe benefits. The performance-based and variable components consist of a short-term variable incentive (STI) and a long-term variable incentive (LTI).

The following table presents the individually granted and due remuneration pursuant to Section 162 (1) sentence 2 no. 1 of the German Stock Corporation Act (AktG) for the members of the Management Board in office in fiscal year 2025.

REMUNERATION GRANTED AND DUE PURSUANT TO SECTION 162 AKTG
Current members of the Management Board (based on an earnings-oriented view)

		Alexander Geis				Frank Lorenz-Dietz			
		Chairman of the Management Board since February 26, 2019				Ordinary member of the Management Board since January 1, 2023			
		2024		2025		2024		2025	
		in TEUR	in %	in TEUR	in %	in TEUR	in %	in TEUR	in %
Non-performance-related Remuneration	Base salery	868	43	943	50	500	62	583	67
	Fringe benefits	41	2	35	2	43	5	39	5
	Pension benefits	0	0	0	0	0	0	0	0
Total		**909**	**45**	**978**	**52**	**543**	**67**	**622**	**72**
One-year variable compensation	STI 2024	455	22			264	33		
	STI 2025			415	23			242	28
Multi-year variable remuneration	LTI 2021 - 2024	667	33			-	-		
	LTI 2022 - 2025			475	25			-	-
Total		**1,122**	**55**	**890**	**48**	**264**	**33**	**242**	**28**
Total remuneration		**2,031**	**100**	**1,868**	**100**	**807**	**100**	**864**	**100**

The financial targets for 2025 were only partially achieved. The weak market environment - in particular, declining demand as a result of US tariff policy - meant that the sales target was significantly below plan. However, the company's earnings (adjusted EBIT margin) exceeded the specified target, and the net-working-capital target was almost achieved. Taking into account the achievement of individual targets, the CEO, Alexander Geis, achieved a total STI target of 89% for 2025, which will be paid out in the 2026 fiscal year. For CFO Frank Lorenz-Dietz, the total STI target achievement is 84% of the STI 2025 target value, which will also be paid out in 2026.

No use was made of the options provided for in the remuneration system in accordance with legal requirements to temporarily deviate from the remuneration system or to reclaim variable remuneration components.

The following table provides an overview of the components of the remuneration system applicable for fiscal year 2025, the structure of the individual remuneration components and the respective objectives of the members of the Management Board:

Remuneration system

REMUNERATION COMPONENT	BRIEF SUMMARY	PURPOSE AND CONNECTION TO THE STRATEGY
Fixed annual base salary	– Fixed contractually agreed remuneration, paid monthly	– Ensures appropriate, fixed income to ensure no undue risk is taken – Attracts and retains board members who can develop and successfully implement the strategy on the basis of their experience and expertise
Fringe benefits	– Particularly use of a company car, subsidies for health and long-term care insurance	
Short-term variable remuneration	– As a rule, 75% financial and 25% non-financial performance targets – Maximum amount: 150% of the respective target – Payment in the following year	– Provides an incentive to board members to focus on successfully implementing the business priorities and sustainability for the year

Long-term variable remuneration	– Grant of virtual share units
	– Performance targets:
	  – Development of the share price
	  – Business performance
	  – Sustainability targets
	– Maximum amount (cap): 200% of the grant value
	– Payment: in the fifth year after granting
		– Links the development of Management Board compensation directly to share price performance and thus to investor interest
		– Provides an incentive to Management Board members to raise the value of the company in the long term
		– Proves SAF-HOLLAND's social responsibility and documents the importance of sustainable corporate action

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TARGET REMUNERATION AND MAXIMUM REMUNERATION

The total target remuneration represents a target remuneration amount that sets incentives for high business performance and the individual and collective performance by defining clear targets. The "pay for performance" principle underlying the remuneration system results in a noticeable reduction if the targets are not attained and an increase in the remuneration if the targets are surpassed or in the case of special performance, although these are limited by the cap on the maximum remuneration.

The targets set for the variable remuneration components are equal to slightly more than the fixed remuneration components (base salary plus fringe benefits). The share of long-term variable remuneration exceeds that of short-term variable remuneration. This ensures that the remuneration of the Management Board is aligned with the sustainable and long-term development of the company.

In the event of possible future adjustments to the remuneration paid to members of the Management Board, the Supervisory Board has resolved that these will mainly consist of variable components to ensure that the share of variable remuneration components continues to increase.

The following table shows the contractually agreed target remuneration and maximum remuneration for fiscal year 2025:

TARGET REMUNERATION AND MAXIMUM REMUNERATION OF THE MANAGEMENT BOARD MEMBERS

		Alexander Geis		Frank Lorenz-Dietz	
		Chairman of the Management Board since February 26, 2019		Ordinary member of the Executive Board since January 1, 2023	
in TEUR		Target remuneration	Maximum remuneration	Target remuneration	Maximum remuneration
Non-performance-related remuneration	Base salery 2025	943	943	583	583
	Fringe benefits2025	35	35	39	39
	Pension benefits 2025	0	0	0	0
Total		978	978	622	622
One-year variable compensation	STI 2025	465	698	290	435
Multi-year variable remuneration	LTI 2025 - 2028	640	1,280	355	710
Total		1,105	1,978	645	1,145
Total remuneration		2,083	2,956	1267	1,767

In accordance with Section 87a of the German Stock Corporation Act (AktG), maximum remuneration has been set for the sum of the remuneration components specified above. Including the fixed base salary, fringe benefits and the cap on variable remuneration components, this amounts to EUR 3,750,000 for the Chairman of the Management Board and EUR 2,250,000 for the ordinary members of the Management Board.

Overview of the maximum remuneration of Management Board members:

Maximum limits of remuneration (maximum remuneration)

Remuneration component	Cap
Short-term variable remuneration (STI)	150% of the target amount
Long-term variable remuneration (LTI)	200% of the endowment value
Maximum remuneration	Chairman of the Management Board: EUR 3,750,000
	Ordinary member of the Management Board: EUR 2,250,000

Reviewing and ensuring compliance with the maximum remuneration level for fiscal year 2025 is therefore not possible until 2029, when the last remuneration component for fiscal year 2025 has been determined and accrues to the Management Board member. If the calculated total remuneration exceeds the respective maximum remuneration, the LTI payment will be reduced accordingly.

Review maximum remuneration 2022

In addition to the fixed annual salary, the short-term variable remuneration and the long-term variable remuneration (LTI 2022–2025) were used to review the maximum remuneration of the CEO, Alexander Geis. The result of the review showed that the maximum remuneration 2025 was not exceeded, as can be seen in the table below.

Retrospective review of the maximum remuneration for the year 2022

		Alexander Geis Chairman of the Management Board since February 26, 2019
Non-performance-related remuneration	Base salery	734,000.00
	Fringe benefits	30,000.00
Total		**764,000.00**
One-year variable compensation	STI 2022	360,297.00
Multi-year variable remuneration	LTI 2022 - 2025	474,626.16
Total		**834,923.16**
Total remuneration		1,598,923.16
Maximum remuneration		1,984,000.00

In this context, the maximum remuneration for the 2022 financial year of Dr. André Philipp, who left the Management Board in June 2023, was also reviewed. Here too, the review showed that the maximum remuneration was not exceeded.

APPROPRIATENESS OF MANAGEMENT BOARD REMUNERATION

When setting the amount of total remuneration, the Supervisory Board ensures that it is commensurate with the tasks and performance of the respective Management Board member. The criteria for assessing the appropriateness of remuneration are therefore the individual tasks and performance of the Management Board member. When setting the amount of total remuneration, the Supervisory Board ensures that the customary level of remuneration does not exceed the level paid at a suitable peer group of comparable companies in an external comparison nor to the overall workforce in an internal comparison, unless there is special justification for doing so. The external assessment is primarily based on a comparison with all the other companies listed on the SDAX. For comparative purposes, SAF-HOLLAND is positioned within the respective peer group market based on the evaluation criteria of sales, headcount and market capitalization. From this positioning, the remuneration paid to Management Board members is reviewed for its market conformity.

In making this assessment, the Supervisory Board is supported by an independent external remuneration consultancy. The latter most recently confirmed in June 2024 that the remuneration of the members of the Management Board in office is to be considered market-based and thus appropriate.

To assess the market conformity of total remuneration within the company, the Supervisory Board also considers the remuneration and working conditions of the Group workforce in Germany on an FTE basis. The ratio of Management Board remuneration to the remuneration of the entire workforce is also taken into account over time (vertical remuneration comparison). The company's economic position and performance also need to be appropriately taken into consideration.

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The company's earnings development and the average remuneration paid to employees in Germany on an FTE basis over the last five years compared to the annual change in Management Board remuneration are presented in the following table:

Total remuneration paid (actual)

	2021	2022	2023	2024	2025
Management Board compensation in EUR thousand					
Alexander Geis since February 26, 2019	1,241.9	1,216.4	1,954.0	2,031.0	1,868.0
Change compared to previous year in %	31.6	–2.0	59.2	3.9	–8.0
Frank Lorenz-Dietz since January 1, 2023			666.0	807.0	864.0
Change compared to previous year in %				21.2	7.1
Supervisory Board remuneration in EUR thousand					
Dr. Martin Kleinschmitt since April 1, 2013	115.0	120.5	146.0	149.0	149.5
Change compared to previous year in %	6.0	4.8	21.7	2.1	0.3
Carsten Reinhardt since April 1, 2017	50.2	53.3	68.5	66.0	79.8
Change compared to previous year in %	3.6	2.5	28.5	–3.6	20.9
Ingrid Jägering since October 1, 2019 to May 20, 2025	69.0	68.0	102.5	104.5	39.3
Change compared to previous year in %	7.0	–1.4	50.0	2.0	–62.4
Matthias Arleth since July 1, 2020	69.0	68.5	76.0	77.5	78.5
Change compared to previous year in %	100.6	–0.7	10.9	2.0	1.3
Jurate Keblyte since April 1, 2023			49.9	69.5	70.0
Change compared to previous year in %				39.3	0.7
Dagmar Rehm since May 1, 2025					53.3
Change compared to previous year in %					-
Hans-Werner Kaas since July 1, 2025					26.3
Change compared to previous year in %					-

	2021	2022	2023	2024	2025
Adjusted EBIT margin in %	7.5	8.0	9.6	10.1	9.5
Annual changes compared to the previous year in percentage points	1.4	0.5	1.6	0.5	–0.6
Result for the period SAF-HOLLAND SE in EUR thousand	20,624.0	23,985.0	48,523.0	59,113.0	40,017.8
Annual changes compared to the previous year in %	917.50	16.30	102.31	21.87	–32.30

	2021	2022	2023	2024	2025
Average employee compensation in EUR	51,613.00	57,617.00	57,409.00	59,927.51	63,747.41
Annual changes compared to the previous year in %	–2.01	11.63	–0.36	4.39	6.37

NON-PERFORMANCE-BASED FIXED REMUNERATION

Fixed annual base salary

The base salary represents fixed remuneration for the full year and is granted on a monthly basis. Unlike many other companies, the members of the Management Board do not receive pension benefits from the company for their services. Since fiscal year 2018, the fixed remuneration has included a compensation component that adequately compensates for pension benefits.

Fringe benefits

The taxable fringe benefits of the Management Board consist primarily of the use of a company car and the financial loss liability insurance with a deductible of 10% (D&O insurance). As well as the assumption of costs for the occupational accident insurance, which also covers insurance benefits in the event of death. In addition, health and pension insurance contributions are made in accordance with social security regulations. In the event of incapacity to work due to illness, the remuneration will be paid for a maximum of six months.

PERFORMANCE-BASED VARIABLE REMUNERATION

The performance-based remuneration components are the short-term incentive (STI), which relates to the performance in the respective fiscal year, and the long-term incentive (LTI), which measures performance over a number of years. The two components are based on different measurement bases and have different performance parameters corresponding to their respective performance periods. These performance-based variable remuneration components are granted on the basis of financial and non-financial performance criteria.

Variable remuneration components are to be measured on a multi-year assessment basis. In accordance with the recommendation of the GCGC, the Supervisory Board ensures that the long-term variable remuneration components exceed the short-term components in determining variable remuneration. At the same time, sufficient emphasis is placed on the annual operating targets, which serve as the basis for the future development of the company, within the framework of short-term variable remuneration.

No subsequent changes may be made to the target values or the comparison parameters for variable remuneration.

Both of the variable remuneration components in 2025 are presented in detail below.

Short-term variable remuneration (STI)

Basic structure

The annual bonus consists of a variable cash payment that is based on the company's measurable performance in the past fiscal year and the degree to which the individual targets were achieved. The STI is calculated using financial and non-financial performance criteria that are based on the key performance indicators explained below and the individual targets derived from them. The individual targets are used to take the individual performance of each member of the Management Board into consideration in determining the remuneration.

Individual targets must consist of financial and non-financial targets and include the environmental, social and governance (ESG) performance criteria set by the company in keeping with its corporate social responsibility. Business targets have a weighting of 75% and comprise three specific targets. The individual targets also consist of three targets and are weighted at 25% of the total. The following table provides an overview of the targets and their percentage weighting for 2025.

Overview of the targets and their percentage weighting:

TYPE OF TARGETS	DEFINITION OF THE TARGETS	PERCENTAGE WEIGHTING
Corporate targets	– Group sales – Adjusted EBIT margin – Net working capital ratio	25% 25% 25%
Possible individual targets	– Strategic business development – Corporate culture – Diversity – Employees and leadership – Environment – Corporate social responsibility	25%
Total amount		100%

A lower limit of 75% and an upper limit of 150% apply to target achievement. If the sum of the weighted individual target achievement is below 75% (threshold value), no pro rata payment of the target bonus is granted. The amount of remuneration to be paid is calculated by multiplying the percentage of target achievement by the target bonus amount. For the year a Management Board member joins the company and for the year the member leaves the company, the member is entitled to a pro rata bonus. The short-term variable remuneration is paid out in the year following the respective fiscal year.

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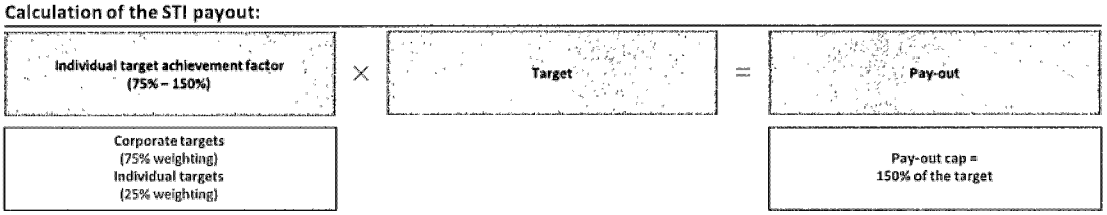
The calculation of the target achievement factor is based on the individual measured target achievement factors based on their weighting. Multiplying the total target achievement factor by the STI target amount results in the STI payout amount. The aforementioned upper and lower limits of 150% and 75% apply here. Payment is made at the end of the first quarter of the following fiscal year for which the respective STI was granted.

Calculation of the STI payout:



Structure Company targets
Three company targets were defined for fiscal year 2025

- Group sales,
- Adjusted EBIT margin as a % of sales and
- Net working capital ratio as a % of sales

These take the overall responsibility of the Management Board into consideration and set incentives geared primarily towards the company's continued growth, better profitability and stronger cash flow.

A core element of the company strategy is profitable growth, whereby sales constitute an important instrument in planning the next business-related steps.

The adjusted EBIT margin provides incentives to strengthen the company's operating profitability. EBIT measures earnings before interest and taxes. The EBIT ratio also takes depreciation and amortization into account and promotes investments that generate an appropriate return on capital employed. SAF-HOLLAND adjusts for special items outside of ordinary business activities in order to manage and present the Group's underlying operating earnings situation. These include depreciation and amortization of property, plant, and equipment and intangible assets from purchase price allocations (PPA), reversals and impairments, restructuring and transaction costs, valuation effects from option valuations, and other one-time effects such as expenses related to post-merger integration.

Next to profitability, the effective management of working capital, measured as the sum of inventories and trade receivables less trade payables, is also a key factor in cash flow.

Individual and sustainability targets
For fiscal year 2025, the Supervisory Board set two individual targets in the direct area of responsibility of each Management Board member as well as one target each in the area of sustainability. The individual targets contribute specifically to increasing the efficiency of the Group's projects and advancing the company's further development.

As a globally operating company in the trailer and truck industry, SAF-HOLLAND strives to make an important contribution to the future and society by providing innovative products and acting sustainably. The focus of the sustainability target for 2025 was the implementation of the ESG strategy, including improving the company's score within the ESG platform EcoVadis.

Target achievement

The following table shows the key performance indicators for the annual bonus 2025 (payable in the year 2026), their performance corridors and the corresponding target achievement, with the resulting overall target achievement, including the respective payout amounts, presented in detail for the current members of the Management Board:

Current members of the Management Board	Subject area	Concrete target	Actual Target achievement	Target achievement
Alexander Geis (CEO) since February 26, 2019	Business development	Development of a strategy for dealing with the geopolitical challenges and opportunities of 2025	150%	100%
	Business development	Realization of the potential associated with the latest Italian acquisitions for SAF-HOLLAND	150%	100%
	ESG	Implementation of ESG strategy - Improvement in ESG rating - ECOVADIS score 2024 55/100	150%	100%
Frank Lorenz-Dietz (CFO) since January 1, 2023	Business development	Global Operations (Improvement BROSI Scores)	150%	100%
	Project innovaton	SAP S/4HANA Integration	75%	100%
	ESG	Implementation of ESG strategy - Improvement in ESG rating - ECOVADIS score 2024 55/100	150%	100%

For the CEO, Alexander Geis, the individual targets for fiscal year 2025 were defined as developing a strategy for dealing with geopolitical challenges and opportunities, and realizing the potential associated with the recent Italian acquisitions for the acquired companies. The first goal, the development of a strategy with regard to geopolitical challenges and opportunities, was achieved at 150%. This is based on the fact that Alexander Geis presented a fully developed strategic concept paper with various scenarios and appropriate measures for dealing with the identified opportunities and risks. The second individual goal, namely realizing the potential of the recent Italian acquisitions, was also achieved with 150% target achievement. The top five measures required for this were fully implemented by the end of the fiscal year 2025.

For the other member of the Management Board, Frank Lorenz-Dietz, the individual goals for the fiscal year 2025 were defined as the integration of SAP S/4HANA and the rollout and improvement of the BROSI score within the Global Operations division. The integration of SAP S/4HANA in the American plants was completed in the past fiscal year with a target achievement of 75% instead of the targeted 100%. The rollout of the BROSI health and safety management system, on the other hand, was completed with 150% of the target achieved. The BROSI score improved by 5% compared to the fiscal year 2024.

The implementation of the ESG strategy, including an increase in the company's score within the ESG platform EcoVadis, was selected as an identical management board goal in the area of sustainability. The goal here was to increase the current company score from 55/100 to 60/100. This sustainability goal was not only achieved but even exceeded with a new company score of 65/100. In addition, SAF-HOLLAND was awarded a bronze medal in recognition of his sustainability achievements.

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STI – Overall target achievement in 2025

	75%	100%	125%	150%	Weight-ing	Actual Target achieve-ment	Target achieve-ment in %	Weighted value	Target amount in TEUR	Payout amount in EUR
Alexander Geis - CEO										
Corporate goals*										
Group revenues (in Euro million)	1,850.0	1,920.0	1,977.6	2,036.9	0.25	1,734.40	0.00%	0.00%		
Adjusted EBIT margin (in %)	9.0	9.3	9.6	9.9	0.25	9.50	116.67%	29.17%		
Net Working Capital (in % of sales)	18.0	17.5	17.2	16.9	0.25	17.70	90.00%	22.50%		
Individual targets										
Development of a strategy for dealing with the geopolitical challenges and opportunities of 2025					0.075		150.00%	11.25%		
Realization of the potential associated with the latest Italian acquisitions for SAF-HOLLAND					0.075		150.00%	11.25%		
Implementation of ESG strategy - Improvement in ESG rating - ECOVADIS score 2024 55/100					0.10		150.00%	15.00%		
					100%			89.17%	465,000	414,640
Frank Lorenz-Dietz - CFO										
Corporate goals*										
Group revenues (in Euro million)	1,850.0	1,920.0	1,977.6	2,036.9	0.25	1,734.40	0.00%	0.00%		
Adjusted EBIT margin (in %)	9.0	9.3	9.6	9.9	0.25	9.50	116.67%	29.17%		
Net Working Capital (in % of sales)	18.0	17.5	17.2	16.9	0.25	17.70	90.00%	22.50%		
Individual targets										
Global Operations (Improvement BROSI Scores)					0.075		150.00%	11.25%		
SAP S/4HANA Integration					0.075		75.00%	5.63%		
Implementation of ESG strategy - Improvement in ESG rating - ECOVADIS score 2024 55/100					0.10		150.00%	15.00%		
					100%			83.55%	290,000	242,295

* excluding company acquisitions 2025

Long-term variable remuneration (LTI)

Basic structure

The long-term variable remuneration, or LTI, is a share-based variable remuneration component aimed at increasing the company's long-term value and aligning the interests of the management and executives with the interests of the shareholders of SAF-HOLLAND SE in the long-term. This takes the form of a Performance Share Unit Plan (PSUP), introduced in 2013, that considers both the company's performance and its share price development. The PSUP is intended to align the interests of the members of the Management Board and the shareholders even more clearly with a view to a sustainable increase in the value of the company. The current share price of the company therefore has a significant influence on both the number of shares allocated at the start of the performance share unit plan and the payout amount at the end of the program. The share price performance thus has a direct impact on the achievement of individual targets and ultimately determines the personal payout amount. The decision to use the PSUP as an absolute value is based on the objective of being able to measure remuneration directly against the actual value created for shareholders over a specific period of time.

In addition, since fiscal year 2022, the LTI has been linked to an ESG target and is therefore in line with the German Corporate Governance Code. The financial targets are weighted at 80%, while the ESG target accounts for 20%. For the 2022 LTI, the ESG target was to improve working conditions. Based on the global employee survey conducted in fiscal year 2022, appropriate measures were derived and implemented in the following years. In order to review the success of these measures, an identical global employee survey was conducted again in fiscal year 2025. This showed that the targeted improvement of 10% could not be fully achieved, but that the measures implemented had nevertheless led to a significant improvement in working conditions.

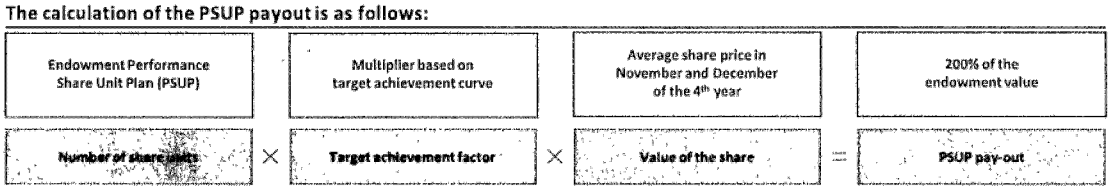
Starting in fiscal year 2023, the ESG target will be a 10% reduction in CO_2 emissions – within the LTI term of 4 years - , so that the long-term compensation component is clearly linked to sustainable corporate development.

The PSUP provides for a performance period of four years. In addition, the PSUP ensures the long-term commitment of the Management Board to the company and increases its motivation.

Participants receive virtual shares at the beginning of the performance period. The number of virtual shares at the beginning of the performance period is determined by dividing the respective endowment by the average share price in the last two months of the year preceding the grant. Upon expiration of the performance period, the number of virtual shares granted is adjusted by multiplying it by a target achievement factor. The target achievement factor is the ratio of the company's average performance (adjusted EBIT margin) during the performance period versus the average target value previously set for the performance period. The long-term variable remuneration is paid out with the payroll on the basis of the audited Consolidated Financial Statements.

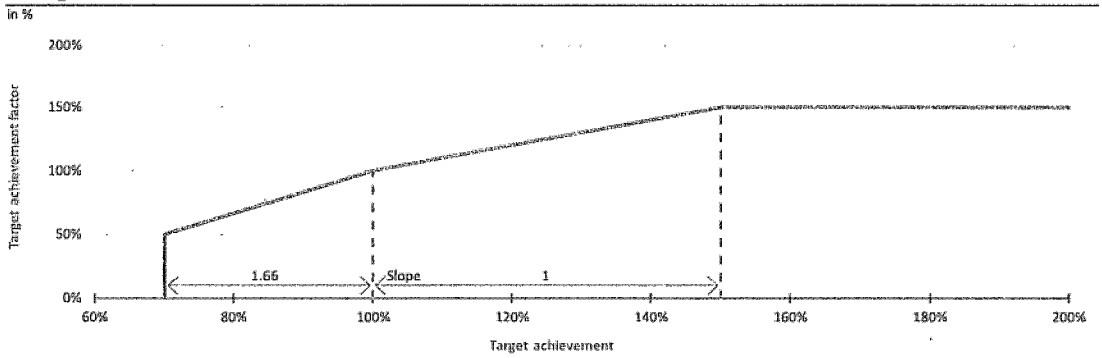
The participants' payout entitlement is determined by multiplying the virtual shares by the average closing share price of the last two months of the performance period and the target achievement factor. This procedure is used both to calculate the financial targets and the ESG target. The two values are then combined to determine the final combined target achievement factor.

The calculation of the PSUP payout is as follows:



The prerequisite for exercising value appreciation rights is the achievement of a defined performance target. The performance target has been met when the Group has achieved an average minimum operating performance measured by the performance indicator "adjusted EBIT margin" during the entitlement period. A level of target achievement that is below 70% results in a target achievement factor of "0" and no payment.

LTI target achievement curve



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A potential payout may be temporarily withheld by the Supervisory Board should imminent or urgent financial factors at SAF-HOLLAND SE and/or a Group company make the payment impossible. Generally, the Supervisory Board is allowed to suspend or terminate the LTI plan at any time. Rights under plans already granted cannot be subsequently changed without the participant's consent.

The maximum payout under the terms of the PSUP is 200% of the grant (maximum value) in each case. This cap, in conjunction with the fixed base salary and the upper limit for short-term variable remuneration of 150%, constitutes the maximum limit of remuneration for Management Board members.

If a Management Board member leaves the company prior to the expiration of the performance period as a result of death, disablement, disability or reaching the contractually agreed retirement age, the member or their surviving dependents will receive any potential payout on a pro rata basis on the due date for the payment.

The loss of all rights under the PSUP occurs only in the case of extraordinary termination by the company. In the event of termination of the employment contract for any other reason, payment shall be made at the time of payment in the amount that the Management Board member would have been entitled to at the time of payment. This determination of the amount takes any pro rata reduction into account.

Grants in fiscal year 2025

The LTI plan granted in fiscal year 2025 is based on the following performance indicators (basis: mid-term planning 2024):

Performance periode 2025–2028	
Average target value: Adjusted EBIT margin	9.65%
Average share price (issue price)	14.10 €
ESG target	Global CO_2 reduction by 10% to a target value of 16 g/EUR (Scope 1 + 2)

Grants (target amount divided by the issue price)

	Target amount in TEUR	Number of shares granted
Alexander Geis	640	45,390
Frank Lorenz-Dietz	355	25,177

Target achievement and payout in 2025

The following table shows the key figures for the LTI plan allocated for 2022, the corresponding target achievement and the resulting payout amount:

Calculation of LTI – PSUP 2022–2025

	2022	2023	2024	2025	Average
Results adjusted EBIT margin	8.0%	9.6%	10.1%	9.5%	9.3%
Target value PSUP 2022	8.33%				
Target achievement	111.64				
Target achievement factor	111.64				
Weighting	80.00%				
Target (at 100% target achievement)	Improvement of global working conditions (2025 compared to 2022)				
Target achievement	74.63				
Target achievement factor	53.31				
Weighting	20.00%				
Target achievement factor EBIT margin	80.00%	111.64		Combined	
Target achievement factor ESG target	20.00%	53.31		Target achievement factor	99.97

	in TEUR at 100% target achievement	Number of shares granted **	Combined target achievement factor	Allocation price Nov./Dec. 2025	Payment amount in TEUR	Payment achievement in %
Alexander Geis	404	33,061	99.97	14.36	475	117
Frank Lorenz-Dietz	Due to joining on January 1, 2023, there is no entitlement to the Performance Share Unit Plan 2020–2023.					
Dr. André Philipp (former member of the Management Board)	200*	16,367*	99.97	14.36	88*	117 -> 44*

*Pro rata 18/48, proportional calculation based on departure on June 30, 2023

** Share price Nov. / Dec. 2021: EUR 12,22

Supplementary clauses

Malus and clawback clauses

The Supervisory Board is permitted to take extraordinary developments and events appropriately into account. In such cases, the employment contracts of Management Board members provide for malus and clawback clauses. These largely concern the performance-based variable remuneration components, above all, the LTI. Entitlements to remuneration may be canceled in justified cases (malus). Alternatively, there is the option to reclaim a payment already made (clawback). The malus or clawback provision can apply when a Management Board member intentionally breaches a material duty and this breach of duty meets the definition of a "gross breach of duty," justifying the member's dismissal from the Management Board (Section 84 (3) of the German Stock Corporation Act (AktG).

In fiscal year 2025, the Supervisory Board did not see any reason to make use of the options to reduce the variable remuneration components, claw them back, or waive them entirely.

Post-contractual non-compete clause

Mr. Geis's employment contract contains a post-contractual non-competition clause, which prohibits him from working for or rendering services to a competitor for a period of one year after leaving the company. As consideration, he receives non-contractual compensation in accordance with Section 74 (2) HGB of 50% of his last drawn contractual remuneration package.

A contractual non-competition clause generally applies to all members of the Management Board during the terms of their contracts.

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Provisions for regular termination
No compensation has been promised to members of the Management Board in the event of regular termination of their contracts.

Severance clause
In the event of the early termination of the employment contract due to revocation of the appointment or any other cause of early termination, the decision of whether or not to grant a severance payment is at the company's discretion. Severance payments are always limited to a maximum of two years' total remuneration (i.e., annual base salary, short-term variable remuneration (STI) and long-term variable remuneration (LTI)). The calculation of the fixed annual remuneration is based on either the previous or the current year. When determining variable remuneration (STI and LTI), the amount of variable remuneration granted in the past fiscal year is to be used as a basis.

If the contract with a Management Board member is terminated for good cause for which the member is responsible or terminated at the request of the member, no severance payment shall be made.

When severance payments are made, they are to be credited against the non-competition compensation.

Disclosures on third-party benefits
No benefits were promised or granted to the members of the Management Board by third parties in fiscal year 2025.

Change of control
In the event of a change of control, every member of the Management Board has the right once to resign from office by observing a three-month notice period to the end of the respective month and to terminate the service contract on that same date. This extraordinary right of termination only exists within one month of the date on which the Management Board member becomes aware that a change of control as actually taken place. In the event of premature termination of the service contract due to a change of control, the Management Board member has no entitlement to severance pay.

Share ownership guidelines
The Management Board is contractually obliged to acquire and hold shares in the company amounting to one year's fixed salary. 50% of virtual shares under the LTI program and 100% of shares already acquired count toward this. The shares may be acquired within 48 months in four equal annual installments. The respective rules are contained in the Share Ownership Guidelines. This further aligns the Management Board's interests with those of the shareholders and additionally rewards the sustainable and long-term development of SAF-HOLLAND.

In the opinion of the Supervisory Board, the remuneration system, including the current LTI program, satisfies the requirements of comparable share ownership guidelines for the following reasons: (1) The performance of the virtual shares corresponds to the share price performance. (2) The members of the Management Board have no freedom of choice regarding the investments of their compensation, but are obliged to invest in the virtual shares. (3) Due to the annual granting and four-year performance period, the value of the virtual shares held after a four-year accumulation phase corresponds at least to the annual base salary of a Management Board member.

SUPERVISORY BOARD REMUNERATION

The currently valid remuneration paid to the members of the Supervisory Board is governed by Article 16 of the Articles of Association of SAF-HOLLAND SE. It has been in force since the company's Annual General Meeting on May 23, 2023, at which the proposed system of remuneration for Supervisory Board members and the proposed amendment to Article 16 of the Articles of Association were approved by a majority of 99.97%. The remuneration of the Supervisory Board is designed as purely fixed remuneration and is commensurate with the tasks of the Supervisory Board and the situation of the company. No performance-related or share-based remuneration components are granted.

Under the current remuneration system, the members of the Supervisory Board receive fixed annual remuneration and the members of the Audit Committee and the Nomination and Remuneration Committee receive additional remuneration for their work on the respective committees. The Chair and Deputy Chair of the Supervisory Board as well as the Chair of the Audit Committee and other committees receive additional remuneration. The remuneration of the Supervisory Board is as follows:

Remuneration of the Supervisory Board

FIXED REMUNERATION OF THE SUPERVISORY BOARD		
Chair EUR 120,000	Deputy Chair EUR 70,000	Member EUR 50,000

COMMITTEE WORK REMUNERATION			
Audit Committee		Nomination and Remuneration Committee	
Chair EUR 25,000	Member EUR 10,000	Chair EUR 20,000	Member EUR 7,500

The remuneration system therefore takes the greater time commitment of the Chairman and his deputy into account. The increased time required for committee work, both for their chairmen and their members, is also appropriately reflected in the remuneration.

For their participation in meetings of the Supervisory Board, members receive an attendance fee of EUR 1,000 per meeting. For their participation in a committee meeting, members receive an attendance fee of EUR 500 per meeting. The attendance fee is only paid once for several meetings held on the same day. Attendance of a meeting also includes attendance of a meeting held by telephone or video conference or participation in a meeting by telephone or video conference.

The company shall ensure that liability insurance exists for the benefit of the Supervisory Board members. In addition to the remuneration described in the above paragraphs, the company shall reimburse Supervisory Board members for any expenses reasonably incurred in the exercise of their Supervisory Board mandate and any value-added taxes payable on their remuneration and expenses.

Members of the Supervisory Board who serve on the Supervisory Board or one of its committees for only part of the fiscal year, or who hold the office of Chair or Vice Chair, receive pro-rata compensation. This applies mutatis mutandis to compensation for serving as Chair of a committee.

The remuneration is paid after the end of the Annual General Meeting that receives the Consolidated Financial Statements for the fiscal year for which the remuneration is paid or decides on their approval. Remuneration for fiscal year 2024 was paid in 2025; remuneration for fiscal year 2025 will thus be paid after the Annual General Meeting in 2026.

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No advances or loans were extended to Supervisory Board members or to former Supervisory Board members in 2025.

The total remuneration of the Supervisory Board members for 2025 amounted to EUR 496,811 (previous year: EUR 466,500).

The presentation of the Supervisory Board remuneration in 2025 now follows the concept of the service-orientation view, analogous to the presentation of the Management Board remuneration, and is distributed among the individual members as follows:

Remuneration granted and owed to the Supervisory Board for fiscal years 2024 and 2025 (in EUR thousand)

	Component of total remuneration												Total remuneration	
	Fixed Plenary remuneration (share of total remuneration in %)				Committee remuneration (share of total remuneration in %)				Meeting allowance (share of total remuneration in %)					
Member of the Supervisory Board	2024	in %	2025	in %	2024	in %	2025	in %	2024	in %	2025	in %	2024	2025
Dr. Martin Kleinschmitt	120.0	81%	120.0	80%	17.5	12%	17.5	12%	11.5	8%	12.0	8%	149.0	149.5
Ingrid Jägering	70.0	67%	26.8	68%	25.0	24%	9.6	24%	9.5	9%	3.0	8%	104.5	39.3
Carsten Reinhardt	50.0	76%	62.3	78%	7.5	11%	7.5	9%	8.5	13%	10.0	13%	66.0	78.8
Matthias Arleth	50.0	65%	50.0	64%	20.0	26%	20.0	25%	7.5	10%	8.5	11%	77.5	78.5
Jurate Keblyte	50.0	72%	50.0	71%	10.0	14%	10.0	14%	9.5	14%	10.0	14%	69.5	70.0
Dagmar Rehm	-	-	30.9	58%	-	-	15.4	29%	-	-	7.0	13%	-	53.3
Hans-Werner Kaas	-	-	21.3	81%	-	-	-	-	-	-	5.0	19%	-	26.3
Total	340.0	73%	361.3	73%	80.0	17%	80.0	16%	46.5	10%	55.5	11%	466.5	496.8

Voluntary commitment of the Supervisory Board to acquire shares

The members of the Supervisory Board made a voluntary commitment to purchase shares in fiscal year 2023. This voluntary commitment stipulates that in the first five years of their membership on the Supervisory Board, the members of the Supervisory Board will each acquire SAF-HOLLAND SE shares for 20% of their annual fixed remuneration (basic remuneration) and hold them for at least the duration of their membership. The voluntary commitment provides for a total of 100% of the fixed remuneration to be invested in shares over the five-year term. Shares have already been purchased for fiscal years 2022 to 2024. The next scheduled share purchase for the fiscal year 2025 will take place after the 2026 Annual General Meeting and is the responsibility of each individual member of the Supervisory Board. Through this voluntary commitment, the members of the Supervisory Board want to create a further element for aligning their interests with the long-term corporate success of SAF-HOLLAND SE.

REPORT OF THE INDEPENDENT AUDITOR ON THE FORMAL AUDIT OF THE REMUNERATION REPORT PURSUANT TO § [ARTICLE] 162 ABS. [PARAGRAPH] 3 AKTG

To SAF-HOLLAND SE, Bessenbach

OPINION

We have formally audited the remuneration report of the SAF-HOLLAND SE, Bessenbach, for the financial year from January 1 to December 31, 2025 to determine whether the disclosures pursuant to § [Article] 162 Abs. [paragraphs] 1 and 2 AktG [Aktiengesetz: German Stock Corporation Act] have been made in the remuneration report. In accordance with § [Article] 162 Abs. [paragraph] 3 AktG, we have not audited the content of the remuneration report.

In our opinion, the information required by § [Article] 162 Abs. [paragraphs] 1 and 2 AktG has been disclosed in all material respects in the accompanying remuneration report. Our opinion does not cover the content of the remuneration report.

BASIS FOR THE OPINION

We conducted our formal audit of the remuneration report in accordance with § [Article] 162 Abs. 3 AktG and IDW [Institut der Wirtschaftsprüfer: Institute of Public Auditors in Germany] Auditing Standard: The formal audit of the remuneration report in accordance with § [Article] 162 Abs. [paragraph] 3 AktG (IDW AuS 870 (09.2023)). Our responsibility under that provision and that standard is further described in the "Auditor's Responsibilities" section of our auditor's report. As an audit firm, we have complied with the requirements of the IDW Quality Management Standard: Requirements to quality management for audit firms [IDW Qualitätsmanagementstandard - IDW QMS 1 (09.2022)]. We have complied with the professional duties pursuant to the Professional Code for German Public Auditors and German Chartered Auditors [Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer - BS WP/vBP], including the requirements for independence.

RESPONSIBILITY OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

The management board and the supervisory board are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of § [Article] 162 AktG. They are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

AUDITOR'S RESPONSIBILITIES

Our objective is to obtain reasonable assurance about whether the information required by § [Article] 162 Abs. [paragraphs] 1 and 2 AktG has been disclosed in all material respects in the remuneration report and to express an opinion thereon in an auditor's report.

We planned and performed our audit to determine, through comparison of the disclosures made in the remuneration report with the disclosures required by § [Article] 162 Abs. [paragraphs] 1 and 2 AktG, the formal completeness of the remuneration report . In accordance with § [Article] 162 Abs. [paragraph] 3 AktG, we have not audited the accuracy of the disclosures, the completeness of the content of the individual disclosures, or the appropriate presentation of the remuneration report.

Frankfurt am Main, March 12, 2026

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Stefan Hartwig	Richard Gudd
Wirtschaftsprüfer	Wirtschaftsprüfer

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FUNDAMENTAL INFORMATION ABOUT THE GROUP

BUSINESS MODEL AND PRODUCT PORTFOLIO

The SAF-HOLLAND Group together with its Group companies is one of the world's leading manufacturers of chassis-related assemblies and components as well as air disc brakes for trailers, trucks, and buses.

The Group's business model comprises the development, production and sale of an extensive portfolio of one-stop-shop solutions for the commercial vehicle industry, which in the trailer segment includes axle and suspension systems, steering systems, landing gear and telematics systems, in particular. The main products in the truck segment include a comprehensive range of fifth wheels and other coupling systems. The company also supplies brake and air suspension systems as well as air control products for trailers, trucks and buses.

With this product range, the Group addresses the key issues facing its customers. On the one hand, this means optimizing the total cost of ownership – which includes all recurring and non-recurring costs, as well as direct and indirect purchase costs – and, on the other hand, includes megatrends in the commercial vehicle industry such as urbanization, digitalization, sustainability and automation, as well as the topics derived from these for the commercial vehicle industry: electrification, autonomous driving, traffic safety and telematics. The SAF-HOLLAND Group's lightweight solutions offer weight savings and can therefore help reduce fuel consumption and CO_2 emissions of truck and trailer combinations. By combining mechanics with sensors and electronics, SAF-HOLLAND is driving the digital networking of commercial vehicles and logistics chains.

SAF-HOLLAND not only sells its products to manufacturers of commercial vehicles (Original Equipment Manufacturers, OEMs), but is also in direct contact with its end customers, the fleet operators. With many of its products, such as axle and suspension systems, the specifications of the trailer are generally set by the fleet operators themselves, who then select their supplier. By maintaining direct contact, SAF-HOLLAND is in constant dialog with its customers, ensuring that the Group's product and solution portfolio is tailored to changing customer requirements.

In the OEM segment, SAF-HOLLAND mainly supplies manufacturers of trailers and semi-trailers (Trailer OEMs) as well as trucks and buses (Truck OEMs).

SAF-HOLLAND generates the greatest share of its sales with trailer manufacturers, who contributed 48.1% to Group sales in fiscal year 2025, while business with truck and bus manufacturers (Truck OEMs) accounted for 12.2% of Group sales in fiscal year 2025.

Besides the original equipment business, the aftermarket business represents another important pillar of the business model. SAF-HOLLAND serves these customers via a global network of around 10,000 spare parts and service stations, dealers and workshops. The prompt supply of spare parts is one important criterion for fleet operators when selecting their suppliers and at the same time acts as a barrier to entry for potential competitors. The aftermarket business primarily depends on the product population in the market and the wear and tear of the components, making it largely independent of the investment decisions of fleet operators in the original equipment business. This means that cyclical fluctuations in the original equipment business could be largely cushioned, which contributes significantly to the resilience of the SAF-HOLLAND business model. The aftermarket business contributed 39.7% to Group sales in fiscal year 2025.

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SAF-HOLLAND'S Product Brands

SAF	Holland	Haldex
Trailer Axles and Suspension Systems	Coupling and Lifting Technologies	Brake Systems and Air Suspension Solutions
assali STEFEN	KLL	NEWAY
Trailer Axles and Suspension Systems	Suspensions and Components for Commercial Vehicles	Suspensions for Trucks and Buses
Tecma	V.ORLANDI	YORK
Special Axle Systems and Suspensions	Coupling and Lifting Technologies	Trailer Axles and Suspensions Systems

SAF-HOLLAND sells its products worldwide under three main brands: SAF, Holland and Haldex. The brands Assali Stefen, KLL, Neway, Tecma, V.Orlandi, and York stand for a regional or technology-specific focus. In the aftermarket business, SAF-HOLLAND offers a broad product range that ensures the supply of spare parts for a vehicle over its entire life cycle and is marketed under various brands.

LOCATIONS

At the end of 2025, SAF-HOLLAND had 29 production plants in North and South America, Europe, Asia and Australia. In addition to plants in its core markets of Europe and North America, SAF-HOLLAND also has production facilities in India, Brazil, Türkiye, China and Australia.

In April 2025, a new production line for Haldex ModulT brake calipers and a new production line for air disc brakes (ADB) were commissioned at the site in Düzce, Türkiye. The lines incorporate the latest manufacturing and quality standards and ensure shorter logistics routes. In addition, another assembly line for fifth wheels was installed there in the third quarter to meet the needs of local customers from local production.

At the Rowlett plant in Texas, production of truck chassis, which had previously been manufactured at the Dumas North sites, commenced in the fourth quarter of 2025. This relocation is intended to improve production processes and increase efficiency in the long term.

QUALITY MANAGEMENT, PRODUCT QUALITY AND SAFETY

SAF-HOLLAND's main goal is to ensure that its products meet all of its customers' expectations and quality requirements. Since customers' end products are often functionally critical, the company pursues a consistent zero-defect strategy.

The SAF-HOLLAND Group operates globally. A key challenge is to recognize and understand the different customer requirements as well as the numerous different standards and market conditions. The company uses a number of key performance indicators to measure quality, customer satisfaction and delivery performance. One important metric is the number of defective parts rejected by customers.

Root cause analyses are also conducted at the plant level and countermeasures are defined if necessary. This is supported by the QRQC (Quick Response Quality Control) method, in which all employees are regularly trained.

MARKETS AND COMPETITIVE SITUATION

Europe and North America are the most important core markets for SAF-HOLLAND. SAF-HOLLAND is mainly active in the mid and premium segments in these markets. Other important sales markets for the Group are Brazil, India and Australia. Brazil is the largest sales market in South America. SAF-HOLLAND concentrates primarily on the premium segment in this market. In India, SAF-HOLLAND specifically serves the demand for particularly durable and reliable products in the mid- and upper-price segments. In Australia, SAF-HOLLAND offers a product portfolio that is designed to meet the country's typical requirements with long truck-trailer combinations (road trains) and long transportation routes as well as the mining industry.

In Europe and North America, the supplier markets for truck and trailer components have an oligopolistic competitive structure. SAF-HOLLAND is one of the three leading suppliers in each of the product segments of importance to the Group: axle and suspension systems for trailers, fifth wheels, disc and drum brake systems for trailers, landing gear, EBS and ABS systems and air control. In Europe, SAF-HOLLAND is the market leader in axles and suspension systems for trailers. In North America, SAF-HOLLAND is the market leader for fifth wheels. With its Group brand Haldex, SAF-HOLLAND is the leading supplier of disc brakes for trailers in Europe. SAF-HOLLAND is also the market leader in India for trailer axles following its acquisition of the York Group in 2018. SAF-HOLLAND strengthened its position by acquiring Tecma and Assali Stefen in fiscal year 2024, particularly in the area of special axle systems in the commercial vehicle industry. Today, SAF-HOLLAND offers comprehensive one-stop-shop solutions for trailers and trucks that are always tailored to the requirements of the respective market.

ECONOMIC AND REGULATORY FACTORS

Urbanization, digitalization, sustainability and automation are the most important key issues for the transport and logistics sector. Derived from these, electrification, digitalization, autonomous driving and road safety are the industry trends in the commercial vehicle industry.

URBANIZATION

The megatrend of urbanization is leading to the growing importance of urban delivery logistics worldwide. As population density increases, the complexity and frequency of transport operations are also increasing, while at the same time the requirements for safety and emission reduction as well as the predictability of supply chains are growing. This raises expectations for commercial vehicle suppliers to provide solutions that increase efficiency in daily operations and create long-term competitive advantages.

DIGITALIZATION

Connectivity solutions (including telematics systems) for trucks and trailers are a key element of digitalization in the transport and logistics sector as they enable fleet operators to analyze vehicle performance in detail. Vehicle connectivity helps to optimize uptime and capacity utilization as well as costs for repairs and maintenance (keyword: predictive maintenance) and therefore the total cost of ownership for trailers and trucks. The Axscend TrailerMaster telematics system networks certain trailer components with one another and provides digital vehicle and movement data in real time. All events can be monitored and controlled centrally via the Axscend TrailerMaster portal. The perfectly tailored hardware and software can be used for all types of trailers and ensures smooth and seamless documentation of trailer and transport processes.

SUSTAINABILITY

Due to the CO_2 emissions from road freight transport, the transport and logistics sector is facing increasing pressure from regulatory authorities, but also from consumers and investors. The focus is mainly on reducing fuel consumption, exhaust gas and brake dust emissions, but also the mechanical stress on the roads. This increases the need for weight-reduced components in particular. The quest for greater economic efficiency, the vision of emission-free cities with quieter vehicles, and the concept of a zero-carbon footprint are driving demand for alternative drive concepts in particular and leading the shift towards electric mobility.

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SAF-HOLLAND assists its customers as a key partner in the electrification of their fleets. One focus is on the electrification of trailer axles: the SAF TRAKr recuperation axle recovers energy during braking or coasting phases and makes it available either for storage in a battery or for supplying auxiliary consumers such as cooling, heating or tail lifts. In refrigerated vehicles in particular, this can reduce fuel consumption and CO_2 emissions.

For SAF-HOLLAND, sustainability also means assuming social responsibility and operating sustainably. To this end, the company identifies opportunities throughout the Group to use available resources sparingly. An overview of SAF-HOLLAND's sustainability activities in the areas of the Environment, Social Affairs, Governance and Compliance can be found in the chapter "Non-financial Statement."

AUTOMATION

The megatrend of automation is driving the industrial trend toward "autonomous driving" and thus the demand for system solutions that support automated processes in the interaction between the tractor and the trailer. This requires robust interfaces and intelligent integration of the relevant components. SAF-HOLLAND is addressing this development in particular with the SHAC automated coupling system and thus paving the way for fully automated driving in the future.

SEGMENTS

SAF-HOLLAND's operating business is divided into three regions, which form the reportable segments as defined by the International Financial Reporting Standards (IFRS):

- EMEA (Europe, Middle East and Africa)
- Americas
- APAC (Asia-Pacific)

The regions cover both the original equipment and the aftermarket businesses. Each segment is fully responsible for its own results and has the resources necessary to carry out its operational activities.

LEGAL STRUCTURE OF THE GROUP

SAF-HOLLAND SE is the parent company of the SAF-HOLLAND Group. The company has its headquarters in Bessenbach, Germany. It acts as the Group's holding company and is responsible for the strategic management of business activities. In addition, Group-wide central functions such as Group Finance, Group Accounting and Controlling, Internal Audit, Legal and Compliance, Human Resources, IT as well as Investor Relations, ESG and Corporate Communications are centrally organized and are the direct responsibility of the Management Board.

SAF-HOLLAND SE holds 100% of the shares in SAF-HOLLAND GmbH and Haldex AB, which in turn hold the interests in all regional subsidiaries and majority shareholdings. As of December 31, 2025, SAF-HOLLAND SE held direct or indirect interests in 56 companies that belong to the SAF-HOLLAND Group and are fully consolidated.

Investments in associates and joint ventures are included in the Consolidated Financial Statements using the equity method. These include Castmetal FWI S.A. and SAF-HOLLAND Nippon Ltd., in which SAF-HOLLAND Inc. holds 34.1% and 50% respectively.

CHANGES IN THE GROUP STRUCTURE

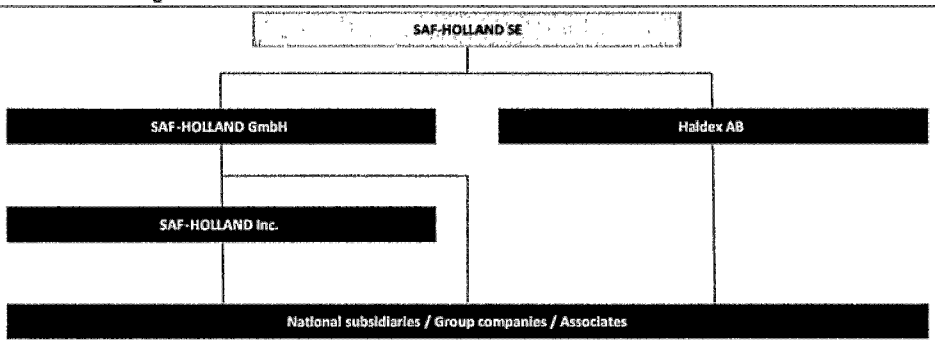
With effect from April 11, 2025, York Transport (India) Pty. Ltd acquired the remaining 40% of Haldex India Private Limited from its joint venture partner ANAND Group. In addition, the 49% stake in Shaanxi Fast Haldex Brake Products Co. Ltd. was sold to the joint venture partner in September.

Furthermore, the following companies within the SAF-HOLLAND Group were merged in 2025: BFA Service Srl was merged with Assali Stefen Srl on October 1, 2025. Softec S.r.l. was merged into Tecma S.r.l. with effect from January 1, 2025.

SAF-HOLLAND (Xiamen) Co., Ltd. and SAF (Xiamen) Axle Co., Ltd. were deconsolidated upon their liquidation in May 2025. In addition, YTE Special Products Pte Ltd. was liquidated and deconsolidated in July 2025. Corpco Beijing Technology and Development Co., Ltd. was liquidated and deconsolidated in October 2025.

A simplified overview of the legal structure of the SAF-HOLLAND Group is shown in the following diagram. A presentation of all SAF-HOLLAND Group companies as of December 31, 2025, can be found in the Consolidated Financial Statements under Note 7.6.

Simplified overview of the legal structure



GROUP MANAGEMENT

As a European company (Societas Europaea, SE), SAF-HOLLAND SE has a dual board structure consisting of a Management Board and a Supervisory Board. The Management Board is responsible for managing the company's affairs and is advised and monitored by the Supervisory Board.

Information on the composition of the Management Board and Supervisory Board, including the allocation of responsibilities in fiscal year 2025, can be found in the Corporate Governance Statement that is available on the company's website at https://corporate.safholland.com/en/cgs. In addition to the Declaration of Compliance in accordance with Section 161 of the German Stock Corporation Act (AktG), a description can be found of the working practices of the Management Board and the Supervisory Board, as well as information on the key corporate governance practices and an explanation of the diversity concept followed by SAF-HOLLAND.

GROUP MANAGEMENT

CONTROL SYSTEM

The Management Board is responsible for the strategic direction of the Group as well as its operational implementation. SAF-HOLLAND's internal Group management system is designed to support the implementation of the Group strategy and the related targets. The performance indicators used for management purposes are primarily based on cross-divisional business indicators, which are reflected in the annual budget and medium-term planning (planning horizon: 5 years), the quarterly forecasts and the monthly reporting to the Management Board.

This enables the Management Board to make timely decisions based on sound information regarding current and expected operational and economic business developments.

As a company that is aware of its environmental and social responsibility, SAF-HOLLAND also takes non-financial performance indicators, mainly from the environmental and social areas, into account. Detailed information on the material impacts, risks, and opportunities (IROs) for SAF-HOLLAND can be found in the chapter "Non-financial Statement." A detailed presentation of the key financial performance indicators as well as other key performance indicators, in particular their development over the past fiscal year, can be found in the "net assets, financial position and results of operations," chapter.

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KEY PERFORMANCE INDICATORS

The three most important key financial performance indicators for managing the company are:

- Sales
- Adjusted EBIT margin (ratio of earnings before interest and taxes, adjusted in particular for depreciation of property, plant and equipment and intangible assets from purchase price allocations, restructuring and transaction costs to sales)
- Capex ratio (ratio of capital expenditure on property, plant and equipment and intangible assets to sales)

The first two financial indicators shown are also the cornerstones of the Management Board's short-term variable remuneration scheme (see Remuneration Report).

SAF-HOLLAND plans, calculates and monitors these three indicators at both the Group and the segment level. For the Group, the consolidated indicators at the Group level are of the greatest importance.

OTHER PERFORMANCE INDICATORS

SAF-HOLLAND uses other key performance indicators to assess its business performance for company management and financial reporting purposes. In contrast to the key indicators already mentioned, no forecast within the meaning of GAS 20 is issued for these other performance indicators. These indicators include, in particular:

- Adjusted gross margin (ratio of adjusted gross profit to sales)
- Adjusted EBITDA margin (ratio of earnings before interest, taxes, depreciation and amortization of property, plant and equipment and intangible assets, in particular adjusted for restructuring and transaction costs to sales)
- EBIT (according to the income statement)
- Net working capital ratio (ratio of inventories and trade receivables less trade payables to sales of the last twelve months)
- Result for the period (EBIT less the financial result less income taxes)
- Net cash flow from operating activities
- Free operating cash flow (net cash flow from operating activities less investments in property, plant and equipment and intangible assets plus proceeds from the sale of property, plant and equipment)
- Total free cash flow (free operating cash flow less net cash flow from the acquisition of company shares)
- Net financial debt (total interest-bearing loans and borrowings and lease liabilities less cash and cash equivalents)
- Leverage ratio (ratio of net financial debt to EBITDA)
- Equity ratio (ratio of equity to total assets)
- Return on capital employed (ratio of adjusted EBIT for the last twelve months to total equity plus financial liabilities [excluding refinancing costs, including lease liabilities] plus pensions and similar obligations less cash and cash equivalents)

INDUSTRY- AND COMPANY-SPECIFIC LEADING INDICATORS

In the view of SAF-HOLLAND, the key leading indicators specific to the company are order intake and the order backlog. These are tracked on a daily basis by the respective Group companies and serve as an indication of the expected capacity utilization and the probable development of sales and earnings.

In addition, the management constantly monitors and analyzes statistics and forecasts on the general economic development as well as on the development of the trailer and truck markets in the relevant countries and regions. Such statistics include production and registration figures as well as order intake.

STRATEGY

COMPANY STRATEGY "DRIVE2030" SETS NEW MEDIUM-TERM GOALS

In March 2025, SAF-HOLLAND presented its new company strategy "drive2030," which defines new medium-term targets for the period up to 2030. Since then, "drive2030" has formed the basis for the company's business activities, replacing the previous Strategy 2025. The development of a new company strategy became necessary because the implementation of various initiatives meant that some of the key financial targets for 2025 had already been achieved ahead of schedule.

With the publication of "drive2030," the company has set the course for further profitable growth. The vision remains unchanged: SAF-HOLLAND wants to be the most trusted and reliable partner for its customers worldwide. In doing so, the company pursues its mission of taking a leading role in the transformation of mobility and accompanying its customers as a strong partner on the path to a sustainable future.

With its new company strategy "drive2030," SAF-HOLLAND has laid the foundation for continuing the successful growth course of recent years and further strengthening its position as a system supplier in global markets. The strategy is based on a robust business model with a resilient aftermarket business, a broadly diversified product portfolio, and an international presence and customer base. With its company strategy "drive2030," SAF-HOLLAND has defined a long-term orientation framework that integrates customer requirements, technology and market trends and the further development of the organization.

SAF-HOLLAND is aiming to increase its organic Group sales to over EUR 2,500 million by 2030 (2024: EUR 1,877 million). This would represent a compound annual growth rate (CAGR) of around 5%. The company expects additional contributions of at least EUR 500 million from acquisitions. Group sales are therefore expected to total more than EUR 3,000 million in 2030. This would be a compound annual growth rate (CAGR) of around 8%. In addition, the company expects an adjusted EBIT margin in the range of 10% to 12% (2024: 10.1%) by 2030.

THE STRATEGIC PILLARS OF "DRIVE2030"

The five strategic pillars of "drive2030" form SAF-HOLLAND's core competencies and thus the foundation for the company's future direction:

Customer focus

Customers are at the heart of SAF-HOLLAND – their needs always come first. The company therefore pursues the clear goal of comprehensively understanding its customers and promoting a strong customer-oriented culture. With its robust aftermarket business and digitally oriented business models, SAF-HOLLAND strives to serve its customers as effectively as possible.

Regional strength

Customer needs vary around the world. That is why SAF-HOLLAND is strengthening its local presence in the regions. The company gives the regions full responsibility and opportunities to serve local customers in the best possible way.

Technology as a key driver

SAF-HOLLAND promotes innovation in new technologies in all areas of the company to ensure the long-term success of its product and service portfolio. SAF-HOLLAND places customer value at the center of its activities, supporting its customers' businesses with cutting-edge technology. The company drives innovation in the areas of electrification, digitalization and autonomous driving, and supports the transportation industry in complying with changing regulations.

Broad product portfolio and growth

The company has significantly expanded its global presence and product portfolio and is now focusing on profitable growth – both organically and through targeted acquisitions. In doing so, SAF-HOLLAND will leverage economies of scale and realize additional synergies both within the current group of companies and through future acquisitions.

Operational excellence

SAF-HOLLAND continuously improves efficiency in the value chain to maximize quality, consistency, adaptability and cost efficiency. The health and safety of employees is a top priority. This is supported by global standards in all regions and the digitalization of operational processes.

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The two cross-cutting themes of employees and sustainability form the cornerstones of the strategy:

Employees
SAF-HOLLAND strives to be an employer of choice. To this end, the company aims to build and develop a competent, committed and diverse workforce. The company invests in its employees and promotes lifelong learning with mobile and flexible working.

Sustainability
The company cares about the environment, society, and good corporate governance and wants to contribute to the transition to net-zero energy consumption. Sustainability plays a major role in all strategic pillars to ensure long-term business success.

STRATEGIC FOCUS AREAS
To operationalize "drive2030", SAF-HOLLAND has defined the following strategic areas of action, which are intended to enable developments that exceed the growth of the market:

- Expansion of system supplier positioning and targeted cross-selling across the Group portfolio
- Technology and innovation initiatives along key megatrends (e.g., connected solutions, electrification)
- Expansion into new applications and adjacent industries with current products and by adapting solutions to additional fields of application
- Strengthening the retrofit business with digital solutions and expanding the service network as a stability- and earnings-relevant component of the business model

In addition to the strategic fields of action, "drive2030" places a clear focus on increasing efficiency along the entire value chain – from the procurement of materials and services to internal processes and delivery to the customer. Sustainability is anchored in every stage of the value chain in order to gradually reduce greenhouse gas emissions in the coming years and make a significant contribution to achieving the Paris climate targets by 2050.

RESEARCH AND DEVELOPMENT

In order to secure its position in the commercial vehicle market and the company's technology base in the long term, the SAF-HOLLAND Group places great strategic importance on its development activities. The development activities at SAF-HOLLAND are aimed at offering customers products that reduce their total cost of ownership (TCO) and thus ensure efficient fleet operation. New or further developments are aimed at optimizing processes, minimizing the use of materials, or improving the functionality or efficiency of products and thus customer benefits.

The development focus is on the topics of safety, durability and lightweight construction, which are all relevant from the customer's perspective, as well as on the innovation trends of the commercial vehicle industry: digitalization, electrification, autonomous driving and sustainability. Safety and the quality of the products have top priority for SAF-HOLLAND. Ongoing quality tests already in the development process are extremely important. In addition, measures aimed at minimizing the product defect rate are implemented in the product development phase. In order to optimize the weight of trucks and trailers, SAF-HOLLAND develops lightweight components, which can reduce fuel consumption and thus CO_2 emissions.

Regional market requirements and customer preferences differ in the most important commercial vehicle markets of EMEA, North and South America, China and India. In order to meet the diverse legal requirements and registration conditions, in addition to new and further developments, an additional focus of development activities is on the adaptation of current solutions to meet regional requirements. SAF-HOLLAND is therefore present in the above-mentioned markets with developers and engineers. The direct proximity to its customers ensures that the market knowledge of the locally based units flows directly into product development.

RESEARCH AND DEVELOPMENT PRIORITIES IN 2025
Research and development activities in fiscal year 2025 were again determined by the two megatrends of electrification and digitalization as well as the focus on cybersecurity. In addition, development activities and academic research were conducted in the field of brake particle emissions to ensure compliance with the EURO7 standard. On the product side,

development activities focused on the TRAKr electrified trailer axle, the SHAC automatic coupling system, and an expanded range of services and functions for a better customer experience through telematics.

Electrified axle family TRAKr

Electrification is one of the most important technology trends in the commercial vehicle industry. In recent years, SAF-HOLLAND has put considerable resources and investments into the development of electrified trailer axles and built up expertise in this area. The electrified trailer axle SAF TRAKr is designed to help reduce CO_2 emissions from vehicles and support customers in complying with future emission standards.

The design of the SAF TRAKr offers several advantages for trailer manufacturers and fleet operators, such as low weight, easy installation and maintenance, a wide range of products including twin tires and small installation space.

SAF TRAKr has already been successfully launched in Europe and Australia. SAF-HOLLAND is also preparing to enter the North American market. Technical adjustments have been made to meet the specific requirements of the North American market. The market launch schedule is being continuously reviewed, taking regulatory conditions, available subsidy programs, infrastructure provision, and general market dynamics in the field of electrification into account.

At the same time, SAF-HOLLAND is working on further improvements and additional functions for the electric axle. Among other developments, an air-cooled generator for program expansion is currently being validated.

New air disc brake for trucks

ModulT is a proven air disc brake for trailers and tractor units. Smaller sizes (17.5" and 19.5") have already been introduced to the market for trucks. In North America and China, development activities and vehicle testing continued in close cooperation with original equipment customers. The 22.5" version is in the final stages of market launch in Europe. This is expected to be completed in the first half of 2026. This will complete the range of air disc brakes for truck and bus customers.

SAF-HOLLAND Automatic Coupling – SHAC

The development of the SHAC Automatic Coupling system between tractor units and trailers continued apace during the reporting year. SHAC enables coupling and uncoupling without driver intervention. The system increases efficiency and improves working conditions for drivers, particularly when coupling operations are frequent. SHAC is also a key technology for autonomous vehicle combinations, as it enables flexible combination of vehicles without fixed tractor-trailer combinations.

Telematics

The telematics application Trailermaster from the Group company Axscend provides valuable vehicle data for drivers and fleet management, enabling vehicle utilization to be maximized and downtime to be minimized. The customer range in the field of telematics was continuously expanded in 2025. Additional sensors and functions are currently being developed to tap further efficiency potential and enable the transition from reactive diagnostics to proactive forecasting. This will give fleet operators improved planning options for maintenance and routes.

STRATEGIC COOPERATION WITH CUSTOMERS AND RESEARCH INSTITUTIONS

SAF-HOLLAND collaborates closely with its customers in all areas of product development, but also with research and development institutes, suppliers and other external partners. This way, customer requirements can be addressed directly and taken into account in the development of new products and technologies, thus minimizing development risks. This ensures rapid marketing. For competitive reasons, we refrain from publishing the concrete contents of these development cooperations.

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R&D EXPENSES

In fiscal year 2025, total research and development expenses amounted to EUR 39.9 million (previous year: EUR 45.0 million). In relation to Group sales, this resulted in an R&D ratio of 2.3% (previous year: 2.4%).

EMPLOYEES IN R&D

As of December 31, 2025, SAF-HOLLAND employed 284 people worldwide in research and development (previous year: 302). This equates to around 5.1% of the workforce.

PRIORITY APPLICATIONS

SAF-HOLLAND again recorded a double-digit number of priority applications in fiscal year 2025 with 24 new applications. A priority application is the first application for a patent or patent family at a patent office. It is usually accompanied by a number of other partial or supplementary applications.

Multi-period overview of research and development

	2025	2024	2023	2022	2021
R&D expenses including capitalized development costs (in EUR million)	39.9	45.0	43.2	23.2	20.2
R&D ratio (R&D expenses as a percentage of sales)	2.3%	2.4%	1.8%	1.5%	1.6%
Capitalization rate (as a percentage of R&D expenses)	15.0 %	13.3%	11.0%	20.9%	16.1%
Depreciation, amortization and impairment (in EUR million)	–4.9	–7.2	–6.2	–2.8	–2.5
Number of employees in development, design and testing	284	302	300	188	168
Number of priority applications	24	21	14	12	12

REPORT ON ECONOMIC POSITION

ECONOMIC SITUATION

MACROECONOMIC CONDITIONS: GLOBAL ECONOMY GROWS BY 3.3% IN 2025

The global economy proved resilient overall in 2025. According to estimates by the International Monetary Fund (IMF), global economic output grew by 3.3% in the reporting year. Global economic growth in 2025 was thus on par with the previous year. However, as in the previous year, the stable overall development was characterized by significantly diverging regional growth trends.

The United States continued to record solid economic growth in 2025. The US economy grew by 2.1%, supported by continued robust consumer demand and lively investment activity, particularly in technology-driven sectors.

In the major emerging economies, economic momentum remained high overall. According to the IMF's estimates, China achieved growth of 5.0% in 2025, benefiting from government support measures and stable export development, while domestic demand remained subdued. India once again performed very dynamically, achieving economic growth of 7.3%, driven by a strong industrial economy and sustained high investment activity.

In the eurozone, economic development improved slightly compared to the previous year. According to the IMF, real gross domestic product rose by 1.4% in 2025. However, development within the monetary union remained heterogeneous. While some countries benefited from a more robust domestic economy, the recovery in other countries was more moderate. The German economy grew by only 0.2% in 2025, falling short of the eurozone average. Structural weaknesses in the manufacturing sector and continued subdued export demand had a particularly negative impact. Growth also remained comparatively subdued in France (+0.8%) and Italy (+0.5%). By contrast, the Spanish economy performed much more dynamically, growing by 2.9%.

All in all, 2025 was characterized by stable but regionally uneven global economic development. North America and large parts of Asia proved to be the key growth drivers, while economic momentum remained subdued in large parts of Europe, especially in Germany.

Economic development in key markets

in %	2024	2025
Eurozone	0.9	1.4
Germany	–0.5	0.2
United States	2.8	2.1
Brazil	3.4	2.5
India	6.5	7.3
China	5.0	5.0
World	3.3	3.3

Source: International Monetary Fund, World Economic Outlook Update, January 2026

INDUSTRY ENVIRONMENT

With its products for the commercial vehicle industry, SAF-HOLLAND serves the Original Equipment Trailer, Original Equipment Truck and Aftermarket customer groups, which are of varying importance in the respective regions. The majority of sales are attributable to the Original Equipment Trailer and Aftermarket customer groups in particular. In fiscal year 2025, the Original Equipment Trailer customer group accounted for 48.1% of Group sales, while the Aftermarket business accounted for 39.7%. The Original Equipment Truck customer group, which generates most of its sales in the Americas region, accounted for 12.2% of Group sales in fiscal year 2025.

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DECLINING DEVELOPMENT IN MANY COMMERCIAL VEHICLE MARKETS

As expected, the **European commercial vehicle market** was weaker in the first few months of the year. The European trailer market was characterized by significant declines in production, particularly in the first half of the year, but stabilized from the third quarter on. According to SAF-HOLLAND's assessment, the European trailer market recorded stable to slightly negative growth for 2025 as a whole.

The heavy truck market also saw declines in production at the beginning of the year. However, a recovery set in from the second quarter on, which continued throughout the rest of the year. According to SAF-HOLLAND's estimates, the European heavy truck market developed slightly positively over the year as a whole.

The commercial vehicle market in **North America** declined in 2025 in both the truck and trailer markets. This was due in particular to the ongoing uncertainty surrounding US trade policy and repeated adjustments to import tariffs. According to ACT Research (Americas Commercial Transportation Research Company), 251,247 Class 8 trucks were manufactured in North America in 2025, a decline of around 24% compared to the previous year. In the trailer market, production amounted to 239,028 units in the same period, which was around 20% below the previous year's level.

The **Brazilian** trailer market showed pronounced market weakness across all quarters. According to ANFIR (Associação Nacional Fabricantes de Implementos Rodoviários), the trailer market declined by around 20% in 2025. The main reasons for this were increased financing costs and more restrictive lending, which had a dampening effect on demand. This negative environment also affected the truck market, which had still been growing at the beginning of the year. According to ANFAVEA (Associação Nacional dos Fabricantes de Veículos Automotores), around 12% fewer trucks were manufactured in 2025 as a whole than in the same period of the previous year.

By contrast, the commercial vehicle markets in **China** ended 2025 with significant production growth. According to SAF-HOLLAND's estimates, the Chinese trailer market grew by around 26%, while the market for heavy trucks grew by as much as around 32%. The strong increase in both segments is primarily attributable to increased transport volumes and subsidy-oriented economic policy, which includes, among other things, incentive programs for scrapping and replacing trucks with older emission standards.

The **Indian commercial vehicle market** in 2025 was characterized by uncertainties related to geopolitical conditions and US import tariffs. The impact of heavy rainfall during the main rainy season on the mining industry also had a negative effect. However, a positive trend emerged from the third quarter on. According to SAF-HOLLAND's assessment, the Indian trailer market developed slightly negatively over the year as a whole, while around 11% more vehicles were produced in the truck market.

TARGET ACHIEVEMENT

SALES TARGET REVISED – MARGIN TARGET RAISED

SAF-HOLLAND published its original forecast for fiscal year 2025 on March 20, 2025. At that time, the Management Board anticipated regional differences in demand. In the core markets of EMEA and North America, weak truck and trailer markets were expected to continue in the first half of 2025, while a recovery was forecast for the second half of the year. In the APAC region, SAF-HOLLAND anticipated growth, particularly due to the Indian market. Stable development was assumed for the aftermarket business. Overall, the Management Board expected Group sales to be in the range of EUR 1,850 million to EUR 2,000 million (previous year: EUR 1,876.7 million) in fiscal year 2025 based on stable exchange rates.

In addition, SAF-HOLLAND anticipated an adjusted EBIT margin of 9% to 10% at that time (previous year: 10.1%). It was expected that the stable aftermarket business would continue to support profitability. On the other hand, general inflation-related cost increases and higher wage and freight costs were expected to have a negative impact, which could not be offset to the same extent by efficiency and cost-saving measures. In addition, SAF-HOLLAND anticipated costs in connection with the implementation of SAP S/4 HANA to be roughly the same as in the previous year, but with a lower capitalization rate.

In order to achieve its medium and long-term growth targets and position the company for the future in terms of products, the Group planned an investment ratio of up to 3% of Group sales for fiscal year 2025 (previous year: 3.1%).

On July 29, 2025, SAF-HOLLAND adjusted its sales forecast for fiscal year 2025 based on updated expectations for the rest of the year. Against the backdrop of increased consumer reluctance to spend as a result of US trade policy and uncertainties surrounding the introduction of the EPA27 emissions standard for trucks from model year 2027 on, the business environment in key commercial vehicle markets, particularly in North America and Asia, had continued to deteriorate. For the EMEA region, SAF-HOLLAND anticipated a moderate market recovery for trailers and trucks starting in the second half of 2025, following a slight upturn in order intake in the first half of the year. Additional positive momentum was expected to arise in the Indian trailer market towards the end of the year.

At that time, the company expected Group sales of around EUR 1,800 million (previously EUR 1,850 million to EUR 2,000 million). Due to the weaker earnings contributions from the high-margin regions of Americas and APAC, an adjusted EBIT margin of around 9.3% was expected (previously: 9.0% to 10.0%). Capital expenditure was still expected to amount to up to 3% of Group sales.

On November 3, 2025, SAF-HOLLAND again adjusted its sales forecast for fiscal year 2025 based on updated expectations. In the North American truck market, the business environment had further deteriorated as a result of ongoing uncertainties caused by US tariff policy, which led to noticeable consumer reluctance. In the APAC region, as well, the market recovery was weaker than expected, particularly in the Indian and Southeast Asian businesses, where the reluctance of customers with end users in the US had a negative impact. In the European trailer market, the positive momentum recorded in the second quarter could not be sustained; in addition, negative currency effects had a negative impact on the development of sales.

The company therefore updated its sales forecast, expecting Group sales of between EUR 1,700 million and EUR 1,750 million (previously: around EUR 1,800 million).

With sales of EUR 1,734.4 million, SAF-HOLLAND achieved its sales forecast. The forecast for the adjusted EBIT margin was slightly exceeded at 9.5%. At 3.0%, the capex ratio remained below the forecast upper limit.

Comparison of actual and forecast business performance

Indicator	2024 result	2025 forecast on March 20, 2025	Adjustment on July 29, 2025	Adjustment on November 3, 2025	2025 result
Sales (in EUR million)	1,876.7	1,850 – 2,000	around 1,800	1,700 – 1,750	1,734.4
Adjusted EBIT margin	10.1%	9.0% – 10.0%	around 9.3%	–	9.5%
Capex ratio	3.1%	Up to 3%	–	–	3.0%

SIGNIFICANT EVENTS IN FISCAL YEAR 2025

PERSONNEL NEWS

SAF-HOLLAND SE made several important personnel decisions in fiscal year 2025 to secure the long-term management of the company and consistently implement the Group's "drive2030" strategy.

In August 2025, the Supervisory Board of SAF-HOLLAND SE extended the appointment of CEO Alexander Geis ahead of schedule by five years through June 30, 2031, to ensure continuity in the strategic management of the Group. In March 2025, the appointment of Frank Lorenz-Dietz as Chief Financial Officer had already been extended for a further three years through December 31, 2028.

In addition, Matthew Wolfe was appointed President of the Americas region effective June 1, 2025. He succeeded Kent Jones, who left the Group at his own request. In his new role, Matthew Wolfe is responsible for the further development of the Americas region and the implementation of strategic initiatives as part of the Group's "drive2030" strategy with the aim of further strengthening SAF-HOLLAND's market position.

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SAF-HOLLAND SETS NEW MEDIUM-TERM GOALS WITH ITS "DRIVE2030" COMPANY STRATEGY
SAF-HOLLAND presented its new company strategy "drive2030" at a Capital Markets Day.

The "drive2030" strategy is based on five strategic pillars: "customer focus," "regional strength," "technology as a key enabler," "leverage portfolio and drive growth", and "operational excellence." The fundamental cross-cutting themes of "people focus" and "sustainability" form the basis for the company's future success.

A detailed description of the "drive2030" strategy can be found in the chapter "Fundamental Information about the Group."

SAF-HOLLAND ACQUIRES OUTSTANDING SHARES IN INDIAN JOINT VENTURE HALDEX INDIA PVT. LTD.
Effective April 11, 2025, SAF-HOLLAND SE acquired the 40% stake in Haldex India Pvt. Ltd. ("Haldex India") previously held by its joint venture partner ANAND Group. Founded in 1996, the joint venture in which SAF-HOLLAND already held a 60% stake following the acquisition of Haldex is a leading manufacturer of automatic and manual linkage adjusters and products for pneumatic brake systems for trucks and trailers in India.

The complete acquisition of Haldex India represents a significant step in SAF-HOLLAND's "drive2030" strategy. It serves to further strengthen the company's market position in the Indian commercial vehicle market and will enable it to exploit the growth potential there in an even more targeted manner.

ANNUAL GENERAL MEETING 2025
The Annual General Meeting of SAF-HOLLAND SE held on May 20, 2025, approved all of the management's proposed resolutions, including the proposal by the Management Board and Supervisory Board to pay a dividend of EUR 0.85 per share.

The Annual General Meeting also approved the proposal to expand the Supervisory Board from five to six members and, following the announced resignation of Ingrid Jägering, elected two new members to the Supervisory Board: Dagmar Rehm and Hans-Werner Kaas. Mrs. Jägering had decided to resign from the Supervisory Board at the end of the Annual General Meeting on May 20, 2025. At the subsequent meeting of the Supervisory Board, Mrs. Rehm was elected Chairwoman of the Audit Committee and Carsten Reinhardt was elected Deputy Chairman of the Supervisory Board.

SAF-HOLLAND PLACES A PROMISSORY NOTE TRANSACTION WITH A VOLUME OF EUR 330 MILLION
In July 2025, SAF-HOLLAND successfully placed a promissory note transaction with a volume of EUR 330 million through its subsidiary SAF-HOLLAND GmbH, which was and will be used to refinance current maturities. The transaction met with high demand from domestic and foreign investors. As a result, the originally targeted volume of EUR 150 million was more than doubled and ultimately increased to EUR 330 million. The tranches of the promissory note loan have variable and fixed interest rates and terms of three, four, five, and seven years. The entire volume was allocated at interest rates at the lower end of the respective marketing range. Payment will be made with value dates of July 18, 2025, and June 26, 2026.

SHARE BUYBACK PROGRAM
On November 11, 2025, the Management Board of SAF-HOLLAND SE, with the approval of the Supervisory Board, decided to conduct a share buyback program. Between the end of November 2025 and December 31, 2026, treasury shares with a total volume of up to EUR 40 million (excluding incidental acquisition costs) are to be repurchased. The program is based on the authorization granted by the Annual General Meeting on June 10, 2021, with a renewal of this authorization to be proposed at the Annual General Meeting on May 21, 2026. The program will be implemented in accordance with the applicable safe harbor provisions of the Market Abuse Regulation.

The buyback is being carried out against the backdrop of a robust liquidity position and a solid financing structure, under which all maturities until March 2027 have already been secured through refinancing. With the share buyback, SAF-HOLLAND is underlining its confidence in its own strength and long-term growth potential, as well as its commitment to sustainable value creation for its shareholders.

As of December 31, 2025, the company had acquired a total of 366,453 shares at a gross purchase price of approximately EUR 5.3 million.

EARNINGS, ASSET AND FINANCIAL POSITION

EARNINGS POSITION

Weaker market environment leads to a decline in Group sales

SAF-HOLLAND's Group sales amounted to EUR 1,734.4 million in fiscal year 2025 (previous year: EUR 1,876.7 million). This represents a decline of 7.6%, which is mainly attributable to weak customer demand in the original equipment segment in the Americas and APAC regions.

In organic terms – i.e. excluding the impact of currency and acquisition effects – Group sales declined by EUR 122.3 million or 6.5% in fiscal year 2025.

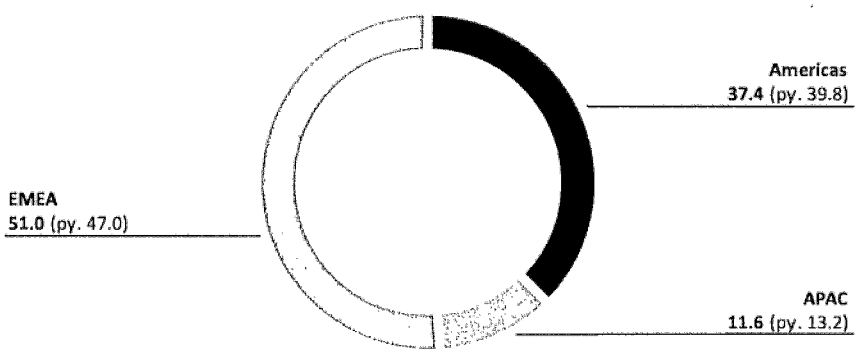
In addition, currency effects had a negative impact on the development of sales, amounting to EUR 43.9 million or 2.3% in fiscal year 2025.

On the other hand, acquisition effects of EUR 23.9 million resulting from the acquisitions of the Italian companies Tecma (consolidated as of April 2, 2024) and Assali Stefen (consolidated as of July 31, 2024) had a positive impact on sales.

The distribution of Group sales by region in fiscal year 2025 was significantly influenced by the challenging market environment. With sales of EUR 884.3 million (previous year: EUR 882.8 million), the EMEA region increased its share of Group sales to 51.0% (previous year: 47.0%). This means the EMEA region remains the company's largest region in terms of Group sales. The Americas region's share of Group sales declined to 37.4% (previous year: 39.8%) with sales of EUR 649.1 million (previous year: EUR 747.3 million). This was due to the sharp decline in the truck and trailer original equipment markets, particularly in North America. The APAC region's share of Group sales also declined, reaching 11.6% (previous year: 13.2%) or EUR 201.0 million (previous year: EUR 246.6 million).

Group sales by segment 2025

in %



Group sales by region

in EUR thousand	Q1–Q4/2025	Q1–Q4/2024	Change absolute	Change in %
EMEA	884,256	882,764	1,492	0.2%
in % of Group sales	51.0%	47.0%		
Americas	649,139	747,335	–98,196	–13.1%
in % of Group sales	37.4%	39.8%		
APAC	200,969	246,648	–45,679	–18.5%
in % of Group sales	11.6%	13.2%		
Group sales	**1,734,364**	**1,876,747**	**–142,383**	**–7.6%**

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Share of sales from the cyclically resilient aftermarket business continues to rise

Following strong growth in the original equipment business in previous years, which led to an increase in the product population in the market, and weaker demand in the original equipment business in the reporting year, the share of Group sales accounted for by the aftermarket business, which is more cyclically resilient, continued to rise. The aftermarket business made a noticeably higher contribution to Group sales at 39.7% (previous year: 37.9%) and achieved sales of EUR 689.0 million (previous year: EUR 711.9 million). The share of Group sales accounted for by the Original Equipment Trailer customer segment remained virtually stable at 48.1% (previous year: 48.8%) and amounted to EUR 834.3 million (previous year: EUR 915.6 million). This was due to the decline in demand in all three regions. The share of sales from the Original Equipment Truck business decreased to 12.2% (previous year: 13.3%) or EUR 211.0 million (previous year: EUR 249.2 million). This is primarily attributable to weaker original equipment markets in the Americas region as a result of uncertainties surrounding US tariff policy. Overall, the original equipment business accounted for 60.3% (previous year: 62.1%) of Group sales.

Group sales by customer segment

in EUR thousand	Q1–Q4/2025	Q1–Q4/2024	Change absolute	Change in %
Original Equipment Trailer	834,310	915,626	–81,316	–8.9%
in % of Group sales	48.1%	48.8%		
Original Equipment Truck	211,044	249,176	–38,132	–15.3%
in % of Group sales	12.2%	13.3%		
Aftermarket business	689,010	711,945	–22,935	–3.2%
in % of Group sales	39.7%	37.9%		
Group sales	1,734,364	1,876,747	–142,383	–7.6%

Gross margin

The individual expense items in the income statement showed diverging trends in fiscal year 2025. Comparability with the same period of the previous year is limited in some cases, as the Group companies Tecma (consolidated as of April 2 in the previous year) and Assali Stefen (consolidated as of July 31 in the previous year) were consolidated for the entire period for the first time in the reporting year.

Cost of sales declined by EUR 111.8 million or 7.7% to EUR 1,374.2 million in fiscal year 2025 compared to the previous year (previous year: EUR 1,459.0 million). This development is partly attributable to the market-driven decline in sales volumes and favorable material cost trends resulting from the higher proportion of aftermarket business, while additional costs arising from US tariff policy and a partial reduction in fixed cost coverage offset this. As this decline was nearly proportional to the development of sales, the cost of sales ratio was 77.7%, unchanged from the previous year (previous year: 77.7%). As a result, gross profit amounted to EUR 387.2 million (previous year: EUR 417.7 million), down 7.3% on the previous year. The gross margin (ratio of gross profit to sales) was accordingly 22.3% (previous year: 22.3%) (see Note 5.2).

It should also be noted that cost of sales included amortization from purchase price allocations of EUR 6.4 million (previous year: EUR 6.6 million) and restructuring expenses of EUR 5.4 million (previous year: EUR 0.8 million) in connection with capacity adjustments and a reorganization of the US plant network, among other factors. The previous year also included depreciation from the step-up purchase price allocation from the inventory valuation of Assali Stefen in the amount of EUR 0.3 million.

Operating result

The operating result reached EUR 128.5 million in fiscal year 2025 (previous year: EUR 161.2 million), down 20.3% on the previous year. The balance of other expenses and income, selling and administrative expenses and research and development expenses amounted to EUR 258.7 million (previous year: EUR 256.5 million), which was nearly at the previous year's level. This was negatively impacted by adverse transaction-related exchange rate effects, which mainly affected the Swedish krona. In relation to Group sales, the corresponding ratio increased from 13.7% to 14.9%. Due to the aforementioned acquisitions, these cost items include amortization from purchase price allocations of EUR 15.9 million (previous year: EUR 16.8 million) and restructuring and transaction costs of EUR 7.4 million (previous year: EUR 4.0 million).

Earnings development

in EUR thousand	Q1–Q4/2025	Q1–Q4/2024	Change absolute	Change in %
Sales	1,734,364	1,876,747	–142,383	–7.6%
Cost of sales	–1,347,194	–1,459,019	111,825	–7.7%
Gross profit	387,170	417,728	–30,558	–7.3%
Gross profit margin in %	22.3%	22.3%		
Adjusted gross profit	398,996	425,507	–26,511	–6.2%
Adjusted gross profit margin in %	23.0%	22.7%		
Other income	4,255	4,449	–194	–4.4%
Selling expenses	–111,789	–110,052	–1,737	1.6%
Administrative expenses	–117,253	–111,945	–5,308	4.7%
Research and development expenses	–33,914	–39,001	5,087	–13.0%
Operating result	**128,469**	**161,179**	**–32,710**	**–20.3%**

EBIT and the EBITDA margin

Earnings before interest, taxes, depreciation and amortization (EBITDA) declined by 12.2% from EUR 252.4 million to EUR 221.7 million in fiscal year 2025 despite consistent cost adjustments in the original equipment business, a favorable product mix with a higher share of aftermarket business and the continued realization of synergies from the integration of Haldex. The EBITDA margin was 12.8% (previous year: 13.4%).

Due to the decline in the operating result and the share of earnings from companies accounted for using the equity method, earnings before interest and taxes (EBIT) fell by 20.2% from EUR 161.4 million to EUR 128.9 million in fiscal year 2025. The EBIT margin reached 7.4% (previous year: 8.6%).

Reconcilliation of operating result to adjusted EBIT

in EUR thousand	Q1–Q4/2025	Q1–Q4/2024	Change absolute	Change in %
Operating result	128,469	161,179	–32,710	–20.3%
Share of net profit of investments accounted for using the equity method	448	270	178	65.9%
EBIT	128,917	161,449	–32,532	–20.2%
EBIT margin in %	7.4%	8.6%		
Additional depreciation and amortization from PPA	22,335	23,414	–1,079	–4.6%
Restructuring and transaction costs	12,787	5,240	7,547	144.0%
Step-up purchase price allocation from the valuation of inventories from acquisitions	–	347	–347	–
Adjusted EBIT	164,039	190,450	–26,411	–13.9%
Adjusted EBIT margin in %	9.5%	10.1%		
Depreciation and amortization of intangible assets and property, plant and equipment	67,069	67,542	–473	–0.7%
Adjusted EBITDA	231,108	257,992	–26,884	–10.4%
Adjusted EBITDA margin in %	13.3%	13.7%		
EBITDA	221,669	252,405	–30,736	–12.2%
EBITDA margin in %	12.8%	13.4%		

Adjusted EBIT adjusted for non-recurring and acquisition-related expenses and income

In order to manage and present the underlying operating earnings situation of the Group, SAF-HOLLAND adjusts for special effects outside of ordinary business activities. These include depreciation and amortization of property, plant and equipment and intangible assets from purchase price allocations (PPA), reversals and impairments, restructuring and transaction costs, measurement effects from option valuations and other non-recurring effects such as expenses in connection with the post-merger integration. From a management perspective, in addition to sales, adjusted EBIT and the adjusted

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EBIT margin are the most important performance indicators for assessing and evaluating the earnings position of the Group and the three regions.

In fiscal year 2025, special effects outside of ordinary business activities totaling EUR 35.1 million (previous year: EUR 29.0 million) were recorded at the earnings before interest and taxes (EBIT) level.

These mainly comprise depreciation and amortization from purchase price allocations amounting to EUR 22.3 million (previous year: EUR 23.4 million) and from restructuring and transaction costs amounting to EUR 12.8 million (previous year: EUR 5.2 million). The latter were related, among other items, to integration costs from company acquisitions, restructuring of production and logistics processes in North America and EMEA and the efficiency program initiated in the indirect area. In the previous year, however, restructuring and transaction costs were incurred primarily in connection with the acquisitions and post-merger integrations.

Adjusted EBIT margin
Adjusted EBIT declined from EUR 190.5 million to EUR 164.0 million in fiscal year 2025. The adjusted EBIT margin was 9.5% (previous year: 10.1%).

Financial result
Financial expenses increased by EUR 3.8 million to EUR 64.3 million in fiscal year 2025 compared to the previous year. This was mainly due to higher unrealized exchange rate losses from the valuation of intercompany foreign currency loans at the closing rate of EUR 20.6 million (previous year: EUR 12.9 million), which were offset by EUR 6.2 million lower interest expenses in connection with interest-bearing loans (see Note 5.3.5).

Financial income amounted to EUR 13.7 million in the reporting period (previous year: EUR 19.2 million). The decline of EUR 5.5 million is due to significantly lower realized and unrealized exchange rate gains from the valuation of intercompany foreign currency loans and dividends at the closing rate (see Note 5.3.5). Excluding unrealized exchange rate effects on intra-group foreign currency loans and dividends, the financial result amounts to EUR –34.5 million, which would correspond to an improvement of EUR 6.8 million.

Finance result

in EUR thousand	Q1–Q4/2025	Q1–Q4/2024	Change absolute	Change in %
Financial income	13,716	19,219	–5,503	–28.6%
Financial expenses	–64,337	–60,567	–3,770	6.2%
Financial result	–50,621	–41,348	–9,273	22.4%

Result for the period and earnings per share
Income before taxes decreased by 34.8% to EUR 78.3 million in fiscal year 2025 (previous year: EUR 120.1 million), which is mainly attributable to the lower EBIT. With an unchanged effective income tax rate of 34.9% (previous year: 34.9%), the company generated result for the period attributable to shareholders of EUR 50.9 million (previous year: EUR 77.3 million).

Based on 45.4 million shares, basic earnings per share for fiscal year 2025 amounted to EUR 1.12 (previous year: EUR 1.70). Diluted earnings per share amounted to EUR 1.12 (previous year: EUR 1.70) based on a weighted average number of shares of 45,360,064. The weighted average number of ordinary shares outstanding decreased in the reporting year due to the share buyback program launched in November 2025.

The adjusted result for the period after minority interests, which was adjusted for the special effects described above, taking into account the Group's income tax rate of 25.69% (previous year: 25.5%), was EUR 84.3 million, down 23.5% from the previous year's figure of EUR 110.1 million, and adjusted earnings per share amounted to EUR 1.86 (previous year: EUR 2.43).

Reconciliation from result before taxes to earnings per share

in EUR thousand	Q1–Q4/2025	Q1–Q4/2024	Change absolute	Change in %
Result before taxes	78,296	120,101	–41,805	–34.8%
Income taxes	–27,347	–41,874	14,527	–34.7%
Income tax rate in %	–34.9%	–34.9%		
Result for the period	50,949	78,227	–27,278	–34.9%
attributable to equity holders of the parent	50,949	77,349	–26,400	–34.1%
Basic earnings per share in EUR	1.12	1.70	–0.58	–34.1%
Adjusted result for the period	84,280	111,007	–26,727	–24.1%
attributable to equity holders of the parent	84,280	110,129	–25,849	–23.5%
Adjusted earnings per share in EUR	1.86	2.43	–0.57	–23.5%
Diluted earnings per share in EUR	1.12	1.70	–0.58	–34.1%

Calculation method for the dividend: Definition of distributable result for the period revised

SAF-HOLLAND revised its dividend calculation method in the reporting year in order to take account of unrealized foreign currency exchange rate changes in the financial result. To calculate the dividend, the distributable result for the period was adjusted by adjusting the available result for the period by the balance of unrealized currency effects in the financial result, taking the Group tax rate into account. The new calculation method will apply for the first time to fiscal year 2025. For fiscal year 2025, the Management Board and Supervisory Board will propose to the Annual General Meeting of SAF-HOLLAND SE on May 21, 2026, that a dividend of EUR 0.65 per share be distributed. This corresponds to approximately 47% of the distributable result for the period and thus around 57% of the result for the period attributable to shareholders. Based on the closing price of our share at the end of December 2025, this represents an attractive dividend yield of 4.2%.

Calculation of earnings per share relevant for distribution

in EUR thousand	Q1–Q4/2025	Q1–Q4/2024
Result for the period attributable to shareholders of the parent Company	50,949	77,349
Distribution-relevant result for the period per share in EUR (previous)	1.12	1.70
Unrealized foreign exchange gains and losses within the financial result	15,989	–41
Tax effect on unrealized foreign exchange gains and losses at the Group tax rate of 25.69% (prior year: 25.50%)	–4,108	10
Distribution-relevant result for the period attributable to shareholders of the parent company	62,830	77,318
Distribution-relevent result for the period per share in EUR (upcoming)	1.40	1.70

SEGMENT REPORTING

EMEA region: Robust profitability

In fiscal year 2025, the EMEA region generated sales of EUR 884.3 million in a market environment that brightened over the course of the year, slightly exceeding the previous year's level of EUR 882.8 million. Adjusted for currency and acquisition effects, sales in the region were 2.9% below the previous year's figure. This was offset by revenue-boosting acquisition effects from the acquisitions of the Italian companies Tecma (consolidated as of April 2, 2024) and Assali Stefen (consolidated as of July 31, 2024) in the amount of EUR 23.9 million.

The aftermarket business, which is more resilient to economic cycles, once again recorded growth in the EMEA region in fiscal year 2025. This is attributable on the one hand to the inclusion of the acquisitions made in 2024 and on the other hand to the successful original equipment business in previous years with a higher population of own products on the market, which had a positive effect on demand for spare parts.

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Segment EMEA

in EUR thousand	Q1–Q4/2025	Q1–Q4/2024	Change absolute	Change in %
Sales	884,256	882,764	1,492	0.2%
EBIT	**52,929**	**62,559**	**–9,630**	**–15.4%**
EBIT margin in %	6.0%	7.1%		
Additional depreciation and amortization from PPA	11,289	10,906	383	3.5%
Restructuring and transaction costs	10,479	3,331	7,148	214.6%
TP Adjustment	–2,421	–	–2,421	
Step-up purchase price allocation from the valuation of inventories from acquisitions	–	347	–347	–
Adjusted EBIT	**72,276**	**77,143**	**–4,867**	**–6.3%**
Adjusted EBIT margin in %	8.2%	8.7%		
Depreciation and amortization of intangible assets and property, plant and equipment	35,335	35,010	325	0.9%
Adjusted EBITDA	**107,611**	**112,153**	**–4,542**	**–4.0%**
Adjusted EBITDA margin in %	12.2%	12.7%		

The adjustment item "TP Adjustment" results from the intra-group allocation of IT costs of the previous year.

Adjusted EBIT in the EMEA region declined by 6.3% to EUR 72.3 million in the reporting period (previous year: EUR 77.1 million), which corresponds to an adjusted EBIT margin of 8.2% (previous year: 8.7%). Negative currency effects and a larger share of intra-group overhead costs, which the region has to bear due to its higher share of sales, had a negative impact. The adjustment item "TP Adjustment" relates to an intra-group IT cost allocation from the EMEA region to the two other regions of the previous year, which is recognized outside the reporting period and presented as a non-operating special items with no effect on income, without affecting adjusted EBIT at Group level.

Americas region: double-digit profitability achieved

In the Americas region, sales were down 13.1% to EUR 649.1 million in fiscal year 2025 (previous year: EUR 747.3 million). Adjusted for exchange rate effects and acquisitions, sales declined by 8.8%. The decline in sales was primarily due to ongoing uncertainty concerning US tariff policy, which led to persistently weak customer demand for truck and trailer components in the North American original equipment business. In addition, exchange rate effects had a negative impact of EUR 32.3 million or 4.3% on sales compared to the previous year.

Segment Amerika

in EUR thousand	Q1–Q4/2025	Q1–Q4/2024	Change absolute	Change in %
Sales	649,139	747,335	–98,196	–13.1%
EBIT	**52,297**	**73,453**	**–21,156**	**–28.8%**
EBIT margin in %	8.1%	9.8%		
Additional depreciation and amortization from PPA	8,937	9,348	–411	–4.4%
Restructuring and transaction costs	7,389	1,552	5,837	376.1%
TP Adjustment	1,392	–	1,392	–
Adjusted EBIT	**70,015**	**84,353**	**–14,338**	**–17.0%**
Adjusted EBIT margin in %	10.8%	11.3%		
Depreciation and amortization of intangible assets and property, plant and equipment	26,476	26,511	–35	–0.1%
Adjusted EBITDA	**96,491**	**110,864**	**–14,373**	**–13.0%**
Adjusted EBITDA margin in %	14.9%	14.8%		

The adjustment item "TP Adjustment" results from the intra-group allocation of IT costs of the previous year.

Adjusted EBIT in the Americas region declined by 17.0% to EUR 70.0 million in fiscal year 2025 (previous year: EUR 84.4 million). The adjusted EBIT margin was 10.8% (previous year: 11.3%). Despite significant burdens from the decline in sales and cost increases resulting from import duties, the EBIT margin was thus maintained at nearly the same level as in the previous year. Despite consistent cost management and continued synergy effects from the integration of

Haldex, the absolute decline in earnings is mainly attributable to a lower margin contribution from the original equipment business. Additional procurement costs in the low double-digit million euro range as a result of the US government's tariff policy, which were offset by corresponding price adjustments toward the end of the year, proved to be a major negative factor.

APAC region: solid adjusted EBIT margin

The APAC region generated sales of EUR 201.0 million in fiscal year 2025 (previous year: EUR 246.6 million), down 18.5% on the previous year. This development was influenced on the one hand by weak original equipment business with trailer components in India as a result of the general economic slowdown and more difficult financing conditions for fleet operators, as well as by declining business with customers in the mining industry. On the other hand, there was a noticeable reluctance to invest among Southeast Asian customers who manufacture trailers for the North American market. In addition, demand from Chinese trailer customers also declined.

Segment APAC

in EUR thousand	Q1–Q4/2025	Q1–Q4/2024	Change absolute	Change in %
Sales	200,969	246,648	–45,679	–18.5%
EBIT	**23,691**	**25,437**	**–1,746**	**–6.9%**
EBIT margin in %	11.8%	10.3%		
Additional depreciation and amortization from PPA	2,109	3,160	–1,051	–33.3%
Restructuring and transaction costs	–5,081	357	–5,438	–1523,2%
TP Adjustment	1,029	–	1,029	–
Adjusted EBIT	**21,748**	**28,954**	**–7,206**	**–24.9%**
Adjusted EBIT margin in %	10.8%	11.7%		
Depreciation and amortization of intangible assets and property, plant and equipment	5,258	6,021	–763	–12.7%
Adjusted EBITDA	**27,006**	**34,975**	**–7,969**	**–22.8%**
Adjusted EBITDA margin in %	13.4%	14.2%		

The adjustment item "TP Adjustment" results from the intra-group allocation of IT costs of the previous year.

Adjusted EBIT in the APAC region fell from EUR 29.0 million to EUR 21.7 million in fiscal year 2025. This corresponds to an adjusted EBIT margin of 10.8% (previous year: 11.7%). This was due to lower fixed cost coverage in the original equipment business.

ASSET POSITION

Total assets

Total assets declined by 2.8% from EUR 1,711.9 million to EUR 1,663.3 million compared to the balance sheet date of December 31, 2024.

Assets

in EUR thousand	12/31/2025	12/31/2024	Change absolute	Change in %
Non-current assets	**823,740**	**854,619**	**–30,879**	**–3.6%**
Intangible assets	407,227	440,296	–33,069	–7.5%
Property, plant and equipment	355,820	358,567	–2,747	–0.8%
Other (financial) assets	60,693	55,756	4,937	8.9%
Current assets	**839,571**	**857,250**	**–17,679**	**–2.1%**
Inventories	260,426	291,469	–31,043	–10.7%
Trade receivables	203,609	184,975	18,634	10.1%
Cash and cash equivalents	294,499	300,730	–6,231	–2.1%
Other (financial) assets	81,037	80,076	961	1.2%
Balance sheet total	**1,663,311**	**1,711,869**	**–48,558**	**–2.8%**

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Non-current assets

Compared to December 31, 2024, the carrying amount of non-current assets declined by EUR 30.9 million to EUR 823.7 million (previous year: EUR 854.6 million).

The carrying amount of intangible assets decreased by 7.5% to EUR 407.2 million (previous year: EUR 440.3 million), mainly due to currency translation effects and scheduled amortization. The carrying amount of property, plant and equipment also declined slightly by 0.8% to EUR 355.8 million (previous year: EUR 358.6 million), with the effects of the increase in rights of use from leases being largely offset by negative currency effects and depreciation. Other (financial) assets rose by 8.9% to EUR 60.7 million (previous year: EUR 55.8 million), primarily due to higher deferred tax assets. For further information, please refer to Note 6.5 of the Notes to the Consolidated Financial Statements.

Current assets

Current assets fell by 2.1% to EUR 839.6 million as of the reporting date of December 31, 2025 (previous year: EUR 857.3 million). While the item "Cash and cash equivalents" declined slightly to EUR 294.5 million (previous year: EUR 300.7 million), inventories also fell by 10.7% from EUR 291.5 million to EUR 260.4 million, mainly due to the weaker market environment. Trade receivables increased by 10.1% from EUR 185.0 million to EUR 203.6 million, reflecting the slight improvement in demand in the EMEA and APAC regions towards the end of the year.

Equity ratio

Equity and liabilities

in EUR thousand	12/31/2025	12/31/2024	Change absolute	Change in %
Equity	**491,954**	**527,100**	**–35,146**	**–6.7%**
Non-current liabilities	**828,240**	**673,022**	**155,218**	**23.1%**
Interest-bearing loans and bonds	631,614	479,070	152,544	31.8%
Lease liabilities	92,557	72,841	19,716	27.1%
Other non-current liabilities and provisions	104,069	121,111	–17,042	–14.1%
Current liabilities	**343,117**	**511,747**	**–168,630**	**–33.0%**
Interest-bearing loans and bonds	57,038	205,010	–147,972	–72.2%
Lease liabilities	18,574	17,284	1,290	7.5%
Trade payables	173,181	185,381	–12,200	–6.6%
Other current liabilities and provisions	94,324	104,072	–9,748	–9.4%
Balance sheet total	**1,663,311**	**1,711,869**	**–48,558**	**–2.8%**

Compared to December 31, 2024, equity declined by EUR 35.1 million to EUR 492.0 million. Due to the disproportionately low decline in total assets, this resulted in an equity ratio of 29.6% (December 31, 2024: 30.8%).

The result of the period for fiscal year 2025 of EUR 50.9 million had a positive effect on equity, while the dividend distribution of EUR 38.6 million in May 2025, the repurchase of the company's own shares as part of the 2025 share buyback program in the amount of EUR 5.3 million, currency differences from the translation of foreign operations in the amount of EUR 32.8 million and transactions in connection with the purchase of the remaining shares in Haldex India Pvt. Ltd. in the amount of EUR 12.7 million had a negative impact on equity.

Non-current liabilities
Non-current liabilities increased by EUR 155.2 million compared to December 31, 2024, to EUR 828.2 million and thus accounted for 49.8% of total assets (December 31, 2024: 39.3%). This increase was mainly due to the issuance of promissory note loans in 2025 and other interest-bearing loans totaling EUR 330 million, less long-term liabilities of around EUR 128.5 million that were repaid as a result. The reclassification of long-term to short-term loans and borrowings accounted for around EUR 51 million. Further information on the maturities and interest rates of the loans and borrowings can be found in Note 6.12 to the Consolidated Financial Statements.

The 27.1% increase in non-current lease liabilities to EUR 92.6 million is mainly attributable to the conclusion of a non-current lease agreement for the new plant in Rowlett, Texas, USA. In addition, contracts for sales office buildings were renewed at various sites.

Current liabilities
Current liabilities declined by EUR 168.6 million to EUR 343.1 million compared to December 31, 2024. This was mainly due to the decrease in short-term interest-bearing loans and borrowings by EUR 148.0 million to EUR 57.0 million as a result of the repayment of outstanding maturities following the execution of the 2025 promissory note transactions. In addition, approximately EUR 51 million was reclassified from long-term to short-term loans and borrowings. Further information on the maturities and interest rates of loans and borrowings can be found in Note 6.12 to the Consolidated Financial Statements.

Trade payables declined by 6.6% compared to the previous year from EUR 185.4 million to EUR 173.2 million.

The decline in other current liabilities and provisions by 9.4% to EUR 94.3 million (previous year: EUR 104.1 million) is primarily attributable to the reduction in provisions for guarantees and warranties as well as lower income tax liabilities, while this was primarily offset by an increase in provisions for restructuring matters. Further information can be found in the Notes to the Consolidated Financial Statements in Notes 6.11 and 6.14.

Net financial debt and debt ratio
Net financial debt (including lease liabilities) increased by EUR 31.8 million or 6.7% to EUR 505.3 million compared to the balance sheet date of December 31, 2024. This includes cash and cash equivalents of EUR 294.5 million, which decreased by 2.1% compared to the previous year's reporting date (December 31, 2024: EUR 300.7 million). Another influencing factor was the increase in lease liabilities in connection with the construction of the new plant in Rowlett, Texas, USA.

The leverage ratio (ratio of net financial debt to EBITDA for the last 12 months) was 2.3 at the end of 2025 (December 31, 2024: 1.9), primarily reflecting the decline in EBITDA due to lower sales. Excluding lease liabilities and expenses, the leverage ratio was 2.0 (December 31, 2024: 1.7).

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Development of net financial debt

in EUR thousand	12/31/2025	12/31/2024	Change absolute	Change in %
Non-current interest-bearing loans and bonds	631,614	479,070	152,544	31.8%
Current interest-bearing loans and bonds	57,038	205,010	–147,972	–72.2%
Non-current lease liabilities	92,557	72,841	19,716	27.1%
Current lease liabilities	18,574	17,284	1,290	7.5%
Total financial liabilities	**799,783**	**774,205**	**25,578**	**3.3%**
Cash and cash equivalents	–294,499	–300,730	6,231	–2.1%
Net financial debt	**505,284**	**473,475**	**31,809**	**6.7%**

Net working capital

Net working capital development

in EUR thousand	12/31/2025	12/31/2024	Change absolute	Change in %
Inventories	260,426	291,469	–31,043	–10.7%
Trade receivables	203,609	184,975	18,634	10.1%
Trade payables	–173,181	–185,381	12,200	–6.6%
Net working capital	**290,854**	**291,063**	**–209**	**–0.1%**
Group sales (last 12 months)	1,734,364	1,876,747	–142,383	–7.6%
Net working capital ratio	**16.8%**	**15.5%**		

Net working capital is defined as the sum of inventories and trade receivables less trade payables.

The net working capital ratio – net working capital in relation to Group sales for the last twelve months – amounted to 16.8% as of December 31, 2025, and was therefore 1.3 percentage points higher than the figure on the balance sheet date of December 31, 2024. It should be noted that net working capital in the reporting year was offset by a higher proportion of aftermarket business, which typically requires higher capital commitment, against lower consolidated sales due to market conditions.

As in previous years, SAF-HOLLAND used factoring to optimize liquidity. This amounted to EUR 40.8 million as of the balance sheet date (previous year: EUR 39.4 million).

FINANCIAL POSITION

Cash flow development

in EUR thousand	Q1–Q4/2025	Q1–Q4/2024	Change absolute	Change in %
Net cash flow from operating activities	**160,323**	**200,652**	**–40,329**	**–20.1%**
Net cash flow from investing activities (property, plant and equipment/ intangible assets)	–49,232	–54,139	4,907	–9.1%
Operating free cash flow	**111,091**	**146,513**	**–35,422**	**–24.2%**
Net cash flow from investing activities (acquisition of subsidiaries)	–12,671	–39,810	27,139	–68.2%
Total free cash flow	**98,420**	**106,703**	**–8,283**	**–7.8%**

Net cash flow from operating activities

Net cash flow from operating activities amounted to EUR 160.3 million in the past fiscal year (previous year: EUR 200.7 million), primarily due to the lower operating result caused by market conditions. In addition, the net cash outflow from changes in net working capital amounted to EUR –19.9 million (previous year: EUR +29.5 million). Further information can be found in the Consolidated Statement of Cash Flows and the notes thereto.

Net cash flow from investing activities (excluding M&A) amounted to EUR –49.2 million in the fiscal year (previous year: EUR –54.1 million). Investments in property, plant and equipment and intangible assets amounted to EUR 52.0 million (previous year: EUR 57.4 million). These investments were mainly used to further automate production processes, to acquire the Gunite product portfolio in the US, to prepare for the new plant in Texas, USA, and to expand capacity in Düzce, Türkiye, and Alvorada, Brazil. In contrast, the company received cash inflows of EUR 2.7 million from the sale of property, plant and equipment (previous year: EUR 3.3 million).

Operating free cash flow

As a result, operating free cash flow (net cash flow from operating activities after deducting net investments in property, plant and equipment and intangible assets) was EUR 35.4 million below the previous year's figure and amounted to EUR 111.1 million (previous year: EUR 146.5 million). In connection with the acquisition of the remaining shares in the Indian joint venture Haldex India, there was a net cash outflow from the acquisition of company shares totaling EUR 12.7 million (previous year: EUR 39.8 million). This resulted in free cash flow of EUR 98.4 million (previous year: EUR 106.7 million).

Principles and aim of financial management

The aim of financial management is to ensure that the SAF-HOLLAND Group is solvent at all times by procuring the necessary financial resources, to hedge or limit liquidity, credit, interest rate and foreign currency risks across the Group, and at the same time to optimize capital costs. SAF-HOLLAND SE, as the parent company, is responsible for Group-wide financial management, including the management of financial resources within the Group. In addition, financial management should enable the Group to take advantage of any acquisition opportunities. For this purpose, the company had total liquidity of EUR 544.4 million available as of December 31, 2025, from freely available credit lines and existing cash, in addition to the possibility of obtaining additional financing on the capital markets. Further information can be found in the Notes to the Consolidated Financial Statements in Note 6.12.

Risk management is aimed at limiting liquidity, credit, interest rate and foreign currency risks through natural hedging and the use of derivative and non-derivative hedging instruments. Further information can be found in the Risk and Opportunity Report in the section entitled "Overview of Significant Business Risks," and in the Notes to the Consolidated Financial Statements under Note 7.1 with reference to financial instruments and financial risk management.

Return on capital employed (ROCE)

SAF-HOLLAND manages the economic utilization of capital and the achievement of an appropriate return on capital employed via the return on capital employed (ROCE). This amounted to 15.8% in the past fiscal year (previous year: 18.3%).

This was due to a slight decrease of 0.7% in capital employed and a 13.9% decrease in adjusted EBIT for the last 12 months.

Financial return: ROCE

in EUR thousand	12/31/2025	12/31/2024	Change absolute	Change in %
Equity	491,954	527,100	–35,146	–6.7%
Interest-bearing loans and bonds, current and non-current	688,652	684,080	4,572	0.7%
Lease liabilities, current and non-current	111,131	90,125	21,006	23.3%
Pensions and other similar benefits	38,411	42,713	–4,302	–10.1%
Cash and cash equivalents	–294,499	–300,730	6,231	–2.1%
Capital employed	1,035,649	1,043,288	–7,639	–0.7%
Adjusted EBIT (last 12 months)	164,039	190,450	–26,411	–13.9%
ROCE	15.8%	18.3%		

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OVERALL STATEMENT OF THE MANAGEMENT BOARD ON THE ECONOMIC POSITION

In its forecast for fiscal year 2025, which was prepared in March 2025, the Management Board anticipated Group sales of around EUR 1,850 million to EUR 2,000 million (previous year: EUR 1,876.7 million) and an adjusted EBIT margin of 9% to 10% (previous year: 10.1%). In a generally weak market environment – characterized by significantly lower demand in the original equipment business – SAF-HOLLAND generated Group sales of EUR 1,734.4 million in fiscal year 2025, down 7.6% on the previous year. Despite the decline in sales, the Group was able to achieve an adjusted EBIT margin of 9.5% (previous year: 10.1%) through consistent cost management, a favorable product mix with a higher share of the aftermarket business and the continued realization of synergies from the integration of Haldex.

Continued strict net working capital management ensured that a strong operating free cash flow of EUR 111.1 million (previous year: EUR 146.5 million) was generated in fiscal year 2025, even though operating earnings declined due to market conditions.

The Management Board assesses the economic situation of the SAF-HOLLAND Group as solid overall despite the challenging market environment. Its strong market position, its resilient business model with an aftermarket business that is less dependent on economic cycles, the good liquidity position and the consistent implementation of strategic and operational measures form a solid foundation for the future development of the Group.

PRODUCTION AND THE VALUE CREATION CHAIN

PRODUCTION

At the end of 2025, the SAF-HOLLAND Group had 29 production sites worldwide. In addition, there are smaller assembly sites. The Group also serves its customers in the aftermarket business through an extensive global network of spare parts and service stations, dealers and workshops, thus ensuring the timely supply of spare parts. An overview of the Group's international production network can be found on page 5 of the Annual Report.

Capacity expansions and efficiency-enhancing measures

In fiscal year 2025, SAF-HOLLAND focused its investments on its production sites in Germany, Türkiye, the United States and Sweden.

In April 2025, a new production line for Haldex ModulT brake calipers and a new production line for air disc brakes were put into operation at the Düzce site in Türkiye. These lines integrate the latest manufacturing and quality standards and ensure shorter logistics routes. In addition, another assembly line for fifth wheel couplings was installed there in the third quarter to meet the needs of local customers from local production in the future.

Production of truck chassis components, which had previously been manufactured at the Dumas North site in Arkansas, commenced at the Rowlett plant in Texas in the fourth quarter of 2025. This relocation is intended to improve production processes and increase efficiency in the long term.

At the Landskrona site in Sweden, an additional machining center with two double spindles was put into operation to meet additional demand. Furthermore, an investment was made in an automatic lathe for disc brake production to ensure delivery capability.

A new system for screwing together fifth wheels was developed for the plant in Singen to expand capacity and improve quality and went into operation at the end of 2025.

PURCHASING AND SUPPLIER MANAGEMENT

In addition to the central Global Sourcing organizational unit, purchasing at SAF-HOLLAND is carried out by regional units in the EMEA, Americas, and APAC regions. SAF-HOLLAND thus ensures the achievement of competitive prices for goods and services and at the same time minimizes both supply bottlenecks and dependencies on individual suppliers. SAF-HOLLAND also pursues a multi-supplier strategy for its most important product groups and thereby expands its sources of supply.

During the reporting period, the availability of key preliminary products continued to improve, which means that material bottlenecks did not result in any significant production restrictions. Despite the continued high price level for components due to inflation, a slight improvement was achieved overall compared to 2024, aided by an effective procurement organization and more stable or slightly improved raw material and energy prices.

The trade and customs policy of the United States was characterized by high dynamics in 2025. Due to its globally oriented supplier base, SAF-HOLLAND was also affected by these developments. However, thanks to the consistently pursued multi-supplier strategy, procurement volumes could be flexibly shifted and geopolitical and customs-related risks effectively limited. Similarly, the targeted relocation of individual production volumes reduced customs-related cost burdens. This made it possible to maintain the competitiveness of the cost base overall.

Supplier management and structure

The performance of suppliers is constantly monitored by the purchasing organization. Regular supplier evaluations, which take into account criteria from the areas of quality, logistics, environment, and sustainability, are a key tool for this. In addition, suppliers are audited on a risk basis and evaluated using defined key performance indicators.

In addition to commercial aspects, the focus of the supplier selection process is on achieving a balance between consolidating suppliers to improve the supplier structure and avoiding strong dependencies. In fiscal year 2025, the Group's top 10 suppliers accounted for around 20% of the purchasing volume (previous year: around 21%). Cooperation with suppliers is based on the SAF-HOLLAND Code of Conduct for Suppliers and the Responsible Procurement Policy, which require ethical business conduct and respect for human rights and environmental standards along the value chain. SAF-HOLLAND also requires compliance with international labor, health and safety standards. In the event of violations, the company reserves the right to terminate the business relationship. To monitor effectiveness, the company uses ESG self-disclosures, audits, and contractual provisions, among other instruments. Further information can be found in the chapter "S2 – Workforce in the Value Chain" of the chapter "Non-financial Statement".

WORKFORCE

DECENTRALIZED ORGANIZATION, A COMPANY CULTURE THAT IS LIVED

The workforce of the SAF-HOLLAND Group makes a significant contribution to the company's success. For this reason, personnel management and personnel development play important roles. The guidelines of the global human resources strategy as well as the internationally oriented organization form the framework for human resources management across the various locations. In addition, SAF-HOLLAND has created a global HR handbook that serves as a central orientation framework for human resources management. It describes the company's cultural code, sets out expectations and guidelines for managers and contains regulations on personnel measures as well as training and development opportunities for employees. The purpose of the handbook is to establish a uniform global standard for human resources management and to provide managers with a clear basis for the effective leadership and further development of their teams.

Personnel management is organized on a decentralized basis. This decentralized organization takes the Group's international orientation into account and enables the individual sites to adapt flexibly to local conditions and contribute their specifications, especially with regard to regional expertise in personnel development and recruiting.

In Germany, Sweden, France and the United States, the interests of the workforce are represented by trade unions and works councils. In addition, employees at all sites have the right to freedom of association and collective bargaining.

PERSONNEL DEVELOPMENT AND DIVERSITY

Human resources work at SAF-HOLLAND focuses on the further development of its employees as well as on the recruitment of well-trained specialists and managers and on the talented young people. Digital learning opportunities are an integral part of the diverse further training measures. SAF-HOLLAND strives to build a culture of continuous learning. Qualified employees are increasingly becoming a key success factor in global competition. SAF-HOLLAND creates individual development opportunities for the professional success of its employees. Employees with high potential are offered attractive development opportunities as part of the training and continuing education programs. SAF-HOLLAND also has a globally applicable training policy that defines how the continuous development of all employees is promoted.

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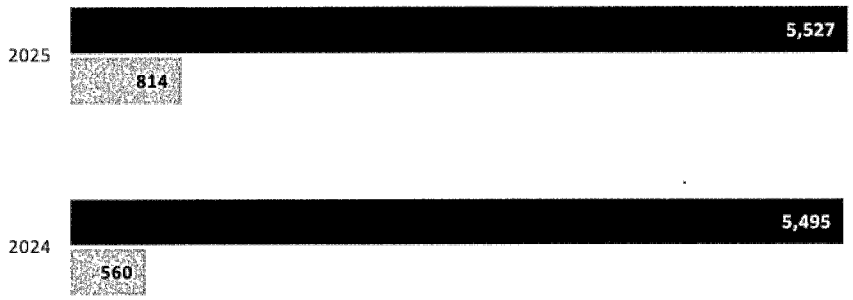
NUMBER OF EMPLOYEES

As of December 31, 2025, SAF-HOLLAND employed 5,527 people worldwide (previous year: 5,495). The number of employees thus increased by 0.6% overall. The total number of employees as of December 31, 2025, included 814 temporary and contract workers (previous year: 560).

Headcount development

31. December



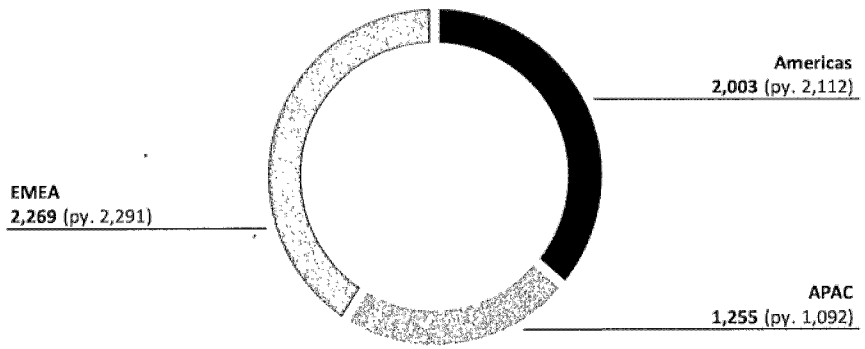
Total number of employees, including temporary workers — Temporary workers

In the EMEA region, the number of employees fell to 2,269 as of December 31, 2025 (previous year: 2,291). This means that 41.1% (previous year: 41.7%) of the workforce was employed in this region.

In the Americas region, 2,003 people (previous year: 2,112) were employed as of December 31, 2025. The Americas region thus accounts for 36.2% (previous year: 38.4%) of the Group's workforce.

The APAC region had 1,255 employees as of December 31, 2025 (previous year: 1,092). This means that its share of the Group's workforce rose from 19.9% to 22.7% compared to the previous year.

Headcount by region



SEPARATE FINANCIAL STATEMENTS OF SAF-HOLLAND SE (HGB)

BALANCE SHEET AS OF DECEMBER 31, 2025

Assets	12/31/2025 in EUR thousand	12/31/2024 in EUR thousand
A. Fixed assets		
I. Financial assets		
1. Shares in affiliated companies	646,634	646,634
2. Loans to affiliated companies	78,947	75,097
	725,581	**721,731**
B. Current assets		
I. Receivables and other assets		
1. Receivables from affiliated companies	94,413	100,485
2. Other assets	333	40
	94,747	**100,526**
II. Bank balances	118	133
	94,865	**100,658**
C. Prepaid expenses and deferred changes	**200**	**228**
	820,645	**822,616**

Liabilities	12/31/2025 in EUR thousand	12/31/2024 in EUR thousand
A. Equity		
I. Subscribed capital	45,394	45,394
Treasury shares	−366	0
Shares issued	45,028	45,394
II. Capital reserve	231,915	231,915
III. Retained earnings		
1. Statutory reserve	45	45
2. Other retained earnings	720	720
IV. Retained earnings	86,032	89,569
	363,740	367,644
B. Provisions		
1. Provisions for pensions and similar obligations	107	11
2. Tax provisions	1,052	1,157
3. Other provisions	5,947	4,584
	7,106	5,751
C. Liabilities		
1. Trade payables	451	444
2. Liabilities to affiliated companies	448,731	448,217
3. Other liabilities	618	561
thereof from taxes EUR 234,870.18 (previous year: EUR 152 thousand)		
	449,799	**449,221**
	820,645	**822,616**

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INCOME STATEMENT FOR THE FISCAL YEAR FROM JANUARY 1, 2025, TO DECEMBER 31, 2025

		2025	2024
	in EUR thousand	in EUR thousand	in EUR thousand
1. Sales	8,225		2,991
2. Other operating income	714		314
thereof income from currency translation EUR 83 thousand (previous year: EUR 23 thousand)			
		8,939	3,305
3. Cost of materials			
a) Expenses for services purchased	1,685		835
4. Personnel expenses			
a) Salaries	11,846		6,811
b) Social security contributions and pension expenses	1,210		502
thereof for pensions EUR 4 thousand (previous year: EUR 0 thousand)			
5. Other operating expenses	7,815		5,170
thereof expenses from currency translation EUR 3 thousand (previous year: EUR 1 thousand)			
		–22,555	–13,319
6. Income from profit transfers	71,830		90,976
7. Income from loans from financial assets	7,564		5,530
thereof from affiliated companies EUR 7,564 thousand (previous year: EUR 5,530 thousand)			
8. Interest and similar expenses	23,355		26,218
thereof to affiliated companies EUR 23,349 thousand (previous year: EUR 26,218 thousand)			
thereof expenses from discounting EUR 0 thousand (previous year: EUR 0 thousand)			
		42,423	60,273
9. Taxes on income and erarnings	2,405		1,157
10. Earnings after taxes		40,018	59,117
11. Other taxes	0		4
12. Net profit for the year		40,018	59,113
13. Profit carried forward		50,984	30,456
14. Withdrawal for own shares		4,970	
15. Retained earnings		**86,032**	**89,569**

BUSINESS AND GENERAL CONDITIONS

SAF-HOLLAND SE holds and manages direct and indirect equity investments. It performs management and holding functions and provides administrative, financial, commercial and technical services for its affiliated companies.

The company is the parent company of the globally operating SAF-HOLLAND Group and is based in Bessenbach, Germany.

A profit and loss transfer agreement with SAF-HOLLAND GmbH has been in place since fiscal year 2024, and the employees of the IT department of SAF-HOLLAND GmbH transferred to SAF-HOLLAND SE in fiscal year 2025.

FINANCIAL REPORT

EARNINGS POSITION

In fiscal year 2025, SAF-HOLLAND SE generated sales of EUR 8,225 thousand (previous year: EUR 2,991 thousand). The increase in sales is mainly due to the passing on of IT services, which resulted from the transfer of the IT department from SAF-HOLLAND GmbH to SAF-HOLLAND SE. Sales were generated entirely from providing services to its subsidiaries.

Other operating income of EUR 714 thousand (previous year: EUR 314 thousand) resulted from the reversal of provisions amounting to EUR 399 thousand (previous year: EUR 141 thousand), EUR 231 thousand (previous year: EUR 151 thousand) from monetary benefits and EUR 83 thousand (previous year: EUR 23 thousand) from currency translations.

Cost of materials includes other expenses for services purchased amounting to EUR 1,685 thousand (previous year: EUR 835 thousand), which are passed on within the Group.

Due to the transfer of the IT department from SAF-HOLLAND GmbH to SAF-HOLLAND SE, personnel expenses rose from EUR 7,314 thousand by EUR 5,742 thousand to EUR 13,056 thousand.

Other operating expenses amounted to EUR 7,815 thousand, which is above the previous year's level (EUR 5,170 thousand), mainly due to higher expenses for tax compliance and post-merger activities amounting to EUR 1,556 thousand (previous year: EUR 265 thousand) and audit costs of EUR 773 thousand (previous year: EUR 381 thousand).

The loss before the financial result and taxes for the fiscal year amounted to EUR 13,616 thousand (previous year: EUR 10,014 thousand).

Income from profit transfers includes the transfer from SAF-HOLLAND GmbH in the amount of EUR 71,830 thousand (previous year: EUR 90,976 thousand).

Income from loans rose from EUR 5,530 thousand in 2024 to EUR 7,564 thousand. The main reason for the increase was the interest paid during the year on the claim from the transfer of earnings to SAF-HOLLAND GmbH in 2024 (EUR 90,976 thousand).

Interest and similar expenses fell by EUR 2,864 thousand to EUR 23,355 thousand in the fiscal year. This decline is attributable to a slight decline in interest rates on intra-group financial obligations and the offsetting of the receivable from profit transfers against intra-group loans.

Net income for the year amounted to EUR 40,018 thousand (previous year: EUR 59,113 thousand).

ASSET POSITION

Total assets as of December 31, 2025, amounted to EUR 820,645 thousand (previous year: EUR 822,616 thousand), a decline of EUR 1,971 thousand.

Shares in affiliates remained unchanged compared to the previous year and amounted to EUR 646,634 thousand.

These shares represent a 100% stake in SAF-HOLLAND GmbH and a 100% stake in Haldex AB.

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The increase in loans to affiliated companies of EUR 3,850 thousand from EUR 75,097 thousand to EUR 78,947 thousand is due to the granting of an intra-group loan to Haldex India in the amount of EUR 3,850 thousand.

The decrease in receivables from affiliates by EUR 6,072 thousand to EUR 94,413 thousand is mainly attributable to the offsetting of SAF-HOLLAND GmbH's profit transfer of EUR 90,976 thousand for 2024 and the lower profit transfer of EUR 71,830 thousand for 2025. In contrast, receivables from interest and allocations increased from EUR 9,509 thousand to EUR 22,583 thousand in 2025.

As of December 31, 2025, provisions for taxes amounting to EUR 1,052 thousand (previous year: EUR 1,157 thousand) were recognized. This is due to the profit and loss transfer agreement in place since fiscal year 2024 and the income tax group with SAF-HOLLAND GmbH. This allowed existing loss carryforwards of SAF-HOLLAND SE to be utilized.

In other provisions, the increase from EUR 1,363 thousand to EUR 5,947 thousand is mainly attributable to provisions for restructuring expenses (EUR 423 thousand; previous year: EUR 0 thousand), provisions for vacation and working time accounts (EUR 324 thousand; previous year: EUR 5 thousand), the provision for outstanding invoices (EUR 282 thousand; previous year: EUR 91 thousand), the increase in the provision for annual financial statement costs (EUR 307 thousand; previous year: EUR 200 thousand), provisions for bonuses for members of the Management Board and employees (EUR 1,113 thousand; previous year: EUR 1,017 thousand), employee incentive programs (EUR 2,873 thousand; previous year: EUR 2,795 thousand), provisions for Supervisory Board remuneration (EUR 499 thousand; previous year: EUR 467 thousand), and higher provisions for service anniversaries (EUR 22 thousand; previous year: EUR 7 thousand).

Liabilities to affiliated companies amounted to EUR 448,731 thousand, which was nearly at the previous year's level of EUR 448,217 thousand. The slight increase of EUR 514 thousand is due to higher cost allocations from SAF-HOLLAND GmbH.

FINANCIAL POSITION

Equity declined from EUR 367,644 thousand to EUR 363,740 thousand. This was due to the repurchase of 366,453 shares, for which EUR 5,336 thousand (previous year: EUR 0 thousand) was spent, including par value.

A withdrawal from retained earnings was made for the purchase price exceeding the nominal amount of EUR 4,969 thousand.

The equity ratio fell by 0.4 percentage points to 44.3% (previous year: 44.7%).

The company's cash and cash equivalents amounted to EUR 118 thousand as of December 31, 2025 (previous year: EUR 133 thousand).

The company finances itself through profit transfers and dividends, which are used to cover interest expenses and dividend distributions.

OVERALL STATEMENT

Overall, the Management Board assesses the company's economic situation as unchanged and stable. The company considers itself well prepared to continue to successfully meet economic challenges.

PERSONNEL

As of December 31, 2025, the company employed 82 people (previous year: 31), with the increase mainly attributable to the transfer of the IT department from SAF HOLLAND GmbH to SAF HOLLAND SE.

OPPORTUNITIES AND RISKS

SAF-HOLLAND SE acts as the Group's managing holding company. Its development, risks, and opportunities therefore depend largely on the business performance of the companies affiliated with the company. SAF-HOLLAND SE is integrated into the Group-wide risk and opportunity management system. For detailed information, please refer to the section on risk and opportunity management of the Group. This section also contains the description of the internal control system for SAF-HOLLAND required by Section 289 (4) of the German Commercial Code (HGB).

SAF-HOLLAND SE generates its income primarily from investment income from its direct and indirect subsidiaries. Due to its holding function, SAF-HOLLAND SE is therefore exposed to the risk of receiving lower investment income if the profits of its subsidiaries decline. In particular, global conflicts could have a negative impact on the global economy and, directly or indirectly, on SAF-HOLLAND's business activities. Due to the solid financial position of the SAF-HOLLAND companies and the ability to control distributions from subsidiaries, the opportunities and risks associated with investment income are not considered to be significant.

FORECAST AND OUTLOOK

In its forecast, the company assumed slightly lower net income for 2025 compared to the previous year. The slightly stronger decline of 32.3% from EUR 59,113 thousand to EUR 40,018 thousand is primarily due to the lower profit transfer (EUR 71,830 thousand; previous year: EUR 90,976 thousand) from SAF-HOLLAND GmbH.

For fiscal year 2026, SAF-HOLLAND SE expects interest expenses to fall slightly compared to 2025 in connection with loans. The Management Board of SAF-HOLLAND SE assumes that potential increases in personnel expenses and other relevant cost factors can be offset by increased cost allocations and cost-saving measures.

Taking the expected results of SAF-HOLLAND SE's subsidiaries and the interest result for 2026 into account, net income is expected to remain stable compared to the previous year.

In this context, it is assumed that the retained earnings will be sufficient and that the company's dividend capacity will continue to be ensured.

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NON-FINANCIAL STATEMENT

REGULATORY CONTEXT

At this point in time, the Corporate Sustainability Reporting Directive (CSRD; Directive (EU) 2022/2464) has not yet been adopted into national German law. Accordingly, the extended requirements for sustainability reporting provided for by the CSRD and, in particular, the obligatory application of the European Sustainability Reporting Standards (ESRS), are currently not a mandatory part of German commercial law. However, the existing legal regulations for non-financial reporting, according to Sections 289b to 289e of the German Commercial Code (HGB), as well as Sections 315b and 315c HGB, continue to apply. These require certain undertakings to disclose non-financial information, but do not yet prescribe full ESRS-compliant sustainability reporting. In this context, SAF-HOLLAND is publishing a non-financial Group statement for the fiscal year 2025. The objective is to create transparency about the material impacts of the undertaking's activities in sustainability matters, as well as the impacts of sustainability matters on business operations, business results, and the undertaking's situation. This non-financial statement, in full compliance with the ESRS, also meets the requirements for the non-financial group statement prepared in accordance with Sections 289b ff. HGB and 315b to 315c HGB and thus represents the combined non-financial statement for the SAF-HOLLAND Group and SAF-HOLLAND SE.

SUPPLEMENTAL INFORMATION ON THE NON-FINANCIAL STATEMENT OF SAF-HOLLAND SE, ACCORDING TO SECTION 289B HGB

For the non-financial statement of the parent company SAF-HOLLAND SE, according to Section 289b HGB, no specific framework was used as the stakeholders require an ESRS statement for the SAF-HOLLAND Group. SAF-HOLLAND SE is the parent company of the SAF-HOLLAND Group and is responsible for all corporate decisions. All policies, actions, and targets at the group level are generally also pursued at the parent company level. Therefore, the content of the non-financial statement for SAF-HOLLAND SE, according to Section 289b HGB, is covered in the SAF-HOLLAND Group statement.

INFORMATION ACCORDING TO THE GERMAN COMMERCIAL CODE (HGB)

The ESRS requires SAF-HOLLAND to report on all sustainability matters that are either mandatory according to ESRS 2 or that have been classified as material in the context of the double materiality analysis. Details on the implementation of the double materiality analysis can be found in the chapter entitled "Double materiality analysis".

We declare the following in fulfillment of our commercial reporting obligations:

The ESRS is used in its entirety as a framework in accordance with Sections 315c (3) in conjunction with 289d of the German Commercial Code (HGB) due to the importance of the ESRS and the reporting standards for sustainability reporting adopted by the European Commission.

In addition, the double materiality analysis also addresses the five aspects mentioned in the HGB. It should be noted that the ESRS sustainability matters are not fully aligned with the HGB categories. A table showing how the ESRS and HGB correspond to each other can be found below.

Overall, this SAF-HOLLAND non-financial statement covers the following topical standards in addition to the ESRS 2:

Topic-specific standards and reconciliation to HGB

Topic-specific standard	Description	Reconciliation to HGB
E1	Climate change	Environmental matters
E2	Pollution	
E5	Resource use and circular economy	
S1	Own workforce	Employee-related matters, respect for human rights
S2	Workers in the value chain	
G1	Business conduct	Combating corruption and bribery

No material risks, impacts, or opportunities were identified for the "social matters" aspect. As a result, this aspect is currently classified as non-material, and a corresponding policy has not been drafted. A reassessment is carried out as part of the regular materiality analysis.

The analysis of the company's own business activities, business relationships, products, and services did not identify any material risks that are very likely to have serious negative impacts on the non-financial aspects, according to Section 289c HGB. Material financial risks in accordance with the ESRS were identified as part of the materiality analysis and are outlined in the chapter entitled "Material impacts, risks, and opportunities (IRO) and their interaction with strategy and business model". The development of these risks is continuously monitored. All information pertains to the consolidated entities covered by the consolidated financial statements of SAF-HOLLAND SE and covers the fiscal year 2025.

As part of the environmental information for SAF-HOLLAND, this non-financial statement also includes an "EU Taxonomy reporting" chapter showing details of the undertaking in accordance with Article 8 of Regulation 2020/852 of the European Parliament and of the Council of June 18, 2020, on the establishment of a framework to facilitate sustainable investments and on amendments to Regulation (EU) 2019/2088.

This report was reviewed by an external auditor providing limited assurance. It will be published in German and English on the SAF-HOLLAND website at https://corporate.safholland.com/en/investor-relations/publications.

INITIATIVES

This report also serves as a basis for reporting on ESG initiatives such as EcoVadis and the CDP. These initiatives enhance the undertaking's ability to make data-driven decisions, strengthen relationships with stakeholders, and contribute to SAF-HOLLAND's overarching mission to achieve positive impacts on the environment and on society along the entire value chain. Such initiatives are to be seen as supportive of regulatory reporting.

In 2025, for the first time, SAF-HOLLAND was awarded the Bronze Medal for its sustainability achievements by EcoVadis, one of the leading international agencies for assessing corporate sustainability performance. EcoVadis medals are awarded to companies that lead the way in sustainability.

SAF-HOLLAND achieved an overall score of 68 points in the assessment process and is among the top 35% of over 150,000 companies analyzed. EcoVadis particularly highlights comprehensive policies on labor and human rights, as well as sustainable procurement. SAF-HOLLAND ranks among the top 2% of the industry in terms of sustainable procurement. Furthermore, EcoVadis recognizes the expansion of climate reporting to include scope 3 GHG emissions as an important advancement.

SAF-HOLLAND also participates in CDP to disclose its environmental impacts and climate-relevant data. Through CDP, SAF-HOLLAND transparently reports on its GHG emissions, energy consumption, and efforts to mitigate climate change. Participation in CDP enables the company to track progress in achieving its emissions reduction targets, identify opportunities for improvement, and align with global standards for environmental responsibility. SAF-HOLLAND improved its score for climate change in the 2025 CDP disclosure cycle and rose two rating positions to level B (previous year: C).

GENERAL DISCLOSURES

[BP-1] GENERAL BASIS FOR THE PREPARATION OF THE SUSTAINABILITY STATEMENT

SAF-HOLLAND's non-financial statement for the fiscal year 2025 was prepared on a consolidated basis, with the same consolidated entities as for the financial reporting. Detailed information on the consolidated entities and the consolidation method is available in the appendix of the consolidated financial statements, section "Consolidation scope".

In addition to the undertaking's own activities, the non-financial statement also includes the SAF-HOLLAND upstream and downstream value chains. The materiality analysis of impacts, risks, and opportunities (IROs) was conducted for the entire upstream and downstream value chains. Details on how the value chain is incorporated into the respective policies, actions, and targets for each IRO are given in the topic-specific chapters. Furthermore, the option has been exercised to apply the provisions that allow for a gradual introduction of disclosure requirements or data points. These mandatory disclosures will therefore only be reported in subsequent years.

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The option to not publish certain information for reasons of confidentiality or to omit information about upcoming developments or ongoing negotiations has not been applied.

Additionally, SAF-HOLLAND has applied the transitional provisions regarding the disclosure of the following standards: E1-9 "Anticipated financial effects of significant physical risks and transition risks", as well as potential climate-related opportunities, E2-6 "Anticipated financial effects due to risks and opportunities related to pollution", E5-6 "Anticipated financial effects from impacts, risks, and opportunities related to resource use and circular economy", S1-7 "Characteristics of the undertaking's non-employees", S1-13 "Metrics for training and skills development", S1-14 section 88 (d and e) "Cases of reportable work-related illnesses and the number of workdays lost by the undertaking's employees due to work-related injuries, illnesses, and fatalities."

[BP-2] DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES

Information from BP-2 is presented in the respective topic chapters along with the relevant metrics. Furthermore, actions are described that are aimed at further improving data quality in the future.

SUSTAINABILITY STRATEGY AT SAF-HOLLAND

[SBM-1] Strategy, business model and value chain

SAF-HOLLAND is a leading international manufacturer of chassis-related assemblies and components for trailers, trucks, and buses. The business model includes the development, production, and distribution of a comprehensive portfolio of end-to-end solutions for the commercial vehicle industry, particularly in the trailer sector, including axle and suspension systems, steering systems, support winches, and telematics systems. Key products in the truck segment include a comprehensive range of fifth wheels and other coupling devices. The undertaking also supplies brake and air suspension systems, as well as air control products for trailers and trucks.

Correspondingly, the main customer groups of SAF-HOLLAND are original equipment manufacturers for trailers, original equipment manufacturers for trucks, and the spare parts business. Further information can be found in the Management Report in the chapters entitled "Fundamentals of the Group" and "Economic report".

With its extensive product portfolio, SAF-HOLLAND addresses the key topics relevant to its customers. One example of such a topic is the optimization of total operating costs under consideration of all one-time and ongoing costs, as well as the direct and indirect costs of purchase. Other topics include megatrends in the commercial vehicle industry, such as digitalization, electrification, autonomous driving, traffic safety, and sustainability. The lightweight construction solutions offered by SAF-HOLLAND enable weight savings, thus contributing to lower CO_2 emissions from the semi-trailer. The product portfolio also includes two electrified trailer axles, which can increase efficiency and sustainability in freight transport through recuperation and/or electric drive. Moreover, the telematics solution offered can further advance the digital networking of commercial vehicles and logistics chains. By aligning its activities with global sustainability trends and maintaining high profitability across the cycle, SAF-HOLLAND creates long-term value for its investors. At the same time, end customers benefit from the undertaking's commitment to reducing environmental impacts through innovative and sustainable product solutions.

SAF-HOLLAND conducts its operational business in three regions, which also constitute reportable segments in accordance with IFRS:

- EMEA (Europe, Middle East, and Africa)
- Americas (North and South America)
- APAC (Asia-Pacific)

SAF-HOLLAND is a globally active undertaking with employees allocated across the three regions as of December 31, 2025 as follows:

Workforce by region

Geographical area	Count 2025	Count 2024	Change absolute	Change in %
EMEA	2,331	2,427	–96	–4.0
Americas	2,068	2,192	–124	–5.7
APAC	627	613	14	2.3
Total	5,026	5,232	–206	–3.9

At the end of 2025, the group operated 29 production sites worldwide. SAF-HOLLAND has production sites in India, Brazil, Turkey, and China, as well as facilities in the core markets of Europe and North America. The main activities to further develop the undertaking are focused on the site locations in Bessenbach, Germany; Landskrona, Sweden; Mira, United Kingdom; Muskegon, USA; Suzhou, China and the R&D Tech Center in Pune, India. Smaller R&D facilities in the respective countries enable market-oriented solutions to be developed in close proximity to the customer base.

The value chain at SAF-HOLLAND includes upstream suppliers of raw materials (primarily steel, iron, and aluminum), components, and services, as well as downstream customers, such as trailer and truck manufacturers, fleet operators, and wholesalers. The upstream and downstream value chains are characterized by the following main features:

- Upstream: The company works with a global network of suppliers for raw materials, components, and services. Suppliers are responsible along the value chain for the extraction, processing and manufacturing of intermediate products, as well as transport to the SAF-HOLLAND site locations. The various links in the upstream supply chain range from mines and smelting plants to raw material traders and suppliers of refined intermediate products, which ultimately supply the production facilities of SAF-HOLLAND. Raw material traders predominantly act as tier 2 or tier 3 suppliers. The main materials sourced from tier 1 suppliers are steel, iron, and aluminum, which are used for the production of durable and safety-relevant vehicle components. SAF-HOLLAND pursues a multi-supplier strategy to ensure supply security, guaranteeing a diversified procurement base. All direct suppliers are subject to a systematic assessment regarding compliance with environmental, social, and governance criteria (ESG). This assessment forms the basis for responsible sourcing and the continuous improvement of sustainability performance within the supply chain.
- Downstream: SAF-HOLLAND has a broadly diversified customer base, spanning various market segments. The main customer groups include original equipment manufacturers (OEMs), fleet operators, and logistics companies. The undertaking maintains long-term partnerships with these clients. In addition to components and system solutions, SAF-HOLLAND also offers these customers innovative technologies and service packages designed for higher operational efficiency and reduced downtime. Furthermore, SAF-HOLLAND supplies the trailer and truck manufacturers' service networks (OES), wholesalers, and end customers with spare parts and comprehensive spare parts services. End users benefit from durable and efficient products that can reduce both total operating costs and the ecological footprint over the entire product lifecycle.

SAF-HOLLAND's position in the value chain as a key supplier for the global transport industry enables the undertaking to influence and promote sustainability in all its activities and partnerships. By integrating sustainability principles into the entire value chain, SAF-HOLLAND expects its business model to remain resilient and competitive while also meeting stakeholder expectations.

SAF-HOLLAND's products, specifically axles, brake systems, fifth wheels, and other towing devices, predominantly consist of a variety of individual parts and components. Forged parts represent one of the largest product groups alongside cast and stamped products. Key procurement parts include coupling discs, brake adjusters, wheel hubs, brake discs, axle joints, and axle tubes.

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The wide variety of raw materials and finished components means the supply chain is highly complex. It includes both tier 1 suppliers, as well as tier 2 and tier 3 suppliers, who in turn work with their own sub-suppliers. The key input factors include:

Materials and components
- Metals (iron and steel) for structural and safety parts
- Polymers (rubber and plastics) for elastomer components
- Electronic components and sensors for digital systems and assistance functions
- Packaging materials for transport and logistics

Human capital
- A qualified and diverse workforce forms the basis for innovation and operational excellence. Efforts to develop and secure human capital are described in more detail in chapter "S1–Own workforce"

Technological innovation
- Continuous R&D ensures strong technological advances in terms of more sustainable mobility solutions. Maintaining these advances is firmly embedded in the corporate strategy and closely linked to the efforts concerning the undertaking's own workforce. Further information can be found in Chapter "S1–Own workforce".

Sustainability is a fundamentally important topic for SAF-HOLLAND's long-term economic success. As part of SAF-HOLLAND's business realignment, the "drive2030" corporate strategy initiated in the reporting year devotes additional attention to future sustainability aspects alongside the well-proven actions. "drive2030" is based on the five strategic pillars "customer orientation", "regional strength", "technology as a central driver", "broad product portfolio and growth", and "operational excellence". Alongside "customer orientation", the topics "employees" and "sustainability" are now firmly embedded in the corporate strategy. SAF-HOLLAND's success is based on the fact that the undertaking fully understands the needs of its customers and can offer them tailored solutions. This requires innovation, commitment, and a focus on developing such solutions. SAF-HOLLAND therefore promotes a culture of diversity and highly values the professional development of its employees. Similarly, sustainable business practices and responsible business conduct are also major priorities.

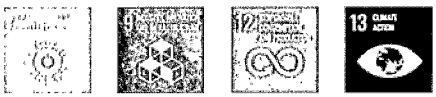
SAF-HOLLAND's sustainability strategy had already been developed as part of the previous business strategy and was seamlessly integrated into the new "drive2030" strategy in the reporting year. Since "drive2030" is in line with the undertaking's established strategic direction, all previously defined key sustainability topics were adopted without any changes. These topics remain fundamental to sustainable value creation and long-term business development.

Key strategic sustainability topics

Net zero emissions by 2050

SAF-HOLLAND has committed to achieving net zero emissions by no later than 2050 to reduce GHG emissions in line with the Paris Climate Agreement.

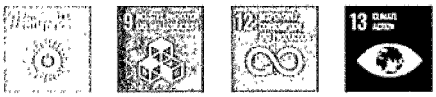
Relevant UN Sustainable Development Goals



Sustainable products and innovations for customers

In a targeted response to the growing demand for environmentally friendly solutions, SAF-HOLLAND's goal is to develop innovative and sustainable products that contribute to increasing energy efficiency and reducing emissions. These are often developed in collaboration with customers.

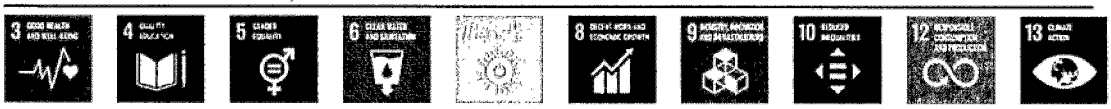
Relevant UN Sustainable Development Goals



Sustainable operational excellence in the value chain

SAF-HOLLAND is committed to improving resource efficiency, reducing waste, and promoting ethical and sustainable procurement practices throughout the entire value chain.

Relevant UN Sustainable Development Goals



Attractive employer

The undertaking strives to create an inclusive, safe, and motivating work environment that attracts and retains talent, promotes employee development, and adheres to health and safety standards.

Relevant UN Sustainable Development Goals

Effective Governance

SAF-HOLLAND promotes accountability, transparency, and compliance with regulatory and sustainability standards by creating clear structures, responsibilities, and control mechanisms.

Relevant UN Sustainable Development Goals

The implementation of the sustainability strategy entails a number of overarching challenges. These specifically include the reduction of GHG emissions across the entire value chain, meeting growing customer and market demands for sustainable products, ensuring ethical procurement practices, attracting and retaining qualified employees, and strengthening governance and reporting systems in a dynamically evolving regulatory environment.

SAF-HOLLAND pursues a holistic approach to address these requirements:

- **Decarbonization and energy efficiency:** Investments in energy-efficient technologies, gradually transitioning to renewable energy, and targeted initiatives for emission reduction in production and logistics, while ensuring the financial ambitions of the undertaking's strategy
- **Sustainable innovations:** Meeting customer needs in respect of environmentally friendly and safety-optimized products through the development of low-emission technologies such as electrified trailer axles (TRAKr, TRAKe), compressed air disc brakes (ADB), and the TIRE PILOT I.Q. tire pressure management system, which contribute to reducing operational emissions and increasing safety while complying with strict regulatory requirements.
- **Responsible supply chain:** Reduction of resource intensity and waste, as well as integration of ESG criteria in procurement and supplier evaluation to strengthen ecological and social standards while improving operational efficiency
- **Employee orientation:** Promotion of diversity, training, and health protection to enhance engagement and employer attractiveness
- **Governance and transparency:** Strengthening sustainability initiatives through clear structures for consistent sustainability reporting, risk management, and ethical decision-making within a rapidly changing regulatory landscape.

These actions are closely linked to the strategic "drive2030" targets and contribute to improving the undertaking's long-term competitiveness and ecological footprint.

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The five key topics covered by the sustainability strategy are taken into account by SAF-HOLLAND when designing its product and service portfolio, planning regional market activities, and interacting with stakeholders. The most significant product lines – including TRAKe, TRAKr, steering axles, ADB, and EBS – make a direct contribution to reducing emissions and improving fuel efficiency for customers. At the same time, it is evident that sustainability is gaining importance in all regions – EMEA, Americas, and APAC. In particular, EMEA and the Americas are seen as pioneers in the introduction and marketing of sustainable product solutions.

[SBM-2] INTERESTS AND VIEWS OF STAKEHOLDERS

SAF-HOLLAND is aware of the importance of engaging with stakeholders to promote alignment between the undertaking's sustainability goals, business strategy, and the expectations of these stakeholders. Stakeholder engagement is an integral part of the undertaking's business conduct and decision-making processes.

The following provides an overview of the key stakeholders, the type and purpose of engagement, and how the results of the engagement are considered within the company:

Involvement of stakeholders

Stakeholder	Type of integration	Purpose of integration	Consideration of results
Customers (trailer manufacturers, fleet operators, truck manufacturers)	• Structured dialogues • Regular meetings • Use of the I.Q. portal as an information and service platform	• Customer satisfaction • Understanding customer requirements and expectations regarding sustainability, energy efficiency, and emission reduction	• Feedback is incorporated into the development of sustainable product innovations • Exchange of relevant ESG data
Employees	• Regular surveys and feedback tools • Structured communication formats • Whistleblower system	• Promotion of satisfaction and diversity • Employee retention • Ensuring adequate working conditions & human rights	• Results are implemented in initiatives to promote diversity, well-being, and personal development
Suppliers	• Regular dialogue, ESG assessments • Participation in SAF-HOLLAND due diligence processes • Whistleblower system	• Ensuring sustainable and ethical procurement practices • Increasing influence in the supply chain	• Insights contribute to the assessment of sustainability performance and the development of responsible procurement practices
Workers in the value chain	• Indirect involvement through supplier evaluation • Audits and due diligence processes with suppliers	• Monitoring and ensuring fair working conditions along the supply chain	• Insights contribute to the assessment of sustainability performance and the development of responsible procurement practices • Results serve to identify and avoid human rights violations
Investors	• Regular dialogue • Roadshows • Sustainability and financial reporting • Responding to questionnaires • Annual general meeting	• Transparent communication about ESG performance • Positive influence on investment decisions	• Communication of relevant ESG metrics • Feedback supports the further development of ESG reporting and long-term investor relations
Communities at undertaking locations	• Communication about local projects • Social initiatives and sponsorship	• Promoting social engagement	• Insights cascade into social projects and local initiatives
Regulatory authorities, industry associations, and ESG rating agencies	• Participation in industry committees • Dialogue on standards and reporting obligations • Participation in surveys	• Ensuring compliance with (new) legal requirements and sustainability standards, advocacy • Benchmark analyses	• Results contribute to the adjustment of internal policies/actions and to strengthening governance structures

SAF-HOLLAND actively collaborates with all stakeholder groups and tailors its activities to their specific interests and needs, which ensures an open and constructive dialogue.

Through continuous dialogue with its stakeholders, the undertaking aims to ensure that its strategy and actions meet the changing expectations of all parties involved.

SAF-HOLLAND is committed to aligning its strategy and business model with the interests and expectations of its key stakeholders. The due diligence and materiality analysis form the basis for this by systematically analyzing the perspectives of stakeholders to identify and address significant sustainability issues.

Key findings of the materiality analysis
The validation of the materiality analysis conducted during the reporting period provided confirmation of the following key areas as identified by internal stakeholder representatives from the respective departments:

- Environmental priorities: Reduction of CO_2 emissions, improving resource efficiency, and developing sustainable products
- Social priorities: Improving the well-being, safety, and diversity of employees, as well as promoting ethical practices in the supply chain
- Governance priorities: Strengthening transparency, compliance with regulations, and effective risk management

Integration into strategy and business model
The results of stakeholder engagement have been directly incorporated into the strategic sustainability priorities, aligning the undertaking's actions with the expectations of these stakeholders.

- Achieving net-zero emissions by 2050, sustainable operational excellence in the value chain, and effective governance reflect the expectations of investors and customers regarding climate change mitigation and good business conduct.
- Sustainable products and innovations address customer demand for environmentally friendly solutions.
- Being an attractive employer addresses the interests of employees regarding professional development, diversity, and well-being.

Since the establishment of these key strategic topics, sustainability has been increasingly highlighted and clarified as a fundamental component of business conduct within the development of the corporate strategy towards "drive2030". The insights gained in the course of the resilience analysis and the preparation of the transition plan confirmed the alignment of the sustainability strategy, including its key topics.

Regular reporting mechanisms and decision-making processes
The Management Board and the Supervisory Board are regularly informed about the views and interests of the relevant stakeholders and about the sustainability-related impacts of business activities. This supports effective and responsible governance and helps ensure that strategic decisions are made in accordance with stakeholder expectations.

For this purpose, the ESG Council meets every six weeks for an ESG review. The ESG Council consists of members of the Management Board (CEO and CFO), as well as the presidents of the EMEA, Americas, and APAC regions. Members are responsible for developing the ESG strategy and integrating it into the corporate strategy. Furthermore, this body is responsible for operational advice on ESG issues and thus plays an important role in the further development of ESG projects. Topics arising from stakeholder dialogue, impact analysis, or materiality analysis are structured, addressed, and prioritized. The implementation status of the derived actions is systematically tracked. As the Chair of the ESG Council, the Chief Financial Officer oversees the entire process.

The Vice President ESG continuously reports to the Management Board and the Supervisory Board on the results of stakeholder dialogues, impact analysis, and insights from the materiality analysis, including their updates and the status of the derived actions.

This information also feeds into strategic decision-making processes, particularly with regard to sustainable product development, climate change mitigation actions, and the implementation of ESG requirements in the supply chain. For example, efforts were made in the reporting year to define an absolute combined scope 1 and 2 emissions reduction target, and qualitative targets for air pollution were added to the SAF-HOLLAND Environmental Policy. Sustainability issues are thus anchored in corporate governance and support the long-term, future-focused business strategy of SAF-HOLLAND.

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The Supervisory Board also regularly reviews the associated risks and opportunities in its oversight function for sustainability and ensures that they are adequately considered.

BUSINESS CONDUCT

[GOV-1] THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

SAF-HOLLAND SE has a dual leadership system consisting of the Management Board and the Supervisory Board. The management of the business by the Management Board and the supervision of the Management Board by the Supervisory Board are clearly separated from each other.

The Management Board

The Management Board of SAF-HOLLAND SE defines the business policy and develops the strategic orientation of the undertaking, taking into account sustainability aspects across environmental, social, and governance. These are then coordinated with the Supervisory Board to ensure their effective implementation. The Management Board is also responsible for compliance with legal requirements and internal company policies. Additionally, it must ensure that an adequate and effective internal control and risk management system is established within the undertaking.

At least once every quarter, the SAF-HOLLAND SE Management Board takes a look at the significant sustainability IROs for environment, social, and governance and monitors the progress made in achieving the set targets.

The SAF-HOLLAND SE Management Board currently consists of the Chair of the Management Board and Chief Executive Officer Alexander Geis, and Chief Financial Officer Frank Lorenz-Dietz. Both members are male. This corresponds to an average ratio of female to male members of zero and a female membership of 0%. Further information on targets for female membership of the Management Board can be found in the SAF-HOLLAND corporate governance statement (https://corporate.safholland.com/en/cgs.

The responsibilities of the members of the Management Board are described in the rules of procedure of the Management Board (https://corporate.safholland.com/en/company/management-board), in the corporate governance statement (https://corporate.safholland.com/en/cgs) and in the articles of association (https://corporate.safholland.com/en/articles-of-association).

The rules of procedure establish the principle of joint responsibility of the management board for the conduct of the company's business, as well as the responsibility of the full board for certain matters of particular significance and impact. Furthermore, each member of the Management Board independently manages the business unit assigned to them according to the distribution plan. The chair of the Management Board is responsible for internally allocating the business units.

In terms of sustainability, the CEO is primarily responsible for the ESG strategy and focuses on integrating sustainability matters into the undertaking's operational core activities. The CFO is responsible for ESG communication (including reporting) and compliance.

Alexander Geis, Chairman of the Management Board and Chief Executive Officer, has extensive knowledge of the undertaking and its products, as well as company-specific sustainability issues. He began his professional career in 1995 at Otto Sauer Achsenfabrik GmbH, Bessenbach, a predecessor undertaking of the current SAF-HOLLAND Group. After holding various management positions, he was appointed to the Group Management Board of SAF-HOLLAND S.A. in 2011. Alexander Geis has been Chairman of the Management Board and CEO of SAF-HOLLAND S.A. and SAF-HOLLAND SE since February 25, 2019.

Further information about Alexander Geis can be found in his resume on the website at https://corporate.safholland.com/en/company/management-board.

Frank Lorenz-Dietz has been a member of the Management Board and Chief Financial Officer of SAF-HOLLAND SE since January 1, 2023. He is a recognized finance expert with operational industry experience in an international environment and expertise in M&A and integration. After three years working for SAF-HOLLAND, he has extensive knowledge of the undertaking and products, as well as expertise in company-specific sustainability topics and sustainability reporting.

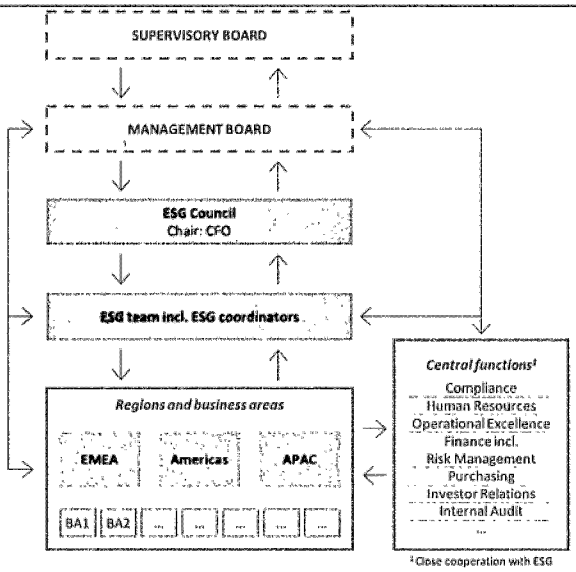
Further information about Frank Lorenz-Dietz can be found in his resume on the website at https://corporate.safholland.com/en/company/management-board.

Owing to this extensive, company-specific knowledge, the Management Board is able to evaluate the wide range of identified IROs (see chapter "Double materiality analysis") and thus drive forward the transformation of SAF-HOLLAND into an ecologically sustainable organization in terms of GHG emissions, resource consumption, business conduct, and the positioning of SAF-HOLLAND as an employer of choice. Identified, material IROs that are outside the immediate responsibility of the Management Board are covered by various internal stakeholders and committees. The Management Board thus has direct access to the undertaking's entire knowledge base.

Further details on the composition and responsibilities of the Management Board can be found in the Corporate Governance Statement of SAF-HOLLAND (https://corporate.safholland.com/en/cgs).

The Management Board is supported by the ESG Council in its task of integrating the topic of ESG into the operational day-to-day business of SAF-HOLLAND.

SAF-HOLLAND ESG organization



At regular quarterly meetings of the Management Board, the ESG Council is kept informed by the Vice President ESG about all sustainability-related topics. These are discussed and coordinated in advance with the relevant departments — Operations, Purchasing, Human Resources, Legal & Compliance, and Communication.

Supervisory Board

The Supervisory Board of SAF-HOLLAND SE supervises and advises the Management Board in its management. The supervision and advice given by the Supervisory Board also specifically includes sustainability issues, and its involvement is also required in decisions of fundamental significance. At regular intervals, the Supervisory Board discusses issues of strategy, planning, business development, risk situation, risk management, compliance, and other important events. These are essential for assessing the current situation and development, as well as for managing the undertaking. In this context, the Supervisory Board monitors the goals regarding material impacts, risks, and opportunities, as well as the progress in achieving these goals in its regular meetings, which take place at least once a quarter.

Further details on the Supervisory Board's tasks and its members are described in the Articles of Association (https://corporate.safholland.com/en/company/corporate-governance-compliance/articles-of-association), in the Rules of Procedure of the Supervisory Board (https://corporate.safholland.com/en/undertaking/supervisory-board), and in the Corporate Governance Statement (https://corporate.safholland.com/en/cgs).

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Guidance on appointments to the committee is provided for the Supervisory Board of SAF-HOLLAND SE in the competency profile and qualifications matrix, where the expectations for independence, diversity, and professional competence are detailed. The competence profile also takes into account SAF-HOLLAND's company-specific situation, its international structure, and the future development of the markets and the product portfolio.

The Supervisory Board of SAF-HOLLAND SE currently consists of Dr. Martin Kleinschmitt, Carsten Reinhardt, Matthias Arleth, Hans-Werner Kaas, Jurate Keblyte, and Dagmar Rehm, and thus consists of four men and two women. This corresponds to an average ratio of female to male members of 0.57 and a female membership of 33.33%. The composition of the Audit Committee, the Nomination and Remuneration Committee, as well as information on targets for gender balance on the Supervisory Board can be found in the Corporate Governance Statement of SAF-HOLLAND (https://corporate.safholland.com/en/cgs).

According to the company, all members of the Supervisory Board are considered independent. As a purely precautionary measure, SAF-HOLLAND discloses a deviation from recommendation C.10 sentence 1 1st alternative of the German Corporate Governance Code (GCGC) with regard to Dr. Martin Kleinschmitt, since it is not clearly defined whether his membership in the Board of Directors from 2013 until the Company's conversion into an SE in 2020 should be regarded as membership of the Supervisory Board within the meaning of recommendation C.7 paragraph 2 4th indent GCGC. If this were to be affirmed, Dr. Martin Kleinschmitt would have been a member of the Company's Supervisory Board for more than 12 years (see qualification matrix – https://corporate.safholland.com/en/company/supervisory-board). All six members of the Supervisory Board are over the age of 50.

Qualification matrix of the Supervisory Board of SAF HOLLAND SE (as of December 2025)

		Dr. Martin Kleinschmitt	Carsten Reinhardt	Matthias Arleth	Hans-Werner Kaas	Jurate Keblyte	Dagmar Rehm
	Elected until*	2028	2028	2028	2028	2028	2028
Function	Supervisory Board	Chair	Deputy Chairman	Member	Member	Member	Member
	Audit Committee	Member				Member	Chairwoman
	Nomination and Remuneration Committee	Member	Member	Chairman			
Independence	Independence in line with GCGC**	No	Yes	Yes	Yes	Yes	Yes
Diversity	Gender	Male	Male	Male	Male	Female	Female
	Age	56–65	56–65	56–65	56–65	46–55	56–65
	Nationality	German	German	German	German, US American	German	German
	International experience	✓	✓	✓	✓	✓	✓
	Training background	Lawyer	Engineer	Engineer	Industrial Engineer	M Sc. Management	Economist
Professional suitability	Management / Leadership	✓	✓	✓	✓	✓	✓
	Strategic business development		✓	✓	✓		
	Corporate development, organization and structuring	✓	✓	✓	✓	✓	✓
	Knowledge of international markets		✓	✓	✓	✓	
	Industry-relevant technologies, products, services and new business models		✓	✓	✓		
	Operations / Operational excellence		✓	✓	✓		
	Digitization / IT / Software		✓	✓	✓	✓	✓
	Human resources / New work	✓	✓	✓	✓	✓	✓
	ESG / Sustainability	✓	✓	✓	✓	✓	✓
	Legal / Compliance / Corporate Governance	✓		✓		✓	✓
	Control systems (CMS, RMS, ICS, Internal Audit)	✓		✓		✓	✓
	Accounting	✓				✓	✓
	Audit	✓				✓	✓
	Restructuring / Transformation	✓	✓	✓	✓	✓	✓
	Financing / Capital market	✓			✓	✓	✓
	Experience in advisory or supervisory boards	✓	✓		✓	✓	✓

Notes:

- A checked box corresponds to the fulfillment of the professional competencies of at least 75 to 100% (according to self-assessment).

*Term of office: until the Annual General Meeting 2028, which decides on the discharge of the Supervisory Board for the financial year 2027

**German Corporate Governance Code

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The supervisory board of SAF-HOLLAND adequately meets all requirements set out in the competency profile. In addition, there is at least one specialist from each defined area of expertise on the Supervisory Board.

According to the qualification matrix, all members of the Supervisory Board have relevant knowledge of ESG/sustainability. This includes experience in ESG reporting and industry-specific knowledge of sustainable business operations, workforce management, and ethical business practices. Therefore, the members are suitably qualified to assess and comment on the identified IROs of SAF-HOLLAND.

The Supervisory Board has a three-member Audit Committee. Responsibilities of the Audit Committee include the audit of the financial statements, the monitoring of the accounting process, and the audit of the annual financial statements. The financial statements specifically include the consolidated financial statements and the Group Management Report. As a member of the Audit Committee, Ms. Jurate Keblyte has particularly extensive knowledge and experience in sustainability reporting. Mrs. Dagmar Rehm has detailed knowledge of auditing, including proven experience in the auditing of sustainability reports.

Further information on the professional background of the current supervisory board members can be found in the resumes on the website at https://corporate.safholland.com/en/company/supervisory-board.

Responsible business conduct

Sustainability management — including the management and monitoring of impacts, risks, and opportunities — is integrated vertically, horizontally, and cross-functionally into the organizational structure of SAF-HOLLAND. The SAF-HOLLAND Management Board is responsible for the sustainability strategy.

Sustainable success is based on responsible action. For SAF-HOLLAND, this includes not only compliance with applicable national and international laws and regulations but also specifically the preservation of ethical and moral values. Accordingly, the undertaking has implemented a compliance management system tailored to its risk situation, which supports employees and managers in meeting these requirements. The compliance management system is overseen by the group-wide Legal & Compliance department, which reports directly to the Chief Financial Officer.

The essential compliance requirements are summarized in the Code of Conduct, which is mandatory for every single SAF-HOLLAND employee and can be found on the SAF-HOLLAND website at https://corporate.safholland.com/en/company/corporate-governance-compliance/code-of-conduct (see chapter "G1-1 Corporate culture and business conduct policies"). Further compliance issues are regulated by policies that apply throughout the undertaking. These include, among other things, the handling of gifts, human rights issues, and insider information. In the event of changes to the legal framework, the corresponding policy is updated. The relevant employees are informed and provided with additional training if necessary.

Within the supervisory board, the Audit Committee primarily addresses compliance matters on a regular basis and ensures that the full board is appropriately informed.

There is also a Compliance Committee, whose chair updates the CEO or CFO in the event of a compliance violation. In the event of a compliance violation by the CEO or CFO, the chair of the Compliance Committee immediately informs the chair of the Audit Committee. The chair of the Compliance Committee regularly informs the Audit Committee about its activities. The members of the Compliance Committee are experienced executives from the fields of law and compliance, human resources, and internal auditing.

The internal audit examines the effectiveness of the risk management system and controls, of management, and monitoring processes, as well as compliance with corporate policies, and contributes to their improvement. This is done on behalf of the Management Board through planned and ad-hoc independent audits at all group companies and at the corporate headquarters. The audit results and any action agreements are discussed by the audit team together with the organizational units that were inspected and their management. The Management Board is regularly informed about the results. The Head of Group Auditing reports to the Audit Committee of the Supervisory Board at least once a year.

Corresponding processes and controls are in place for the management of the IROs assessed as material (see chapter "Material impacts, risks, and opportunities and their Interaction with strategy and business model"). These processes and controls are subject to further development in connection with SAF-HOLLAND SE's sustainability reporting in the coming years. Here, the Management Board is responsible for coordinating with the Corporate ESG and Risk Management departments to monitor and manage sustainability issues. Further information can be found in section "GOV-5 Risk management and internal controls of sustainability reporting".

Works Council

The involvement of SAF-HOLLAND SE's European employees is regulated by the law on employee involvement in a European company (SE Employee Involvement Act – SEBG).

Accordingly, there is a Works Council at SAF-HOLLAND SE that represents the interests of the employees. However, it has only information rights with no co-determination rights.

[GOV-2] INFORMATION AND SUSTAINABILITY ASPECTS ADDRESSED BY THE UNDERTAKING'S ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES

The Management Board and Supervisory Board at SAF-HOLLAND are systematically informed about material impacts, risks, and opportunities, as well as about the implementation of due diligence and the results and effectiveness of the associated policies, actions, metrics, and targets.

In this context, the Vice President ESG is responsible for keeping the Management Board and the Supervisory Board up to date. Corresponding updates are provided at least on a quarterly basis and ensure that the governing bodies are duly informed about all sustainability-related matters that are material to the strategy, including in the context of acquisitions, as well as to risk management and the Internal Control System (ICS).

The Vice President ESG works together with the heads and responsible management of the relevant functions to ensure the accuracy and relevance of all shared information before presenting it to the Management Board and the Supervisory Board. This coordination ensures the contributions are comprehensive and establishes a common understanding of the material impacts, risks, and opportunities affecting SAF-HOLLAND.

The information provided includes:

- Material impacts, risks, and opportunities: the key issues identified in the context of the materiality analysis and risk management of SAF-HOLLAND
- Implementation of due diligence: progress in the due diligence processes, specifically regarding sustainability-related matters throughout the value chain, under the leadership of the Human Rights Officer and supply chain management
- Effectiveness of strategies, actions, metrics and targets: current information on the implementation and effectiveness of SAF-HOLLAND's sustainability policies and initiatives, as well as performance compared to the established metrics and targets

This structured communication framework enables the Management Board of SAF-HOLLAND to make informed decisions that align with the company's sustainability commitments and stakeholder expectations. The Supervisory Board is empowered to monitor the implementation of the sustainability strategy and to comprehensively assess significant transactions and risks.

The risks and controls related to ESG have been partially integrated into the Internal Control System, which falls under the Management Board's responsibility. The ICS outlines the operational process controls. The Management Board is provided with a status report on a quarterly basis. As part of this review, a corresponding report is prepared and discussed each quarter in the group's Risk Steering Committees. In addition to operational controls, strategic risks are also addressed as part of the double materiality assessment (DMA). A wide range of strategic risks is identified by employees from various functions within SAF-HOLLAND. In doing so, they rely on their functional expertise and promote alignment with the undertaking's strategy.

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The Management Board, the regional presidents, and the Supervisory Board are kept informed about the findings from the ICS and the DMA in regular meetings. These committees are responsible for approving the DMA results. They also ensure that any trade-offs between impacts, risks, and opportunities in the context of SAF-HOLLAND's business priorities are always made very carefully.

The ESG strategy development and the associated approval process are both designed to align closely with the undertaking's business model and value chain. The purpose of this structure is to ensure that any identified risks and opportunities can be incorporated into strategic decisions and larger transactions, thus creating a comprehensive approach to sustainable business conduct. However, the company is fundamentally aware of the potential trade-offs between maximizing profitability and adopting more sustainable business practices. These trade-off processes have not yet been evaluated in detail and therefore cannot be reviewed at this time.

In the 2025 reporting year, all changes in material impacts, risks, and opportunities resulting from the double materiality analysis (DMA) conducted in 2025 were discussed with the Management Board, as well as the Supervisory Board and its Audit Committee. The climate resilience analysis conducted to ensure compliance with the ESRS E1 standard on climate change is particularly noteworthy. Further information can be found in the chapter "Double materiality analysis" chapter.

The list of material impacts, risks, and opportunities can be found in the chapter on "Material impacts, risks, and opportunities (IROs) and their Interaction with strategy and business model".

[GOV-3] INCLUSION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SYSTEMS

The high significance of sustainable corporate development is reflected in the remuneration structure. Various incentive systems are in place depending on the employee's role in the undertaking.

Sustainability-related targets are already firmly embedded in the CEO and CFO's compensation packages. As part of the Long-Term Incentive Scheme (LTI), a sustainability incentive of 20% is linked to the group's reduction of scope 1 and 2 CO_2 emissions by 10% in the period 2024–2027 compared to the base year 2023. A sustainability incentive of 20% applies for the 2025–2028 LTI, which foresees a reduction of scope 1 and 2 emissions by 10% compared to the base year 2024. An incentive of 10% of the variable compensation in the Short-Term Incentive Scheme (STI) 2025 is subject to the improvement of the EcoVadis rating compared to the previous year. This target was successfully achieved with a score of 68 out of 100 (previous year: 55).

This means that 11.5% of the total compensation of the Management Board in 2025 and 10.0% of the recognized variable compensation are linked to sustainability matters through LTI and STI.

The targets of the Management Board members are updated and approved annually by the Supervisory Board.

[GOV-4] STATEMENT ON DUE DILIGENCE

SAF-HOLLAND has implemented due diligence processes to ensure that sustainability standards are met. The following table lists the individual sections where more detailed information about SAF-HOLLAND's due diligence practices can be found.

Core elements of due diligence

Core elements of due diligence	Section in the sustainability statement	Page
Integration of due diligence into governance, strategy, and business model	– ESRS-2, GOV-1	81
	– ESRS-2, GOV-2	86
	– ESRS-2, GOV-5	88
Involvement of affected stakeholders in all key steps of due diligence	– ESRS-2, SBM-2	79
	– S1-2; S1-5	141; 147
	– S2-1; S2-2; S2-4	153; 155; 157
	– G1-1	160
Identification and assessment of negative impacts	– ESRS-2, IRO-1, S3 (Double materiality analysis)	93
Actions against these negative impacts	– E1-3	109
	– E2-2	120
	– E5-2	122
	– S1-4	142
	– S2-4	157
	– G1-1; G1-2; G1-3	160; 164; 166
Tracking the effectiveness of these efforts and communication	– E1-4; E1-5; E1-6	113; 115; 116
	– E2-3	121
	– E5-3; E5-5	123; 125
	– S1-5; S1-6; S1-9; S1-14; S1-16	147; 149; 151; 151; 151
	– S2-5	158
	– G1-1; G1-2; G1-3; G1-4	160; 164; 166; 167

[GOV-5] RISK MANAGEMENT AND INTERNAL CONTROL OF SUSTAINABILITY REPORTING

The risk management of SAF-HOLLAND with regard to sustainability reporting covers both strategic and process risks. Strategic sustainability risks are identified and assessed as part of the regularly conducted double materiality analysis. Process risks are covered by the internal ESG Reporting Policy and by the internal control system (ICS). The ESG Reporting Policy describes both the governance structure, i.e. roles and responsibilities of the involved functions, and a standardized reporting procedure. The reporting process itself includes several steps, including the assessment of materiality, reporting, and review.

There is regular alignment of the Risk Management System (RMS) with sustainability topics. Risks and opportunities are compared with those from the double materiality analysis and included in the double materiality analysis or in the risk management if relevant. Comparability is ensured by the use of aligned measurement scales. Controls related to sustainability reporting are part of the group-wide internal control system.

The ICS for sustainability reporting is intended to ensure that the quantitative and qualitative data published in the non-financial statements are free from material errors and that the reliability of sustainability reporting is assured. The controls implemented are intended to detect and prevent errors in data collection, processing, and approval.

The risk assessment is based on the general principles of reporting: materiality, completeness, reliability, and consistency. While the aspect of materiality is directly covered by the DMA, the complexity and novelty of sustainability reporting standards require that the principles of completeness and reliability be prioritized, specifically with regard to quantitative data.

SAF-HOLLAND has developed a "Metrics Manual" for this purpose that is available to the employees involved. It contains a detailed description and calculation of all metrics to be reported. Risk minimization regarding the completeness and reliability of the metrics is achieved through internal controls (for example, by using the four-eyes principle).

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The results of the risk assessment and findings from the internal controls are integrated into the organization in various ways. For strategic sustainability risks, a scope validation step is now part of the ESG Reporting Policy. This step in the process serves not only to inform the relevant departments about central changes in reporting requirements but also includes the systematic feedback of information from the units to the headquarters. The units report back on relevant adjustments or developments. These can be related to the double materiality analysis, the consolidation scope, or changes in the product portfolio. On this basis, a mutual collaboration takes place. Centrally determined and department-specific changes can thus be consolidated and finalized in the scope validation. The Management Board is kept informed in quarterly board meetings by the Vice President ESG about newly identified process risks or adjusted policies. These updates are promptly forwarded from the Management Board to the Supervisory Board after the Management Board meeting.

Further information on the group-wide risk management system, the internal control system including scope, essential features and components, as well as a description of regular reporting to the Management Board and Supervisory Board, is included in the "Risk and opportunity report" chapter in the Consolidated Management Report.

DOUBLE MATERIALITY ANALYSIS

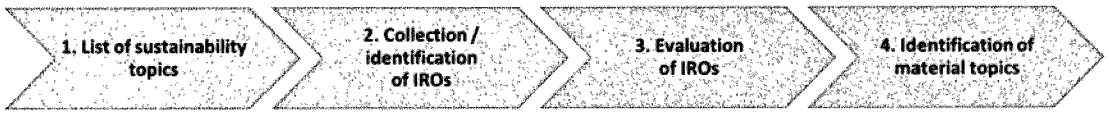
REGULATORY CONTEXT

The European directive on sustainability reporting (Corporate Sustainability Reporting Directive — CSRD) stipulates that SAF-HOLLAND reports on all sustainability matters that are either mandatory according to the ESRS 2 or classified as material within the framework of the double materiality analysis (Double materiality analysis — DMA). In determining the materiality of sustainability matters, two dimensions are considered. Firstly, the impact materiality of SAF-HOLLAND on people and the environment, known as the inside-out perspective, is examined. Secondly, the materiality of financial risks and opportunities to the group's business operations that arise from sustainability matters is addressed. This is called the outside-in perspective.

APPROACH AND PROCESS FOR SAF-HOLLAND'S DMA

The materiality analysis is a structured, four-phase process for identifying and prioritizing IROs that are significant to SAF-HOLLAND and its stakeholders.

Process steps of materiality analysis



The DMA is fundamentally revised every three years and also reviewed annually. SAF-HOLLAND began work on a comprehensive DMA in 2023 in extensive collaboration with various stakeholders. It was completed in early 2024. Since then, annual reviews and updates have been carried out where applicable. All changes and adjustments resulting from the 2025 review are set out in the section entitled "Review in 2025 and inclusion of the results".

STAKEHOLDER INVOLVEMENT

More than 30 internal experts participated in 17 workshops in phases two and three of the comprehensive DMA to identify the key IROs for SAF-HOLLAND. In preparation, each stage of the value chain was analyzed to identify company-specific IROs and determine the relevant stakeholders. All participants received training materials and an introduction to the ESRS methodology in advance. This enabled them to conduct a well-founded assessment and use their professional and company-specific knowledge to evaluate each topic.

To ensure that the views and interests of stakeholders were fully considered during the double materiality analysis process, specific stakeholder groups were formed with representatives of internal departments who could contribute their expertise and local perspective. Departments represented included sales, research and development, purchasing, human resources, investor relations, climate and environment, health and safety, diversity and inclusion, compliance, and risk management. This interdisciplinary structure ensured that each relevant operational department was in a position to reflect the interests of its respective stakeholder groups (see section on "General disclosures – SBM-2 Interests and positions of

stakeholders"). Using established communication formats, the departments were called upon to express the relevant expectations of external stakeholders.

Technical experts, for example, shared insights into production processes, while representatives from marketing, sales, purchasing, and research and development ensured that the customer environment was considered in the assessment of sustainability topics and that significant aspects from business relationships and the supply chain were included.

Customer requirements with regard to ESG topics were recorded using self-assessment questionnaires for stakeholder representatives and in regular meetings with members of the sales team. Supplier interests were incorporated through close collaboration with members of the purchasing department. Among other things, they utilized environmental assessments of site locations using third-party software regarding waste generation and the reports of audits at waste disposal companies conducted by the production sites themselves as part of the internal control system. Expectations regarding social aspects were derived from the results of global employee surveys, the employee engagement tool and regular consultations with union representatives and Works Councils. The investor viewpoint was evaluated by the Investor Relations team based on active investor dialogue and analysis of their voting behavior at the Annual General Meeting. Specific consultations with stakeholders were not conducted as part of the materiality analysis.

In the next step, the undertaking used the information gathered to systematically analyze its own activities, business relationships, and the upstream and downstream value chain. This was done by identifying process stages, examining potential sustainability impacts along the supply chain and assigning risks and opportunities to the key areas. All internal stakeholder representatives were asked to reflect the perspectives of the interest groups they represented and to assess the potentially relevant sustainability matters (see section on "Description of the process for IRO identification"). Specific business activities or site locations were not systematically analyzed in this context.

The entire process was additionally accompanied by external industry and ESG experts to avoid potential biases and inconsistencies. In particular, they assisted in preparing the content of the workshops, providing industry benchmarks, and critically challenging the assessments made in the workshops.

DESCRIPTION OF THE PROCESS FOR IRO IDENTIFICATION

Material impacts, risks, and opportunities are identified using the following steps:

1. Creation of a list of (potentially) relevant sustainability topics

An initial overview of the significant topics covered by the ESRS was created based on the business and sustainability reports of SAF-HOLLAND SE and Haldex AB (up to and including 2022). This information was then supplemented with relevant industry recommendations from the SASB (Sustainability Accounting Standards Board), and with internet research on SAF-HOLLAND's activities along the value chain. Finally, a peer group of comparable companies was selected and analyzed. This completed the coverage of the topics and resulted in an initial longlist of potential impacts, risks, and opportunities that could be relevant to the business model and the value chain.

The longlist was then reviewed for completeness by internal stakeholder representatives and management during the workshops, further refined according to the topical standards under the ESRS, and categorized into thematic subcategories. This process resulted in a document listing the relevant impacts, risks, and opportunities for the undertaking. The undertaking aligned itself with generally accepted scientific findings on climate change, including the expected global temperature increase of 1.5°C or more. Market developments expected at that time, were also taken into account. These specifically included an increasing customer demand for low-emission products and the ongoing electrification in the commercial vehicle sector. Furthermore, the growing focus on scope 3 emissions along the value chain was taken into account. In addition, relevant market trends showing an increase in the use of renewable energy and rising market expectations for enhanced ESG transparency were taken into account. The entire process was accompanied by external consultants who provided methodological support.

2. Recording/identification of the IRO

2.1 Impact materiality

The identified impacts were assessed in further steps as to whether they were actual or potential, within short-, medium-, or long-term time horizons (1 year, 1–5 years, more than 5 years), and whether they were positive or negative. It was also assessed at which point in the value chain the impacts occur (upstream, downstream, own activities). Here, SAF-HOLLAND

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sees a significance in considering the interrelationships between impacts and dependencies. Stakeholder representatives were asked to evaluate how inside-out aspects (e.g., unsatisfactory working conditions) can influence outside-in risks by causing effects such as lower productivity or rising costs.

Assessment categories: Magnitude, scope, irreversibility and probability
SAF-HOLLAND classifies actual impacts by their severity only, while potential impacts are assessed by their severity and probability. In determining the severity of an impact, scope and magnitude are considered for positive impacts, while scope, magnitude, and irreversibility are taken into account for negative impacts. Scope, magnitude, and irreversibility are each assessed on a five-stage scale according to the following overview.

Evaluation categories

	Lowest rating	Highest rating
Scale	1 = minimal	5 = absolute
Scope	1 = limited	5 = absolute/global
Irremediability	1 = relatively easy to remedy in short-term	5 = non-remediable/irreversible
Likelihood	0% = not likely	100% = will happen/actual impact

2.2. Financial materiality
To assess financial materiality, SAF-HOLLAND examines the risks and opportunities arising from sustainability aspects with regard to whether they may have an impact on the financial and earnings position as well as cash flow in the short, medium, or long term, and whether this can reasonably be expected. Here, the undertaking does not consider actions for avoidance, minimization, mitigation, or restoration of impacts or risks and opportunities (gross assessment approach).

Similar to the impact assessment, financial risks and opportunities are evaluated based on their probability and potential magnitude. The financial magnitude is qualitatively assessed on a scale from 1 to 5, where 1 is "insignificant" and 5 is "significant".

No financial effects of the material risks and opportunities of SAF-HOLLAND on the financial and earnings position or on the cash flow were identified for the 2025 fiscal year.

3. Assessment of IROs
When assessing impacts, the factors of magnitude, scope, and irreversibility were given equal weight. The average of these factors formed the overall value for the severity of each individual IRO. When assessing risks and opportunities, only the factor of magnitude was evaluated. In each case, the resulting score reflects the severity of the impact, where 5 corresponds to the most severe and 1 to a minimal or non-existent impact.

The average value was then multiplied by the probability (value between 0 and 1, where 1 represents an actual impact). The resulting number is the final score for the respective IRO.

For evaluating sustainability matters related to human rights, a specific assessment approach has been defined. This methodology applies to all issues related to social and human rights. In the case of potentially negative impacts, severity takes precedence over likelihood. A subtopic is therefore already considered to be material if one of the three severity components (magnitude, scope, or irreversibility) reaches the highest assessment level (5), even if the probability of occurrence is low.

4. Identification of material topics
The final value determined in phase 3 for all IROs is compared with the threshold value of 2.5, with all values from this threshold onwards implying a material impact, risk, or opportunity. This threshold was set so that IROs rated as having at least "medium" significance are considered material IROs. Furthermore, an annual review is planned to ensure that changes affecting IROs are taken into account in the assessment and are subsequently included in the annual sustainability report.

REVIEW IN 2025 AND INCORPORATION OF THE RESULTS

As part of the annual review of the DMA, SAF-HOLLAND has considered all newly available information and for the first time, carried out a climate resilience analysis, which was integrated into the assessment process.

Transition risks and transition opportunities were analyzed separately. The extent to which the changing regulatory, political, technological, or market-based environment could present transition risks or opportunities for the undertaking was assessed. The results were assigned to the key topics related to climate change mitigation.

Physical climate risks were examined independently and included both acute extreme weather events and long-term climatic changes. The assessment was based on the exposure of individual site locations to climate-related hazards as well as the undertaking's adaptability. The extent to which physical risks could affect operations, assets, and the continuity of value creation was analyzed.

In addition, further new insights and developments were incorporated into the updating process. The topics of working hours and work-life balance were reassessed to more precisely reflect the actual relevance of these aspects in the current corporate context. Both topics are traditionally less critical in the commercial vehicle supply industry than in other sectors, as SAF-HOLLAND already offers working conditions with established flexibility options. The reassessment therefore helps to clarify the IROs and to align their prioritization more realistically. Individual IROs have also been more clearly differentiated to achieve greater precision and clarify their scope.

A peer review of the DMA results was conducted using the "EFRAG 2025 State of Play"-market study portal for CSRD-compliant non-financial statements. The analysis of 250 industrial companies from the manufacturing sector showed that an average of seven topics were identified as material in Europe and Germany. SAF-HOLLAND has a similar materiality profile with a total of six materiality topics. The most important topics identified correspond to the ESRS standards that are most frequently rated as material: E1 (Climate change), E2 (Pollution), E5 (Resource use and circular economy), S1 (Own workforce), S2 (Workers in the value chain), and G1 (Business conduct).

The review of the 2025 DMA was accompanied by external ESG experts to ensure ESRS compliance and was subsequently reviewed by internal stakeholder representatives and approved by the Management Board and Supervisory Board.

The actual impacts identified in the DMA on people and the environment are continuously monitored throughout the business year by the involved stakeholder representatives, whereas the potential impacts are reassessed and updated during the annual DMA review if necessary.

The overall risk profile of SAF-HOLLAND was taken into account throughout the process to ensure a high degree of alignment between the overall opportunities and risk management and the opportunities and risks identified in the DMA. After completion of the DMA, the results were again partially used to update SAF-HOLLAND's risk management processes.

The results of the DMA were integrated into the ESG strategy as shown below:

Results of the DMA

Identified material topic	Strategic focus topic
Climate change mitigation, energy	Net zero emissions by 2050
Energy (downstream value chain), Air pollution (downstream value chain)	Sustainable products and innovations for customers
Climate change mitigation, energy, resource inflows, waste, working conditions (own workers), working conditions (value chain), other work-related rights (value chain), air pollution (upstream value chain), management of supplier relationships	Sustainable operational excellence in the value chain
Corruption and bribery, protection of whistleblowers	Effective business conduct (governance)
Working conditions (own workers), equal treatment and equal opportunities for all (own workers), other work-related rights (own workers)	Attractive employer

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In addition to strategic anchoring, SAF-HOLLAND is working to gradually integrate the identification and assessment of IROs into its opportunities and risk management. Sustainability risks identified within the framework of the DMA or otherwise are treated at the strategic level by the Management Board and Supervisory Board with the same priority as financial or qualitative risks that have financial impacts, for example, in the area of data security. Operational risks are currently covered by the existing internal control system (ICS). However, the complete integration of sustainability matters into opportunity and risk management continues to represent an ongoing development process that will be further expanded and systematically consolidated in the upcoming reporting cycles.

[IRO-1] DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

SAF-HOLLAND conducted a structured analysis of its activities, processes, products, and future plans as part of the double materiality assessment (DMA) to identify and assess positive and negative, actual and potential impacts on climate change, as well as relevant sources of GHG emissions in its own operations and along the entire value chain. This analysis includes both a screening of GHG emissions at its own production sites and an assessment of activities across all scope categories (scope 1, 2, and 3). The review was conducted by identifying relevant business activities, specifically regarding energy consumption and fuel use at production sites, electricity procurement, sourcing of intermediate products, and the use of sold products. Impacts that are not relevant to the Group's business model, such as land-use change, were excluded from the analysis. The identified impacts are assigned to the topics of climate change mitigation and energy consumption and are assessed based on their magnitude and the likelihood of their contribution to global warming.

Building on the DMA, physical climate risks were assessed using a scientifically sound, site-specific approach. The analysis was based on site-specific geodata, using the respective geo-coordinates for each SAF-HOLLAND site location. This allowed for a direct link to climate model forecasts and ensured an assessment that goes beyond national or regional averages. The results of this analysis were integrated into the DMA 2025 to specifically reflect the undertaking's exposure to physical climate risks such as flooding and tropical storms. This procedure ensures a close alignment between the materiality analysis and the requirements of the ESRS E1 regarding climate adaptation.

The scientifically based, site-specific risk analysis included all production sites and distribution centers and took 28 acute and chronic climate hazards into consideration based on the IPCC scenarios RCP 2.6 and RCP 8.5 for the periods 2025, 2035 and 2050. The period up to 2035 largely corresponds to current strategic corporate planning, while the period up to 2050 reflects long-term investment decisions. There is no direct correlation with the various expected useful lives of the assets. The assessment of the probability of occurrence and potential financial impacts was primarily conducted in a gross assessment under the high-emission scenario RCP 8.5 to promote a conservative risk assessment. This scenario assumes permanently high GHG emissions, the absence of effective global climate protection measures, and a significant increase in radiative forcing by the year 2100.

The analysis is based on the current asset base and vulnerability of the site locations to physical hazards, with future infrastructural improvements or additional protective measures not taken into account. Under these assumptions, there is an especially pronounced and increasing likelihood and intensity of flooding by 2050 for several sites. These include Singen and Bessenbach, Germany; Pune and Nave, India; Flero, Italy and Düzce, Turkey. These findings are used to estimate potential operational disruptions and to assess whether assets will remain usable in the long term or need to be written off at a later date.

It was also expected that at certain site locations, such as Marion, USA, tropical storms could continue to occur or increase, despite global forecasting uncertainties. These risks were also included in the assessment of potential operational interruptions. Site-specific priorities for adaptation measures were identified based on the analysis and corresponding plans for managing risks from flooding and tropical storms were outlined.

The assessment of physical climate risks included both downstream and upstream parts of the value chain. In the downstream chain, the exposure of customer markets and transport corridors to climate-related hazards, which could potentially affect product delivery, sales, and service continuity, was analyzed.

Furthermore, the upstream supply chain was also considered in the assessment. Particular focus was placed on analyzing the resilience of critical components. Resilience is strengthened by taking a multi-sourcing approach with regional diversification of the procurement markets. Additionally, in order to minimize potential disruptions in the supply chain,

strategic inventories were carried out and the status of functioning business continuity plans at key suppliers was assessed. The identified physical risks and opportunities were evaluated based on predefined criteria, including the intensity of the respective hazard, exposure, and vulnerability.

The methodological limitations of the analysis include the dependence on long-term climate projections as well as the application of qualitative risk assessments instead of quantitative financial loss models at the asset level. While individual site locations are exposed to site-specific physical risks, particularly flooding, these risks primarily result from local exposure to climate-related events and do not conflict with SAF-HOLLAND's long-term strategic orientation or business model. Site locations in identified high-risk areas have therefore been asked to provide information on planned investments as well as existing and planned adaptation measures to address these climate-related risks. Despite the high significance of the scenario, site- and product-specific uncertainties remain, as climate science projections by their very nature cover long timeframes and potentially variable developments.

At the same time, transition risks and opportunities were assessed based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the requirements of the ESRS E1. The central reference scenario was the "Net Zero by 2050" IEA scenario, which the undertaking considers to represent the most realistic and scientifically grounded 1.5°C pathway and takes into account the relevant regulatory, market-based, and technological developments for SAF-HOLLAND.

The scenario analysis was based on key drivers and assumptions, including climate-related political and regulatory development such as emission targets, carbon pricing, and support instruments, macroeconomic trends, and an increasing market demand for low-emission transport solutions. Assumptions regarding the development of energy use and the energy mix, including energy costs, as well as technological developments in the areas of electrification, efficiency improvements, and alternative drive systems, were also considered. Additionally, the analysis took into account widely acknowledged expectations of key stakeholders, such as commercial vehicle manufacturers and fleet operators. These factors are material for SAF-HOLLAND as a supplier to the commercial vehicle industry, as they significantly influence product requirements, manufacturing processes, investment and energy procurement decisions, and competitive positioning along the entire value chain.

Based on the "Net Zero by 2050" IEA scenario, key transition risks and opportunities for SAF-HOLLAND were identified and assessed. The main transition risks include rising carbon prices, further tightening of climate and vehicle emissions regulations in key markets, increased volatility in raw materials, and the accelerated transition to low-emission technologies. These political and regulatory developments are particularly relevant for SAF-HOLLAND as a supplier to the commercial vehicle industry, as they significantly influence customer requirements, product compliance, and the cost structure of manufacturing processes. In addition, macroeconomic trends were considered, including potential cost increases for carbon-intensive inputs, increased volatility of energy prices during the transition phase, and a growing shift in customer demand towards low-emission and energy-efficient transport solutions. These developments directly impact raw material procurement, production costs, price pressure, and the long-term demand for SAF-HOLLAND's products. In terms of energy consumption and the energy mix, the assessment of transition risks assumes a progressive shift away from fossil fuels towards electrification and renewable energy. This is specifically relevant for SAF-HOLLAND in light of the fact that the undertaking relies on electricity and natural gas at its production sites and could be exposed to potentially rising prices for fossil fuels and additional CO_2 costs in the event of a delayed transformation. Technological drivers include accelerated innovations in electrified drivetrains, energy-efficient manufacturing technologies, and low-emission vehicle components. These developments present both risks and opportunities for SAF-HOLLAND, as they require timely adjustments of products, processes, and research and development priorities to ensure competitiveness and meet the expectations of customers and regulators. At the same time, potential transition opportunities were analyzed, including the development and marketing of low-emission products, the use of public funding mechanisms, potential efficiency gains, and the strengthening of resilience and diversification in the supply chain.

Overall, 33 transition-related events in the categories of politics/law, technology, market, and reputation were identified and assessed as part of the analysis. The probabilities of occurrence and the potential extent of impacts were estimated in a gross assessment using a five-point scale. Supplementary interviews with internal experts served to validate the underlying assumptions. The assessment covered short (up to 3 years), medium (3–10 years), and long (more than 10 years) time horizons and encompassed the entire value chain, ranging from upstream suppliers through the undertaking's own operations to the downstream usage phase. Particular attention was paid to activities with high decarbonization needs,

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such as the use of carbon-intensive materials (e.g., steel and aluminum) or energy-intensive production processes. Here, actions from research and development in the field of lightweight and electrified components are to be pursued as an approach to finding solutions.

The identified transition risks and opportunities were subsequently confirmed by management and integrated into the double materiality analysis (DMA).

As part of the analysis, it was also examined whether there are assets or business activities that would fundamentally be incompatible with a climate-neutral world. SAF-HOLLAND did not identify any corresponding value creation activities. The insights from the scenario analysis also formed a significant substantive basis for the development of SAF-HOLLAND's transition plan. Alongside the IEA scenario, IPCC scenarios (RCP 2.6 and RCP 8.5) were also considered to ensure coherence with the global decarbonization pathways of the Paris Agreement. These scenarios and their further developments are a central element of SAF-HOLLAND's long-term strategic and sustainable corporate planning and are consistent with the climate-related assumptions and valuation principles used in the consolidated financial statements.

MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES (IROS) AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

The material impacts, risks, and opportunities (IROs) listed below stem from the double materiality analysis (DMA).

ESRS E1: CLIMATE CHANGE

Climate change mitigation and adaptation

Character	Value Chain (VC)	Material IROs	Time horizon	Description	IRO reference
Actual negative impacts	Own Operations (OO)	Scope 1 and scope 2 emissions contribute to climate change	Short-term	The implementation of SAF-HOLLAND's business model currently leads to a significant amount of CO_2 emissions, particularly in production. The daily use of the fleet and the heating of offices and production facilities also lead to CO_2 emissions.	IRO-CLM-01
Actual negative impacts	Upstream (US)	Indirect contribution to climate change due to scope 3 emissions	Short-term	A detailed description of scope 3 emissions is disclosed in section E1-6. These arise from sources that are neither owned nor directly controlled by SAF-HOLLAND, such as the supply chain, transportation, product use, or disposal. Examples include the extraction of raw materials (e.g., iron ore), and the smelting process, where raw materials are processed into intermediate products that are subsequently used in SAF-HOLLAND's operations.	IRO-CLM-02
Actual negative impacts	Downstream (DS)	Indirect contribution to climate change due to scope 3 emissions	Short-term	The downstream end use of finished products primarily concerns the CO_2-intensive long-distance transportation associated with SAF-HOLLAND products.	IRO-CLM-03
Actual positive impacts	OO	Introduction of more sustainable energies and reduction of GHG emissions in production	Short-term	GHG emissions can only be limited in the short to medium term because of energy-intensive production processes. The use of more sustainable energy sources (e.g., solar roof modules) and the improvement of energy efficiency in processes contribute positively to climate change mitigation.	IRO-CLM-04
Actual positive impacts	US	Lower energy consumption due to remanufacturing of brake pads	Short-term	Since manufacturing processes account for the largest proportion of energy consumption, which in turn drives up GHG emissions, remanufacturing brake pads (instead of disposing of them) helps reduce energy consumption.	IRO-CLM-05

Physical financial risk	OO	Increased costs associated with damage to SAF-HOLLAND's physical infrastructure due to climate change-related natural hazards	Medium- to long-term	SAF-HOLLAND is a global undertaking with site locations all over the world. This increases the risk from physical, climate change-related hazards such as floods, heatwaves, soil erosion, rising sea levels, wildfires, and tornadoes/tropical storms.	IRO-CLM-06
Financial transition risk	OO	Political and legal changes can lead to financial risks for SAF-OLLAND's business operations	Long-term	The volatile regulatory landscape could lead to a variety of policy and legal changes that could have financial implications for SAF-HOLLAND, such as higher prices for greenhouse gas emissions, expanded reporting requirements, and stricter requirements for environmentally friendly products.	IRO-CLM-07
Financial transition risk	DS	The transition to a climate-neutral economy requires technological changes to SAF-HOLLAND products	Medium-term	The transition to a climate-neutral economy requires the use of lower-emission technologies, which entails higher research and development costs, as well as capital expenditure. This could, in turn, lead to profitability pressure, unless costs can be passed on to customers.	IRO-CLM-08
Financial transition risk	OO	Changes in the long-distance transport market lead to challenges in managing customer expectations and to otherwise increasing volatility	Long-term	Customers' net-zero goals could lead to a strong shift towards low-emission, energy-efficient products. It takes successful research and development efforts to provide these products, as well as managing the delivery of unfinished goods, with price pressure increasing due to CO_2 pricing and the rising demand for low-carbon products.	IRO-CLM-09

Energy

Character	VC	Material IROs	Time horizon	Description	IRO reference
Actual negative impacts	OO	High energy consumption in production process and in the operation of office buildings	Short-term	Energy is consumed for daily operations, including energy from fossil fuels, leading to greenhouse gas emissions at all sites.	IRO-CLM-10
Actual negative impacts	US	High energy consumption in raw material extraction and intermediate production	Short-term	The highest impacts on energy consumption come from raw material extraction and intermediate production (e.g., smelting). The high energy demand leads to corresponding greenhouse gas emissions.	IRO-CLM-11
Actual negative impacts	DS	High energy consumption, especially when used as a final product	Short-term	The energy consumption derived from fossil fuels occurs during the end use of SAF-HOLLAND products in trucks and trailers, as well as during the assembly of these final products.	IRO-CLM-12
Actual positive impacts	OO	Generating energy and implementing more efficient energy practices improve energy consumption in the undertaking's own business operations	Short-term	Improvements in energy efficiency and worldwide self-generation of energy (e.g., through photovoltaic systems) lead to a reduction in the demand for fossil fuels while significantly reducing greenhouse gas emissions.	IRO-CLM-13
Actual positive impacts	DS	SAF-HOLLAND recuperation systems improve energy efficiency of vehicles	Medium-term	SAF-HOLLAND recuperation systems reduce CO_2 emissions by converting the kinetic energy of the trailer into electrical energy, thereby improving the energy efficiency of downstream products. Further development of these systems can further improve vehicle energy efficiency and reduce emissions.	IRO-CLM-14

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ESRS E2: POLLUTION

In the course of identifying and assessing material IROs for pollution, SAF-HOLLAND has considered additional factors beyond those described in the chapter "Double materiality analysis". Initially, all sites and operational activities were subjected to an examination. To this end, the undertaking regularly conducts software-supported environmental impact assessments that cover central issues such as air and water pollution, as well as the handling of hazardous substances. Suppliers were also reviewed and audited in regard to their measures to reduce environmental pollution. Product-related compliance requirements in the upstream value chain were also included. Supply chain analyses were created using the Conflict Minerals Reporting Template (CMRT) and the Extended Minerals Reporting Template (EMRT) that allow for the origin of used minerals to be tracked, identifying smelting and refining operations, and providing information on potential contamination risks.

Consultations with external stakeholders, particularly affected communities, did not take place in connection with the identification and assessment of the IROs related to pollution.

Air pollution

Character	VC	Material IROs	Time horizon	Description	IRO reference
Actual negative impacts	US	Release of dust during mining, as well as during smelting and steel production could cause diseases	Short-term	Dust that contains a variety of heavy metals often associated with health problems can be released when melting or breaking materials in mining. As dust, these minerals (e.g., the asbestos-like mineral riebeckite) can enter lung tissue and cause conditions such as pneumoconiosis and silicosis, commonly known as "dust lung". Another example of harmful dust is fly ash, a byproduct of fluorine extraction.	IRO-AIR-01
Actual negative impacts	US	Air pollution from traffic and production	Short-term	The transport and production of semi-finished products can contribute to air pollution through emissions, especially in densely populated areas.	IRO-AIR-02
Actual negative impacts	DS	Release of heavy metals during vehicle use	Medium-term	The use of SAF-HOLLAND products in commercial vehicles contributes to air pollution through wear and the distribution of fine dust from the use of brakes and axles.	IRO-AIR-03

ESRS E3: WATER AND MARINE RESOURCES

In addition to the approach described in the chapter on double materiality analysis (see chapter "Double materiality analysis"), water consumption in the undertaking's own operations was quantitatively assessed, and water needs along the value chain were qualitatively analyzed. The undertaking's own sites were not assessed with regard to direct impacts on water and marine resources. However, the analysis of the value chain conducted prior to the DMA showed that the main impacts on water and marine resources occur in raw material extraction and in the production of intermediate products. Consultations to assess impacts on water and marine resources, particularly with affected communities within the upstream and downstream value chain, were not conducted.

Overall, no material IROs related to water and marine resources were identified.

ESRS E4: BIODIVERSITY AND ECOSYSTEMS

In addition to the process described in chapter "Double materiality analysis", SAF-HOLLAND examined both its own sites and the upstream and downstream value chain to identify and assess potential impacts on biodiversity and ecosystems. This was based on internet research to identify potential ecological touchpoints. There were no dependencies on biodiversity or ecosystems. The analysis also found no transitional and physical risks or opportunities related to these topics. Likewise, there were no specific consultations with affected communities in the upstream and downstream value chain, as there were no indications of corresponding IROs. Furthermore, no locations were identified that are in or in close proximity to biodiversity areas. Against this background, the analysis found no need for additional measures to protect biodiversity. *Overall, SAF-HOLLAND did not identify any material IROs in the area of biodiversity and ecosystems.*

ESRS E5: RESOURCE USE AND CIRCULAR ECONOMY

In addition to the double materiality analysis process (see chapter "Double materiality analysis"), the undertaking analyzed its assets and business activities to determine the actual and potential impacts, risks, and opportunities related to resource use and the circular economy. The focus was on the total volume of products sold, the intermediate products contained therein, as well as their entire lifecycle, from the raw materials used, through production and transport processes, to disposal. On this basis, a prioritization of the material resources and the associated impacts and risks from regular business operations was carried out. The IROs along the value chain were analyzed and assessed in supplementary workshops, particularly with regard to the areas where resource use is particularly relevant. The stages of the value chain in which resource use and potentially negative impacts are particularly concentrated were also evaluated. Consultations with affected communities within the upstream and downstream value chain regarding impacts on the circular economy and the IROs associated with resource inflow did not take place.

Resource inflows

Character	VC	Material IROs	Time horizon	Description	IRO reference
Actual positive impacts	US	Reduced procurement of primary steel	Short-term	SAF-HOLLAND is able to reduce the steel supply in its plants on the American continent through the efficient use of incoming materials and recycling/remanufacturing processes and mechanisms, thus requiring fewer materials. The upstream impacts in the value chain are reduced by having to purchase fewer materials.	IRO-WST-01

Waste

Character	VC	Material IROs	Time horizon	Description	IRO reference
Actual negative impacts	OO	Various types of waste are generated in the production of SAF-HOLLAND products	Short-term	Metal scrap and metal shavings are the main types of waste that are generated in connection with the production of SAF-HOLLAND products and need to be disposed of. Wood and plastic from packaging are other forms of waste generated during production.	IRO-WST-02
Actual negative impacts	US	Various waste is generated during the production of intermediate products (mainly metal waste)	Short-term	A high proportion of scrap is generated in the upstream value chain through the machining of parts, which is recycled and later used to manufacture SAF-HOLLAND products. Metal-based waste constitutes the largest proportion of waste in the upstream value chain.	IRO-WST-03
Actual negative impacts	DS	The downstream disposal of SAF-HOLLAND products could remove key materials from the value chain	Medium-term	Although the disposal of vehicles is strictly regulated and SAF-HOLLAND offers remanufacturing options, it is expected that some key materials, such as valuable metals, will be removed from the value chain during the disposal of SAF-HOLLAND products (built-to-end products) and not returned to a reusable state.	IRO-WST-04

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ESRS S1: OWN WORKFORCE

All SAF-HOLLAND employees who could be significantly affected are included in the disclosure according to ESRS 2. They can be allocated to several categories, as depicted in the following table:

Employee categories

Employees	The total number of individuals who are in an employment relationship with SAF-HOLLAND. An employment describes a dependent activity and also includes the acquisition of professional knowledge, skills, or experience as part of company vocational training. This definition in accordance with the German Social Code (SGB), consequently includes permanent employees and temporary staff, as well as active and inactive employees, interns, students, and trainees. Temporary workers are excluded (see "non-employees").
Permanent employees	In general, these are workers who have a contract with SAF-HOLLAND that does not have a predetermined end date. They can be employed either on a full-time or part-time basis.
Temporary employees	Workers who are hired for a limited period only. Employment can vary from short durations to longer periods, but the contract always includes a predetermined end date. Temporary employees can also work full-time or part-time.
Non-employees	Individual contractors providing SAF-HOLLAND with labor ("self-employed") and workers provided by companies primarily engaged in "employment agency and labor leasing" (NACE code N78). Examples of individuals falling under these two categories include: • Contractors hired for work that would otherwise be performed by an employee • Contractors engaged in providing work/services directly at the undertaking's workplace • Individuals substituting for employees who are temporarily absent (due to illness, vacation, parental leave, etc.) • Individuals working in addition to regular employees • Individuals temporarily seconded from another EU member state to work for SAF-HOLLAND ("posted workers").
Own workforce	SAF-HOLLAND's own workforce consists of both, employees and non-employees.

The impacts that SAF-HOLLAND has on its workforce are described in the following sections.

No material impacts on the own workforce were identified as part of the resilience analysis and in the development of the transition plan. Further details on the undertaking's operations where there is a significant risk of forced or child labor are broken down by country in section "S1-4".

SAF-HOLLAND has not yet developed an understanding of how individuals with certain characteristics may be at greater risk or specifically included in the materiality analysis.

In general, the undertaking considers personal characteristics such as ethnic origin, gender identity, and disability as protected. This was determined based on the reported experiences of its own workforce. The undertaking gains a general overview of how such individuals may be at risk through specific questions and answers in the undertaking's anonymous survey tool. The description of the respective risk or opportunity indicates risks and opportunities related to a specific group of individuals.

Working conditions — adequate wages

Character	VC	Material IROs	Time horizon	Description	IRO reference
Financial Opportunity	OO	Competitive wages attract and retain talent	Medium-term	If SAF-HOLLAND pays its workers competitive salaries, this ensures a qualified workforce, as well as the attraction and retention of talent. Close monitoring of competitors is required to maintain an attractive compensation level.	IRO-WOR-01

Working conditions — health and safety

Character	VC	Material IROs	Time horizon	Description	IRO reference
Potential negative impacts	OO	Illness, long-term sick leave, physical and mental illnesses	Short-term	Physical and mental illnesses can occur at any time and negatively affect the overall well-being of the affected workforce. The current health impacts at SAF-HOLLAND (without considering existing protective measures) may include minor injuries (e.g., cuts), illnesses from long-term physical work, illnesses from polluted air in the production halls (e.g., from welding work), and work in unsafe situations/areas, all of which are considered systemic.	IRO-WOR-02
Potential negative impacts	OO	Injuries to workers from workplace accidents	Short-term	Working with heavy production machinery poses an injury risk to the workforce in manufacturing. However, incidents and accidents occur in all work environments and can have the above-mentioned impacts, which is why they are considered systemic.	IRO-WOR-03
Potential positive impacts	OO	Enhancing the well-being, motivation, and satisfaction of the workforce	Medium-term	The introduction of strict health and safety measures and procedures increases the safety of employees (as well as external workers) and thus improves morale, as they can be more motivated and productive in their work.	IRO-WOR-04
Financial risk	OO	Costs due to the consequences of low awareness of safety and health protection, and low standards	Medium-term	If SAF-HOLLAND fails to comply with safety standards, injuries, absenteeism, employee turnover, productivity losses, etc., can lead to significant financial consequences for the undertaking. Although this risk generally applies to the entire workforce, the impact on production workers is greater due to the increased risk of injury.	IRO-WOR-05
Financial opportunity	OO	Cost savings from lower turnover and lower absenteeism of staff	Medium-term	Positive efforts in health and safety can lead to cost savings through lower employee turnover (lower hiring and onboarding costs), lower insurance and litigation costs due to fewer accidents, and lower absenteeism due to improved health and higher productivity. Although this chance generally applies to the entire workforce, the impact on production workers is greater due to the increased risk of injury.	IRO-WOR-06

Equal treatment and equal opportunities for all — gender equality and equal pay for equal work

Character	VC	Material IROs	Time horizon	Description	IRO reference
Financial risk	OO	Reputational risks leading to financial risks with regard to employees and revenue	Medium-term	If SAF-HOLLAND fails to implement equality and pay equity, there is a reputational risk that can lead to reduced attractiveness as an employer and thus increased costs due to higher recruitment efforts and higher overall turnover. Furthermore, some customers include gender equality as an ESG criterion in their supplier code of conduct, so non-compliance jeopardizes the acquisition of new or the maintenance of existing business relationships.	IRO-WOR-07

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Equal treatment and equal opportunities for all — further education and skills development

Character	VC	Material IROs	Time horizon	Description	IRO reference
Financial opportunity	OO	Providing training opportunities can lead to a better qualified and more adaptable workforce	Medium-term	Well-trained and educated workers (own employees) promote higher productivity, resilience, and innovation capability.	IRO-WOR-08
Potential positive impacts	OO	Investments in employee training can improve motivation and satisfaction	Medium-term	If employees are given the opportunity to expand their skills and knowledge, it is likely to improve work morale and the overall attitude towards work and SAF-HOLLAND as an employer.	IRO-WOR-09
Financial opportunity	OO	Improved motivation and job satisfaction can reduce turnover rates and hiring costs	Medium-term	If SAF-HOLLAND invests in employee training, productivity and innovation capability can improve through increased qualifications and imparting company-specific knowledge. Such an approach could increase job satisfaction and loyalty, which in turn would lower turnover rates and reduce hiring costs.	IRO-WOR-10

Equal treatment and equal opportunities for all

Character	VC	Material IROs	Time horizon	Description	IRO reference
Potential negative impacts	OO	Harassment in the workplace	Short-term	Workers may be exposed to harassment that can occur anywhere in the undertaking. SAF-HOLLAND's safety measures aim to reduce the number of such incidents, but cannot prevent malicious individuals from harassing workers. These effects relate to individual incidents.	IRO-WOR-11

Equal treatment and equal opportunities for all — diversity

Character	VC	Material IROs	Time horizon	Description	IRO reference
Potential negative impacts	OO	Social exclusion of employees	Short-term	Social exclusion in the workplace (e.g., due to discrimination) can significantly affect an employee's well-being, which in extreme cases can also lead to a loss of physical health and thus not only affect the employee themselves but can also have far-reaching consequences (e.g., on their family). These effects relate to individual incidents.	IRO-WOR-12
Financial risk	OO	A workforce that is not diverse enough can negatively impact business results	Medium-term	Lack of diversity can lead to a potential loss of skilled workers, higher hiring costs due to reduced attractiveness as an employer, legal consequences due to non-compliance with regulations, and costs due to possible lawsuits for discriminatory actions. Furthermore, there is a risk that innovation and problem-solving capacity may be impaired due to a lack of diversity of opinion, which affects the overall success of the undertaking. This risk particularly concerns minorities and women.	IRO-WOR-13

Other work-related rights — child labor

Character	VC	Material IROs	Time horizon	Description	IRO reference
Potential negative impacts	OO	Physical and mental harm to children in the case of child labor	Short-term	SAF-HOLLAND employs a variety of people around the world in many different countries, and although the overall risk of child labor is very low (even without existing protective measures), the low probability of occurrence has been disregarded due to the extreme risk that any impacts actually caused could significantly affect the health and mental well-being of the individuals involved. These impacts are considered systemic in the contexts in which SAF-HOLLAND operates.	IRO-WOR-14
Financial risk	OO	Financial risk from reputational damage/lawsuits due to violations in the area of child and/or forced labor	Medium-term	Violations of the prohibition of child labor would lead to serious financial consequences arising from negative press or legal proceedings. This risk particularly relates to workers in countries with a high risk of child labor.	IRO-WOR-15

Other work-related rights — forced labor

Character	VC	Material IROs	Time horizon	Description	IRO reference
Potential negative impacts	OO	Physical or psychological harm to workers involved in forced labor (e.g., retention of identification documents, non-payment for services rendered)	Medium-term	SAF-HOLLAND employs a variety of people around the world in many different countries, and although the overall risk of forced labor is very low (even without existing protective measures), the low probability of occurrence has been disregarded due to the extreme risk that any impacts actually caused could significantly affect the health and mental well-being of the individuals involved. These impacts are considered systemic in the contexts in which SAF-HOLLAND operates.	IRO-WOR-16
Financial risk	OO	Financial risk from reputational damage/lawsuits due to violations in the area of child and/or forced labor	Medium-term	Violations of the prohibition of forced labor would lead to serious financial consequences arising from negative press or legal proceedings. This risk particularly relates to workers in countries with a high risk of forced labor.	IRO-WOR-17

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ESRS S2: WORKERS IN THE VALUE CHAIN

Working conditions

Character	VC	Material IROs	Time horizon	Description	IRO reference
Potential negative impacts	US	Potentially inadequate working conditions for mining workers in the upstream supply chain	Short-term	Some of the components that SAF-HOLLAND manufactures and assembles use materials and products that had to be mined at an earlier point in the value chain.. Especially in mining, there is little compensation for hazardous work, poor working conditions and safety, long/unregulated working hours, inadequate wage payments, no social dialogue, no freedom of association, no collective bargaining, and no work-life balance. The supply chain includes suppliers of mining materials that operate in predominantly unregulated markets without legal standards for working conditions. Subcontracting is widely common in mining, and typically, subcontracted employees are at risk due to short-term or fixed-term contracts, unjustified dismissals, and lack of unemployment protection.	IRO-SUP-01

Other work-related rights

Character	VC	Material IROs	Time horizon	Description	IRO reference
Potential negative impacts	US	Child or forced labor in the upstream value chain (especially in material extraction) can lead to extreme physical and mental harm to children and other workers	Short-term	Since SAF-HOLLAND's products use raw materials and intermediate products that require the extraction of resources, there is a potential risk of child or forced labor in the upstream value chain. Although SAF-HOLLAND does not tolerate this type of work and requires the same from its suppliers, working conditions in the supply chain are opaque, which increases the risk.	IRO-SUP-02

ESRS G1: BUSINESS CONDUCT

In addition to the described approach of the double materiality analysis (see chapter "Double materiality analysis"), SAF-HOLLAND has taken a holistic view of the undertaking's business model when assessing the IROs for corporate governance. In particular, the impact of operating as a globally active supplier for the commercial vehicle industry with a global network of suppliers was the focus. While belonging to the industry itself had little influence on the assessment, the global structure of the business model proved to be a decisive factor.

Protection of whistle-blowers

Character	VC	Material IROs	Time horizon	Description	IRO reference
Potential negative impacts	OO	Lack of protection for whistleblowers increases the likelihood of misconduct	Medium-term	A lack of protection for whistleblowers leads to a serious lack of trust in the compliance system and thereby increases the likelihood of misconduct within the organization, which has negative effects on a variety of stakeholders.	IRO-MNG-01

Management of relationships with suppliers

Character	VC	Material IROs	Time horizon	Description	IRO reference
Financial risk	OO	Increased costs or reduced production capacity due to dependence on individual suppliers	Short-term	In some cases, SAF-HOLLAND is dependent on a limited number of suppliers or specific regions of the world for the procurement of the necessary preliminary products/resources. This could lead to negative financial impacts in the event of political difficulties (e.g., China, Taiwan) or other issues in supplier relationship management.	IRO-MNG-02

Corruption and bribery

Character	VC	Material IROs	Time horizon	Description	IRO reference
Potential negative impacts	OO	Incidents of corruption and bribery	Short-term	Although SAF-HOLLAND does not operate in an industry that generally has a high risk of bribery or corruption, residual risks could have serious negative impacts on a large number of stakeholders (which takes precedence over probability) and are therefore considered a potential negative impact.	IRO-MNG-03

Since SAF-HOLLAND has not defined any undertaking-specific issues, all IROs listed in the above tables refer to the disclosure obligations according to the ESRS.

FINANCIAL IMPACTS OF RISKS AND OPPORTUNITIES

While some general information and notes on the extent of current and expected financial impacts can be derived from the preceding tables, as well as the individual topic-specific chapters, SAF-HOLLAND currently does not conduct a precise, quantitative assessment of these impacts. Investment and divestment plans, as well as planned financing sources have not yet been established. No risks have been identified that would require a material financial adjustment within the next reporting period. Nevertheless, SAF-HOLLAND plans to implement this in the upcoming reporting cycles and report on it.

INTEGRATION OF IROS INTO THE CORPORATE STRATEGY

The identification of material IROs directly shapes the development of the sustainability strategy and thus also influences the corporate strategy. This aims to make the undertaking a leader in shaping the mobility of the future, creating sustainable value together with its customers. Accordingly, SAF-HOLLAND has defined five key strategic topics. This includes the self-commitment to achieve net-zero emissions by 2050. This ambition was consciously defined in response to the identified climate-related IROs, specifically regarding scope 1 and 2 emissions, as well as energy consumption in production (see "Review in 2025 and incorporation of results" section in the chapter "Double materiality analysis").

SAF-HOLLAND introduced an **ESG-Governance-&-Strategy-Policy** to structurally anchor the IROs in governance and decision-making processes. This establishes clear responsibilities, creates transparency, and ensures that sustainability matters are integrated into strategic corporate governance.

The new "drive2030" corporate strategy and the underlying business model were subsequently reviewed to see how the IROs identified influence their alignment. The extent to which IROs support the strategy, whether adjustments are necessary, or if potential conflicts of objectives exist were all assessed. By prioritizing key sustainability issues within the strategy, measures can be targeted at weaknesses and opportunities can be exploited at an early stage. This contributes to risk reduction and strengthens strategic resilience. An example of this is the development of electrified trailer axles, which recover kinetic energy from a trailer through recuperation and make it usable for auxiliary units such as pumps and cooling systems. This reduces fuel consumption and thus the scope 3 emissions of vehicle use, thereby mitigating the negative impacts of the IRO defined as "Indirect contribution to climate change through scope 3 emissions". Targeted actions such as training programs and protective measures regarding the "Injuries to workers from workplace accidents" IRO have also been implemented in the areas of diversity, work-life balance, talent management, and occupational safety.

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The specific design of further adjustments and actions that SAF-HOLLAND has taken in response to the IROs is described in the following chapters on topic-specific sustainability matters.

[IRO-2] DISCLOSURE OBLIGATIONS IN THE ESRS COVERED BY THE UNDERTAKING'S NON-FINANCIAL STATEMENT

List of non-material standards

The assessment of relevant information is carried out in accordance with the requirements of ESRS 1 Section 3.2, within the framework of the double materiality analysis. Data points are material and will be reported if they are related to material impacts, risks, and opportunities and support the users of the sustainability reporting in their decision-making. The following standards have been excluded in the context of the double materiality analysis:

- ESRS E3 "Water and marine resources"
- ESRS E4 "Biodiversity and ecosystems"
- ESRS S3 "Affected communities"
- ESRS S4 "Consumers and end-users"

ESRS E1 – CLIMATE CHANGE

[SBM-3] MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

SAF-HOLLAND's resilience analysis is based on short-, medium-, and long-term time horizons that are consistent with the climate scenarios used for assessment and with the company's targets for reducing GHG emissions. The short-term perspective is aligned with the undertaking's current planning process, while the medium-term view also takes investments and longer-term strategies into consideration. The long-term perspective is designed to enhance the undertaking's strategy for the future. Data for the analysis were collected at each site using information from the materiality assessment and the 2024 annual report. The defined time horizons are then uniformly applied to assess the significant physical climate risks, as well as the transition risks and opportunities.

At SAF-HOLLAND, assessment of the transition risks and opportunities was based on the "Net Zero by 2050" scenario from the International Energy Agency (IEA). This scenario describes a global development pathway that aligns with limiting global warming to 1.5°C above pre-industrial levels and serves as an internationally recognized reference framework for analyzing transition risks and opportunities. The assessment of transition risks and opportunities is carried out over short-, medium-, and long-term time horizons that reflect the expected timeline of regulatory changes, market developments, and technological shifts within this transition scenario. The assessment also analyzes the extent to which assets and business activities are exposed to identified climate-related transition drivers and how sensitive they are to such drivers. This analysis specifically included political and regulatory developments, such as tightened emission requirements, market shifts towards low-emission transport solutions, and technological advancements. The stakeholders were not actively involved in this process.

Potential exposure to the identified transition drivers was determined by carrying out a structured examination of production sites, product portfolios, procurement processes, and relevant sales markets that could be affected by them. Sensitivity was assessed based on the extent to which these assets and activities depend on fossil energy sources, carbon-intensive materials, or technologies that are subject to regulatory or market-based changes.

The IPCC climate scenarios RCP 2.6 and RCP 8.5 form the basis for the analysis of physical climate risks and opportunities. RCP 2.6 describes an optimistic scenario with a significant reduction in GHG emissions and a limitation of global warming to below 2°C, while RCP 8.5 depicts an extreme scenario with persistently high emissions and correspondingly more severe impacts on rising temperatures and weather extremes. These scenarios were used to assess the potential physical impacts of climate change on SAF-HOLLAND's site locations, supply chains, and business activities. The analysis of physical risks covers three time horizons. The short-term horizon (0–3 years) focuses on impacts that are already noticeable. The medium-term time frame (3–10 years) looks at expected climatic changes and how they may influence operations and the supply chain. The long-term analysis (more than 10 years) takes structural climate developments into consideration, as well as aspects requiring long-term strategic adaptation. In addition to acute physical hazards such as floods, storms, and heatwaves, chronic climatic changes, including temperature increases, water stress, and changes in precipitation patterns, are also taken into account. In order to quantify the probability of occurrence and potential financial impacts for each identified risk and opportunity, a uniform five-point assessment scale is used. Transition risks arising from politics, the

market, or technology are also taken into consideration. This ensures that the interdependence of physical climate impacts and economic transformation processes during global decarbonization is comprehensively represented.

As part of the transition plan, SAF-HOLLAND identifies key decarbonization levers and assesses their potential to reduce GHG emissions across the individual scope categories. In each case, this assessment includes the respective time horizons for implementation. As described in section "E1-3 Actions and resources in relation to climate change policies," a financial assessment of the identified actions follows before they are submitted to management for approval. For each transition scenario, the expected effects of the risks and opportunities are fed into the corporate strategy development process together with the results of the previous year's resilience analysis.

The defined time horizons are consistent with the target framework disclosed in section "E1-4 Climate protection and energy targets", including the short-term and long-term emission reduction targets for 2030 and 2050.

The scenario-based analysis of transition risks and opportunities shows that SAF-HOLLAND is exposed to six material risks and nine material opportunities. The material risks include political and legal developments (e.g., stricter carbon pricing and regulatory requirements), technological changes (e.g., electrification and alternative materials), and market changes (e.g., changing customer expectations and disruptions in the supply chain). This is offset by material opportunities that include the development of low-emission and energy-efficient products, access to new markets, improved resource efficiency, and increased business resilience through innovation.

SAF-HOLLAND has already implemented effective actions to mitigate business risks, particularly through measuring, reducing, and reporting its GHG emissions. By following the transition plan adopted in the reporting year, the company aims to consistently reduce its carbon footprint and decarbonize its products and services in the medium term.

The scenario-based analysis of physical climate risks revealed significant risks for the undertaking's global operations from flooding and tropical storms. In the RCP 8.5 scenario, ten of the 30 site locations that were analyzed are exposed to a high flood risk by 2050, and one faces a significant storm risk. Further analyses and mitigation actions for these site locations are planned for the next reporting cycles.

SAF-HOLLAND's strategy and business model are classified as resilient with regard to transition risks and physical climate-related risks.

The resilience analysis shows the undertaking can respond to various climate change trajectories and realign its strategy accordingly. The company is already taking specific actions to decarbonize its own operations (by modernizing production processes), to develop low-emission and energy-efficient products (e.g., TRAKr and ADB), and to increase the use of renewable energy.

This means that no structural adjustments to the current corporate strategy are necessary as a result of the transition risks identified according to the IEA "Net Zero by 2050" scenario.

Resilience to the impacts of physical climate risks was assessed on the basis of the IPCC RCP 8.5 and RCP 2.6 scenarios. The undertaking's decentralized manufacturing structure and multi-sourcing network provide a strong basis for absorbing any regional disruptions. Site-specific adaptation plans have also been drawn up. These specifically address risks from flooding, storms, and other extreme weather events, as well as ensuring production continuity.

By leveraging continuous innovation, global diversification, and technological development, SAF-HOLLAND demonstrates its capacity to adjust its business model in response to both the transition to a low-carbon economy and the physical consequences of climate change.

Although the resilience analysis confirms that SAF-HOLLAND can respond appropriately to different climate scenarios, there is still uncertainty regarding future regulatory developments, technology costs, market acceptance of low-emission solutions, energy price volatility, and long-term macroeconomic conditions. Such uncertainties are inherently unavoidable in scenario-based assessments and do not change the assessment that the overall corporate strategy can be classified as robust and adaptable.

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[E1-1] TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

SAF-HOLLAND has adopted a transition plan aimed at achieving net-zero GHG emissions by 2050 in accordance with the corporate strategy. The corporate strategy takes into account the relevance of sustainability matters and aims to incorporate them more strongly into the strategic pillars and the value chain wherever appropriate and whenever possible. On this basis, GHG emissions are to be gradually reduced in the coming years, thus contributing to the achievement of the Paris climate goals by 2050. SAF-HOLLAND's transition plan is based on key assumptions about how the transition to a lower-carbon and climate-resilient economy will affect the macroeconomic environment, energy consumption and the energy mix, and the deployment of relevant technologies. It is assumed that the regulatory framework and the expectations of customers and other stakeholders will continue to evolve towards low-emission transport solutions and supply chains. At the same time, ongoing volatility in energy and raw material markets, as well as potential cost increases for carbon-intensive input factors, are expected to enhance the economic attractiveness of low-emission alternatives and influence decisions on capital expenditure.

In terms of energy consumption and the energy mix, the transition plan assumes that industrial processes will be progressively electrified and electricity from renewable energy will become more readily available in the relevant markets. This is seen as critical for the implementation of electrification actions in scope 1 and for achieving the targeted scope 2 and scope 3 emission reductions. SAF-HOLLAND's dependence on fossil fuels is limited and mainly relates to the use of natural gas for heating purposes and certain production processes, as reflected in scope 1 emissions. The company has no interests in extraction, processing, or power generation from coal, oil, or gas. Existing dependencies on fossil fuels are being gradually reduced through the electrification of heating systems and the increased use of renewable energy. These actions are accordingly anchored in the transition plan.

In terms of technology deployment, the transition plan assumes continued technological and economic advancements in key technologies for emission reduction. These specifically include electric industrial plants, alternative heating and energy solutions, energy efficiency technologies, and low-emission product solutions for the commercial vehicle and transport sector. The availability, performance, and cost-effectiveness of these technologies are considered essential prerequisites for successfully implementing the transition plan.

The plan is aligned with the goals of the Paris Agreement and the cross-sector "Net Zero by 2050" scenario from the IEA. This scenario served as a central reference, as there is currently no recognized industry-specific decarbonization roadmap for manufacturers like SAF-HOLLAND operating in the commercial vehicle industry. Furthermore, greenhouse gas reduction targets were set using the absolute emission reduction approach described in the SBTi (Science Based Targets initiative) guidelines. The established targets for scope 1 and 2 are thus in line with a 1.5°C trajectory. A reduction of 42% emissions in these two scopes is planned by 2030 compared to the base year 2024. In the long term, the undertaking is aiming for a total 90% reduction of scope 1 and scope 2 emissions by 2050.

The transition plan integrates key decarbonization levers, including the expansion of renewable energy through self-generation and purchasing renewable electricity, the electrification of production and logistics processes, improved energy efficiency, reductions in natural gas consumption, and a shift to company-owned electric vehicles.

SAF-HOLLAND only has a partial influence on its scope 3 emissions. Specifically, the emissions of category scope 3.11 (use of sold products) depend heavily on the market environment and customer behavior. SAF-HOLLAND's products are designed to be compatible across different platforms and can be used with conventional combustion engines, as well as electric drive systems. Since a significant proportion of the product portfolio is still used in vehicles with combustion engines, usage-related emissions continue to occur during the transition phase. However, it is expected that the emission level from the usage phase will gradually decrease with an increasing proportion of electrified applications. In line with the net-zero ambition and the projected growth of the electric drive segment, SAF-HOLLAND expects the proportion of components used in electrified applications to continuously increase, thereby contributing to the long-term reduction of downstream greenhouse gas emissions (scope 3). However, since SAF-HOLLAND cannot directly control the market penetration of electric vehicles or the expansion of energy infrastructure, it has not yet defined a separate quantitative reduction target for scope 3 emissions. Nevertheless, SAF-HOLLAND is committed to achieving net-zero emissions by 2050 and is already implementing actions that are subject to ongoing development.

At the same time, the planned growth of the undertaking is expected to cause additional emissions, especially in the upstream and downstream value chains. The defined actions are therefore designed to limit the increase in emissions despite the growth in business. With the "drive2030" corporate strategy predicting organic revenue growth of at least 33%, SAF-HOLLAND expects to limit the increase in scope 3 emissions to between around 20% and 25% when taking into account the planned actions and likely market developments. This assumption does not lead to an absolute reduction in emissions but results in a lower increase in emissions in accordance with the undertaking's long-term strategy.

For the period from 2030 to 2050, current market forecasts for electrified commercial vehicles, combined with the actions currently identified, indicate that the net-zero ambition is achievable, with ongoing further development of the measures planned and taking external conditions into account.

The previously mentioned actions (see also section "E1-3 Actions and resources in relation to climate change policies") are discussed as part of the corporate strategy. Depending on the outcome of financial planning considerations, they are then implemented. The corresponding capital expenditures are illustrated in the following graphic.

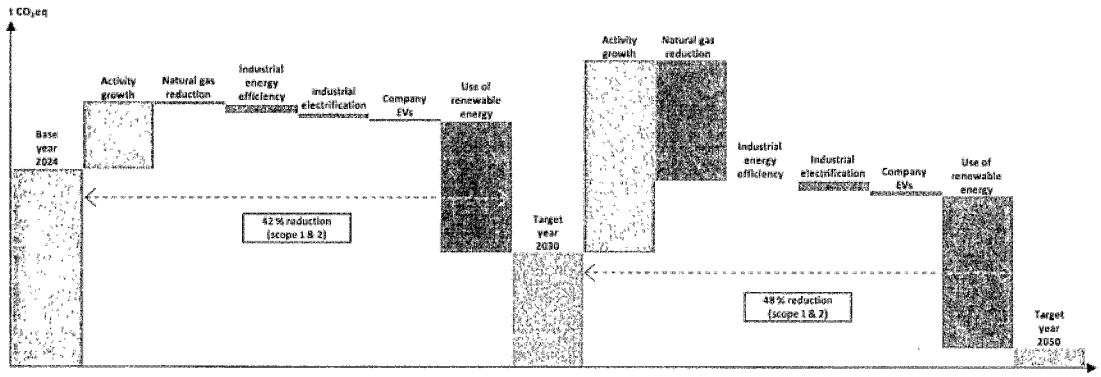
Specific actions can be assigned to economic activities that are considered taxonomy-eligible for mitigating climate change under the EU taxonomy. However, there is currently no taxonomy-aligned turnover or capital expenditure (CapEx) which falls under the disclosure requirements. There are also no objectives or plans to report the above-mentioned economic activities in a taxonomy-aligned way in the future.

Further information on actions and targets throughout the undertaking can be found in sections "E1-4 Targets related to climate change mitigation and the energy sector" and "E1-5 Energy consumption and mix".

Greenhouse gas emissions and decarbonization levers

		2024 (Base year)	2030 (Target year)	2050 (Target year)	Investments CapEx (EUR mn)
GHG emissions	Total value (t CO2eq)	37,524	21,763	3,747	
Business activity growth			12,463	36,012	
Decarbonization lever					
Natural gas reduction	Expected reduction (t CO2eq)		−560	−22,400	41–62
Industrial energy efficiency			−1,602		
Industrial electrification			−970	−1,856	
Switch to electric company vehicles			−458	−877	
Increased use of renewable energy sources			−24,634	−28,896	

SAF-HOLLAND transition plan (Scope 1 + 2)



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SAF-HOLLAND is not exempt from the EU reference values aligned with the Paris Agreement according to the criteria mentioned in Article 12(1)(b) to (g) and Article 12(2) of the Delegated Regulation (EU) 2020/1818 of the Commission (Regulation on reference values for climate change). No capital expenditure on coal, oil, gas, or other excluded activities is planned. The planned capital expenditure under the transition plan supports climate change mitigation protection actions in line with the Paris Agreement. Capital expenditure of approximately EUR 41–62 million is planned by 2050 and is fully aimed at decarbonization.

The transition plan has been approved by the Management Board and is reviewed annually. Progress is measured using metrics on the reduction of greenhouse gases, the proportion of renewable energy, and the progress of planned investments.

[E1-2] POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

SAF-HOLLAND has established its environmental policy as a company-wide governance instrument that systematically regulates the handling of material environmental and climate issues. The policy serves as a comprehensive framework for managing the material impacts and risks related to climate change and is mandatory for all site locations, business areas, and subsidiaries. It applies to both the upstream and downstream value chains. The sections of the policy that apply to the value chain are integrated into the company's procurement requirements for suppliers and detailed in the Supplier Code of Conduct, which is communicated to suppliers. The policy defines the company's fundamental principles, commitments, and responsibilities regarding climate change mitigation and adaptation to the effects of climate change. This specifically includes integrating environmental and climate change mitigation aspects into corporate strategy, risk management, and product development. This ensures that climate-relevant factors are considered in strategic, financial, and operational decisions. The policy's focus is on actions to mitigate climate change – for example, by reducing greenhouse gas emissions in line with the self-commitment to achieve net-zero emissions by no later than 2050, promoting renewable energy, and improving energy efficiency. The policy also addresses adaptation to changes in the climate, for example, through sustainable water management, resource efficiency, and circular economy approaches. Implementation of environmental and climate goals is carried out using an environmental management system aligned with ISO 14001, which is regularly reviewed and further developed.

The Management Board bears overall responsibility for implementation and monitoring, while operational responsibilities are delegated at the site and functional level.

The environmental policy thus forms the basis for group-wide climate risk management and supports the undertaking's long-term resilience and decarbonization strategy.

[E1-3] ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES

SAF-HOLLAND has implemented a range of actions to address its significant impact drivers related to climate change. Implementing climate-related actions depends on the availability and internal allocation of financial and operational resources. Actions to improve energy efficiency, the electrification of processes, and the utilization of renewable energy are primarily financed from internal investment budgets and are integrated into the regular group-wide investment planning and approval processes. The use of energy attribute certificates is recorded as an ongoing operating expense and is subject to internal prioritization within the budget planning process, as well as ongoing access to funding at reasonable capital costs.

More capital-intensive actions, such as modernizing infrastructure at the site location, electrification of heating systems, or using new low-emission product technologies, can also be influenced by external impact drivers such as energy prices, market demand, and regulatory frameworks. As a whole, SAF-HOLLAND is not reliant on the use of extraordinary or specific financing instruments for implementing its climate-related actions.

These actions are an integral part of SAF-HOLLAND's sustainability strategy and align with global efforts to combat climate change. An overview of these actions, as well as its impacts, risks, and opportunities, is presented in the following table.

IROs and actions related to climate change

Sustainability-related topics	IROs	Action
Climate change mitigation	Scope 1 and scope 2 emissions contribute to climate change	Modernization of production processes and equipment, energy management software
	Indirect contribution to climate change due to scope 3 emissions – upstream	Ongoing remanufacturing business, supplier commitments to decarbonization
	Indirect contribution to climate change due to scope 3 emission – downstream	Sales of components that reduce the CO_2 consumption of motor vehicles
	Introduction of more sustainable energies and reduction of GHG emissions in production	Increased use of renewable energy sources
	Lower energy consumption due to remanufacturing business for brake pads	Ongoing remanufacturing business
	Changes in regulations that demand environmental thresholds that cannot be met	Modernization of production processes and installations, increased use of renewable energy sources, energy management software
	Decreased demand for CO_2-intensive products	Sales of components that reduce the CO_2 consumption of motor vehicles
Energy	High energy consumption in production process and in the operation of office buildings	Modernization of production processes and equipment, energy management software
	High energy consumption in raw material extraction and the production of intermediate products	Ongoing remanufacturing business
	High energy consumption, specifically in the use of final products	Sales of components that reduce the CO_2 consumption of motor vehicles
	Generating energy and implementing efficient energy practices would improve energy consumption in the undertaking's own business operations	Increased use of renewable energy sources
	SAF recuperation systems improve energy efficiency of vehicles	Sales of components that reduce the CO_2 consumption of motor vehicles

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The table below lists and explains all actions related to climate change that were either taken in 2025 or are planned for the future.

Actions related to climate change

Actions taken in 2025 or planned for the future	Decarbonization lever	Expected outcome/ expected GHG emission reductions	Scope	Time horizon
Scope 1 and scope 2 decarbonization levers	Natural gas reduction	Reduction in natural gas consumption and thus reduction in scope 1 GHG emissions	Own operations, worldwide	Ongoing until 2050
	Industrial energy efficiency	Reduction in electricity consumption and thus reduction in scope 2 GHG emissions	Own operations, worldwide	Ongoing until 2050
	Industrial electrification	Reduction in fuel consumption (diesel) and thus reduction in scope 1 GHG emissions	Own production and distribution facilities, worldwide	Ongoing until 2050
	Switch to electric company vehicles	Reduction in fuel consumption (gasoline and diesel) and thus reduction in scope 1 GHG emissions	Worldwide	Ongoing until 2050
	Increased use of renewable energy sources	Reduction of scope 2 GHG emissions	Own operations, worldwide	Ongoing until 2050
Ongoing remanufacturing business	Circular economy	Reduction of scope 3 GHG emissions in the upstream value chain	Upstream value chain in the USA, especially for steel and cast iron	Ongoing
Sales of components that reduce the CO_2 consumption of motor vehicles	Sales of CO_2-reducing and e-platform-compatible SAF-HOLLAND products (external factor)	Reduction of scope 3 GHG emissions in the category of "Use of sold products"	Downstream value chain, worldwide	Ongoing until 2050
Requiring suppliers to decarbonize	Decarbonization of the supply chain	Reduction of scope 3 GHG emissions in the upstream value chain	Upstream value chain, worldwide	Ongoing until 2050

The actions in detail

Scope 1 and scope 2 decarbonization levers

SAF-HOLLAND relies on several key decarbonization levers as part of its transition plan, including industrial energy efficiency, industrial electrification, the transition to electrified company vehicles, and the reduction of natural gas consumption.

A key focus is on **natural gas reduction** by gradually converting heat-generating production processes to electric alternatives. At the same time, the company consistently promotes **industrial energy efficiency.** Key actions include optimizing compressed air systems, modernizing motor and drive technology in production, and gradually transitioning to LED lighting across the group. In the area of **industrial electrification,** SAF-HOLLAND is advancing the electrification of in-house logistics by replacing LPG or diesel-powered forklifts with electric models. This leads to emission-free operations, improved efficiency, and lower maintenance requirements. The transition to **electrified company vehicles** has also begun, and fossil fuels are gradually being eliminated from the operational fleet. Together, these actions significantly contribute to the reduction of energy-related emissions and strengthen SAF-HOLLAND's long-term decarbonization strategy.

The company increased its capacity to generate clean energy in the reporting year with new solar energy systems, further reducing its carbon footprint. The use of solar power supports the undertaking's sustainability goals and demonstrates the economic benefits of **renewable energy sources** on the path to net-zero commitment. SAF-HOLLAND is also evaluating investments in other forms of renewable energy generation, such as wind power, as well as the acquisition of energy attribute certificates to increase the proportion of renewable energy in the electricity mix. The company thus consistently pursues the objective of decarbonizing its energy supply and reducing dependence on fossil energy sources.

Sale of CO_2-reducing and e-platform capable SAF-HOLLAND products (external factor)

Electrified trailer axles (SAF TRAKr and TRAKe)

Electrification is an important technological trend in the commercial vehicle industry. SAF-HOLLAND is specifically investing in the development of electrified trailer axles to contribute to the reduction of CO_2 emissions in the transport sector.

The SAF TRAKr, an axle for electric recuperation, is already in series production. A launch in the North American commercial vehicle market is currently being prepared. The SAF TRAKe, which also provides traction support for the tractor in addition to recuperation, is in the development and testing phase. Its more powerful drive means it can further reduce energy or fuel consumption.

Air disc brakes (ADB)

The air disc brake developed by Haldex is an important component of SAF-HOLLAND's product portfolio and has a high market share in the European trailer segment. Further development focuses on weight reduction, process optimization, and the reduction of particle emissions. Low braking torque over the entire lifespan of the brake, as well as the comparatively low product weight, contribute to reductions in cast iron usage and a reduced fuel consumption, thereby reducing CO_2 emissions. Easy maintenance, a comprehensive service network, and the refurbishment of brake components extend the product lifespan and reduce the downstream carbon footprint.

Electronic braking system (EBS)

SAF-HOLLAND offers a next-generation electronic braking system (EBS) for trailers. The EB+4.0 is a multi-voltage platform that can be used as ABS or EBS. It provides a weight advantage that contributes to a smaller carbon footprint and is designed to meet market requirements. The collected data can also be used for autonomous driving functions in the future.

Steering axles

SAF-HOLLAND steering axles reduce rolling resistance and fuel consumption, particularly in urban and local delivery vehicles. Energy efficiency is increased by optimizing axle alignment along the direction of travel, thus reducing wear on the tires.

Lift axles

SAF-HOLLAND lift axles reduce rolling resistance and thus fuel consumption when trailers are operated with partial or return loads. Energy demand is noticeably reduced by raising unnecessary axles. The European Commission recognizes this efficiency technology in the VECTO tool. Corresponding simulations show CO_2 savings in all relevant driving cycles - most notably in urban and local delivery vehicles.

Rail fifth wheels and trailer axle systems for rail loading

Rail coupling systems as well as trailer axle systems for rail loading enable a quick and safe transfer of trailers from road to rail freight transport, thereby promoting the use of lower-emission transport routes and reducing logistics emissions over the entire lifecycle.

Ongoing remanufacturing business

SAF-HOLLAND's remanufacturing business at the USA sites in Marion, Little Rock, and Columbia, is an essential part of the undertaking's climate change mitigation and circular economy strategy. At these facilities, various components are restored to a like-new condition after being subjected to standardized disassembly, cleaning, reconditioning, and testing procedures. Extending product life cycles directly contributes to reducing CO_2 emissions, as fewer new raw materials such as steel, cast iron, and aluminum are needed. It also leads to less material waste and lower energy consumption.

Commitment of suppliers to decarbonization

SAF-HOLLAND requires its suppliers to adhere to high environmental standards and actively reduce CO_2 emissions in line with the undertaking's ambitious net-zero commitment through its Code of Conduct and Responsible Sourcing Policy. Suppliers are encouraged to log their GHG emissions across all operations and value creation stages, to monitor them regularly, and to initiate actions for their continuous reduction. In addition, they are required to provide relevant emissions and climate data upon request, provided the annual purchasing volume is at least EUR 15,000.

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Financial resources related to climate change actions

Action	Types of resources allocated	Current financial resources (EUR mn)	Relation to financial statements	Future financial resources (EUR mn)
Manufacture of products that are EU taxonomy-aligned (CCM 3.6 – Manufacture of other low-carbon technologies)	Financial investments	9.5	CapEx	Not included
Use of renewables (CCM 7.6 – Installation, maintenance and repair of renewable energy technologies)		0.5	CapEx	23.5
Natural gas reduction (CCM 7.3 – Installation, maintenance and repair of energy efficiency equipment)		0.8	CapEx	18.8
Industrial energy efficiency (CCM 7.3 – Installation, maintenance and repair of energy efficiency equipment)			CapEx	2.9
Industrial electrification (CCM 7.3 – Installation, maintenance and repair of energy efficiency equipment)			CapEx	2.0
Company EVs (CCM 6.5 – Transport by motorbikes, passenger cars and light commercial vehicles)		2.3	CapEx	4.3

The financial resources for capital expenditure (CapEx) in climate change mitigation in the reporting year amounted to EUR 13.1 million (previous year: EUR 19.3 million). With the exception of the production of electrified trailer axles, the implementation of actions by SAF-HOLLAND is largely independent of external factors such as funding programs or political and market developments. Sales of electrified trailer axles, on the other hand, significantly depend on the underlying market development, specifically the demand for low-emission or emission-reducing vehicle technologies.

[E1-4] TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND THE ENERGY SECTOR

As part of its sustainability strategy, SAF-HOLLAND aligns its climate targets with the requirements of the Paris Agreement, which aims to limit global warming to well below 2 °C and preferably to 1.5 °C. The company has committed to achieving net-zero GHG emissions by 2050 at the latest.

The scope 1 and scope 2 GHG reduction targets are based on assumptions about expected developments in the future that may influence both the absolute emission level and the achievable extent of emission reductions. These primarily cover projections of sales volumes in line with expected moderate business growth. Expected changes in the energy system were also taken into account, including the increasing proportion of renewable energy in the electricity mix, the ongoing electrification of industrial processes, continuous efficiency improvements in energy use, and the growing market penetration of electric vehicles. These assumptions were applied overall to ensure that, in the company's assessment, the established targets are realistic and achievable in line with scientifically recognized methods and a 1.5°C-aligned transition pathway.

The relevant internal departments were also involved in designing the climate targets. Additionally, the interests of external stakeholders and regulatory frameworks were adequately considered, but there was no active involvement of stakeholders. The climate targets were approved by the Management Board.

Based on the transition plan developed in the reporting year (see section "E1-1 Transition plan for climate change mitigation"), the base year 2024 was established for the company-wide GHG reduction targets. The base year reflects stable operating conditions and a comprehensive data basis following the integration of Haldex and thus serves as a consistent reference point for tracking progress in the long term.

Absolute reduction target for scope 1 and 2

SAF-HOLLAND has set a target of achieving a 90% reduction in scope 1 and 2 GHG emissions by 2050 compared to the base year 2024 (37,524t CO_2e). The company is aiming for an absolute reduction of 42% by 2030 as an interim target. The scope 2 emissions target is determined using the market-based method. The underlying reference value includes all direct and indirect emissions from the energy consumption of its own operational sites. The seven Kyoto greenhouse gases CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, and NF_3 are taken into account, measured in CO_2 equivalents.

The following table shows the group's corporate objectives regarding climate change. In addition, reference is made to the information on GHG emissions broken down by scope in the table "Total GHG emissions broken down by scope 1 and 2 and significant scope 3 categories" in section E1-6.

Scope 1 and 2 GHG reduction targets

Target	Unit	Base amount 2024	Target year 2030	Target year 2050
Absolute reduction in greenhouse gas emissions in scope 1 and 2	t CO_2eq	37,524	–42.0%	–90.0%

Scope 1 and scope 2 CO_2 savings are primarily the result of transitioning to renewable energy sources. The decarbonization actions described in sections "E1-1 Transition plan for climate change mitigation" and "E1-3 Actions and resources in relation to climate change policies" thus lead to a significant reduction in scope 1 and 2 emissions.

In developing its transition plan, SAF-HOLLAND aligned itself to the cross-sector "Net Zero by 2050" scenario of the International Energy Agency (IEA) to ensure the potential impacts of political, market-based, and technological developments are taken into account. According to the undertaking, a scenario-based approach is a viable way to ensure that company-wide targets and actions are science-based and aligned with the low-carbon transition. For this purpose, a market-based approach in line with the Greenhouse Gas Protocol was selected. A recognized sector-specific decarbonization roadmap was not available. The aforementioned established targets were not externally validated.

Implementation of SAF-HOLLAND's scope 1 and scope 2 reduction targets is based on the actions described in section "E1-3 Actions and resources in relation to climate change policies".

SAF-HOLLAND specifically focuses on reducing the use of fossil energy sources and on the electrification of operational processes to reduce direct GHG emissions (scope 1). Central decarbonization levers include the gradual transition from natural gas-based painting and coating processes to electrically operated installations, the electrification of internal logistics through the use of electric forklifts instead of diesel or gas-powered vehicles, and the progressive shift to electric vehicles in the undertaking's fleet. These actions directly contribute to the reduction of absolute scope 1 emissions and play a significant role in achieving the emissions reduction targets.

In terms of energy-related indirect emissions (scope 2), SAF-HOLLAND focuses on the increased use of renewable energy and on efficiency improvements in energy consumption. This specifically includes installing and using photovoltaic systems at selected site locations, as well as actions to improve energy efficiency, such as transitioning conventional lighting systems to LED technology. These decarbonization levers contribute to reducing scope 2 emissions by increasing the proportion of renewable energy in electricity consumption and reducing the absolute energy demand.

Actions aimed at reducing other indirect value chain emissions (scope 3) include supply chain decarbonization efforts, such as the integration of suppliers into emissions reduction initiatives. Furthermore, the sale of CO_2-reducing and e-platform capable SAF-HOLLAND products supports emissions reduction in downstream value chain stages. Many SAF-HOLLAND products are designed to be independent of the drive and can be used in vehicles with internal combustion engines, as well as electric vehicles. Some product solutions are already today contributing to the reduction of usage emissions by offering efficiency improvements and weight advantages. The majority of scope 3 CO_2 reductions therefore primarily result from the ongoing market trend towards stronger electrification of vehicle fleets. This automatically increases the proportion of SAF-HOLLAND products in electrically operated applications and correspondingly reduces downstream emissions. This development is only partially within SAF-HOLLAND's direct sphere of influence, which is why it is classified as an external factor.

Progress made in implementing climate targets is to be measured annually and evaluated based on base year 2024 values to ensure transparency and comparability over time. Actual scope 1 and scope 2 GHG emissions for 2025 have been reduced by 6.0%. The emissions reductions are primarily due to lower production and sales volumes during the reporting period, which have led to lower energy consumption and correspondingly lower activity-related emissions. This reduction compared to the previous year is in line with the objective of reducing scope 1 and scope 2 emissions by a total of 42% by 2030. The underlying transition plan explicitly foresees that reductions will not be linear, with greater emission savings

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realized in the following years. The reduction in 2025 is therefore lower than the average annual rate calculated for the overall 42% reduction, as a large proportion of the actions and associated emission reductions are designed to only take effect in the years to come.

The Group continuously reviews additional actions and strategic options along the entire value chain that may enable a reduction of GHG emissions in line with the 1.5°C target.

[E1-5] ENERGY CONSUMPTION AND MIX

SAF-HOLLAND systematically monitors and controls energy consumption in its global operations. The undertaking continuously strives to optimize energy consumption by introducing energy-efficient technologies and processes, as well as by implementing energy management systems at key production sites.

The value indicated in the table "Energy consumption and energy mix" represents the total consumption of all production and non-production sites within the business operations. SAF-HOLLAND is committed to continuously improving its energy mix, reducing CO_2 emissions, and thereby contributing to the global transition to a climate-friendly economy.

Some entries in the energy consumption data reported in the previous year have been adjusted. The adjustments were made due to a correction in data collection. The original values from the previous year are presented in footnotes for the energy consumption data affected.

Energy consumption and energy mix

in MWh		2025	2024	Change absolute	Change in %
1	Fuel consumption from coal and coal products	0	0		
2	Fuel consumption from crude oil and petroleum products[1]	10,024	10,281	−257	−2.5
3	Fuel consumption from natural gas[2]	43,918	44,208	−291	−0.7
4	Fuel consumption from other fossil sources	0	0		
5	Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources[3]	44,340	46,277	−1,937	−4.2
6	Total fossil energy consumption (sum of lines 1 to 5)[4]	98,282	100,766	−2,484	−2.5
	Share of fossil sources in total energy consumption (%)[5]	82.88	83.55	−0.67	
7	Consumption from nuclear sources[6]	7,608	7,941	−333	−4.2
	Share of consumption from nuclear sources in total energy consumption (%)[7]	6.42	6.58	−0.17	
8	Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.)	19			
9	Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources[8]	9,448	9,577	−129	−1.4
10	The consumption of self-generated non-fuel renewable energy[9]	3,226	2,319	907	39.1
11	Total renewable energy consumption (calculated as the sum of lines 8 to 10)[10]	12,693	11,896	797	6.7
	Share of renewable sources in total energy consumption (%)[11]	10.70	9.86	0.84	
	Total energy consumption (calculated as the sum of lines 6, 7 and 11)[12]	118,583	120,604	−2,021	−1.7

Previous year's figures have been adjusted due to a correction in data collection (2024: [1]Previously: 12,472 MWh; [2]Previously: 52,998 MWh; [3]Previously 54,654 MWh; [4]Previously 120,124 MWh; [5]Previously: 92.74%; [6]Previously: 927 MWh; [7]Previously: 0.72%; [8]Previously: 5,388 MWh; [9]Previously 4,013 MWh; [10]Previously 9,401 MWh; [11]Previously: 7.26%; [12]Previously: 129,525 MWh)

The data presented was compiled based on data collected from available supplier invoices. In some cases, linear extrapolations of the available monthly consumption during the reporting period were used. These accounted for less than 17% of total energy consumption. There is no external validation of the metrics available. Notwithstanding this, the sustainability reporting has been audited with limited assurance.

The energy intensity metric measures total energy consumption per monetary unit of net sales and helps assess the efficiency of energy consumption in relation to business performance (see consolidated financial statements note 5.1). For this purpose, SAF-HOLLAND was classified under NACE Code C29 "Manufacture of motor vehicles and motor vehicle parts".

Energy demand based on net sales

	2025	2024	Change absolute	Change in %
Total energy consumption (MWh)[1]	118,583	120,604	–2,021	–1.7
Net sales (EUR mn)	1,734.4	1,876.7	–142.4	–7.6
Energy intensity (total energy consumption in relation to net sales) (MWh/EUR mn)[2]	68.37	64.26	4.1	6.4

Previous year's figures have been adjusted due to a correction in data collection (Previously 2024: [1]129,524.702 MWh; [2]69.02 MWh/EUR mn)

[E1-6] GROSS SCOPES 1,2,3 AND TOTAL GHG EMISSIONS

The table below breaks down SAF-HOLLAND's GHG emissions by scope categories.

Total GHG emissions, broken down by scope 1 and 2 and significant scope 3

			Retrospective			Milestones and target years		
in t Co_2eq	Base year (2024)	Compar-ative (2024)	2025	% 2025/ 2024	2025	2030	2050	Reduction rate (annual % target / base year)
Scope 1 GHG emissions								
Gross scope 1 GHG emissions[1]	11,971	11,971	11,772	–1.7		13,959	316	3.7
Percentage of scope 1 GHG emissions from regulated emission trading schemes (%)								
Scope 2 GHG emissions								
Gross location-based scope 2 GHG emissions[2]		20,109	18,647	–7.3				
Gross market-based scope 2 GHG emissions[3]	25,553	25,553	23,505	–8.0		7,804	3,431	3.3
Scope 1 and 2 GHG emissions	**37,524**	**37,524**	**35,276**	**–6.0**		**21,763**	**3,747**	**3.5**
Significant scope 3 GHG emissions								
Total gross indirect (scope 3) GHG emissions		5,184,064	5,298,154	2.2				
1 Purchased goods and services		742,637	862,567	16.1				
2 Capital goods								
3 Fuel and energy-related Activities (not included in scope 1 or scope 2)								
4 Upstream transportation and distribution								
5 Waste generated in operations								
6 Business traveling								
7 Employee commuting								
8 Upstream leased assets								
9 Downstream transportation								
10 Processing of sold products								
11 Use of sold products		4,441,427	4,435,587	–0.1				
12 End-of-Life-Treatment of sold products								
13 Downstream leased assets								
14 Franchises								
15 Investments								
Total GHG emissions								
Total GHG emissions (location-based)[4]		5,216,144	5,328,573	2.2				
Total GHG emissions (market-based)[5]		5,221,588	5,333,430	2.1				

Previous year's figures have been restated due to a correction in data collection (Previously 2024: [1]13,739; [2]19.383; [3]23,155; [4]5,217.186; [5]5,220.958)

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SAF-HOLLAND uses estimates to determine scope 3 GHG emissions for the upstream and downstream value chain. These are based on and relate to:

- Methods recommended for each of the reported scope 3 categories according to the GHG Protocol for corporate value chains and the technical guidance of the GHG Protocol for calculating scope 3 emissions
- Emission factors used in the respective scope 3 emission category and the underlying global warming potential. This information comes from industry reports and recognized databases that reflect standard practices and results for undertakings of a similar size and scope.

Estimates were also made based on information from the SAF-HOLLAND value chain. SAF-HOLLAND plans to engage more intensively with suppliers to enhance data collection methods and promote more accurate reporting of their environmental impacts to improve data quality in the future, specifically in scope 3, category 1.

Emissions are calculated by multiplying the collected activity data with documented and regularly updated GHG emission factors. The emission factors listed below are internationally recognized and methodologically consistent with the GHG Protocol. These databases follow the IPCC methodological guidance and apply global warming potentials that are consistent with the Fifth Assessment Report (AR5) of the IPCC. The emission factors are sourced from an ESG third-party software. For both scope 1 and 2, the data was compiled based on available supplier invoices. In individual cases, linear extrapolations of the available monthly consumption during the reporting period were used. No external validation was performed.

The following methods were used for the calculation of emissions:

- Scope 1: Scope 1 emissions arise from the use of fuels such as natural gas and LPG for heat generation and production processes, as well as from the use of fuels such as gasoline and diesel for the operation of company-owned vehicles. The GHG gas emission and conversion factors used for this purpose come from the UK Department for Business, Energy & Industrial Strategy (BEIS) (2025). The company integrated the reporting of biogenic CO_2 during the 2025 reporting period. Data regarding the biofuel content is collected for this purpose based on supplier invoices and assessed with the emission factors for biogenic CO_2. In the past reporting period, 0.98 tons of biogenic CO_2 were included in the scope 1 emissions. In scope 1, biogenic CO_2 is reported separately from fossil CO_2 emissions.
- Scope 2: Scope 2 emissions arise from the purchase of electricity and purchased heat. The GHG emission factors used for location-based calculations come from U.S. Environmental Protection Agency (EPA) (2023), Climate Transparency Report (CTR) (2022), Ministry of Ecology and Environment of China (MEE) (2025), and the Federal Environment Agency (UBA) (2022). The residual emission factors used for market-based emissions come from CaDI (Carbon Data Intelligence), Carbon Footprint Ltd's proprietary emission factor database. These emission factors are based on detailed data on the residual electricity mix, published in 2025 by the Association of Issuing Bodies (AIB) and the I-TRACK Foundation, and are based on electricity grid data from 2023. The same fuel mix methodology is applied as in the determination of average electricity grid emission factors according to the UK government GHG conversion factors for 2025. Biomass is not always part of the electricity mix in all electricity generation grids. The average grid emission factors used do not provide information on the presence of biomass and do not separately report biogenic CO_2 emissions. Biogenic CO_2 emissions related to electricity consumption therefore cannot currently be identified or reported separately.
- Scope 3: Scope 3 emissions arise from the included categories "Purchased goods and services" and "Use of sold products". These are indirect emissions that stem from SAF-HOLLAND's upstream and downstream value chain. The proportion of biogenic CO_2 emissions has been classified as immaterial and is therefore not reported separately. The following methods were used to calculate these emissions:

    - Scope 3.1 "Purchased goods and services": SAF-HOLLAND switched from the spend-based to the average data-based calculation method of the GHG Protocol for the 2025 reporting period to achieve more accurate and representative emission values. In this approach, the material procurement data (by weight) is multiplied by emission factors to determine the resulting GHG emissions. If no primary weight data is available, values from comparable products are used to estimate the material weight. Emissions for procurement categories for which no suitable weight-based emission factors are available are calculated using spend-based emission factors. The emission factors used for this purpose come from UK Department for Business, Energy & Industrial Strategy (BEIS) (2025), U.S. Environmental Protection Agency (EPA) (2023), and the Extended Input-Output Database (EXIOBASE) (2019). By this switch, SAF-HOLLAND achieves greater accuracy in reporting and data tracking. The potential to reduce CO_2

emissions also increases, as the spend-based method would rise with increasing expenditures as the undertaking grows. A retroactive adjustment of the previous year's values according to the new method is not possible due to the lack of data depth available in 2024.

- Scope 3.11 "Use of sold products": The company uses a methodology recommended by the GHG Protocol to calculate these emissions, which is based on expected emissions over the entire lifecycle of a product. Values are determined using a model that estimates the impact of component weight on the vehicle's energy consumption. This is based on primary company data on product weights and production volumes, which come from ERP systems and internal databases. The additional fuel or energy consumption resulting from the increased weight of the components is calculated based on industry coefficients. In addition, assumptions regarding the annual diesel consumption of conventional vehicles, the electricity consumption of electric vehicles, and potential diesel savings through electrified axles are included. The emission factors used for diesel are sourced from the UK Department for Business, Energy & Industrial Strategy (BEIS) (2025), and those for electricity from the Ember Global Electricity Review (2025). Consequently, none of the activity data used for scope 3.11 is based on primary data from suppliers or other partners in the value chain.

For the market-based scope 2 emissions calculation, 15.2% of total electricity consumption was covered by bundled and unbundled instruments, including guarantees of origin and renewable energy certificates. The bundled instruments refer to electricity procurement contracts in Hungary, while unbundled renewable energy certificates were purchased in Mira, United Kingdom.

The following table shows the justifications for excluding the remaining scope 3 GHG emission categories. It should also be noted that SAF-HOLLAND used a quantitative threshold of 5% of total GHG emissions for each scope 3 emission category in its materiality analysis. Categories below the threshold were considered non-material.

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Exclusion of scope 3 GHG emission categories

Scope 3 GHG emissions category	Included category	Justification for exclusion (if applicable)
1. Purchased goods and services	Yes	
2. Capital goods	No	Excluded category, due to quantitative significance analysis
3. Fuel- and energy-related activities (not included in scope 1 or scope 2)	No	Excluded category, due to quantitative significance analysis
4. Upstream transportation and distribution	No	Excluded category, due to quantitative significance analysis
5. Waste generated in operations	No	Excluded category, due to quantitative significance analysis
6. Business travel	No	Excluded category, due to quantitative significance analysis
7. Employee commuting	No	Excluded category, due to quantitative significance analysis
8. Upstream leased assets	No	Excluded. Operation of assets leased by SAF-HOLLAND were all included in scope 1 and scope 2.
9. Downstream transportation	No	Excluded category, due to quantitative significance analysis
10. Processing of sold products	No	SAF-HOLLAND products-such as axle systems-are installed in commercial vehicles after sale and are not subject to any significant additional processing that would lead to a significant increase in emissions.
11. Use of sold products	Yes	
12. End-of-life treatment of sold products	No	Excluded category, due to quantitative significance analysis
13. Downstream leased assets	No	Excluded. Not applicable to SAF-HOLLAND because the company is not acting as a lessor.
14. Franchises	No	Excluded. Not applicable to SAF-HOLLAND because the company is not a franchisor.
15. Investments	No	Excluded category, due to quantitative significance analysis

GHG intensity per net sales

in t CO2eq/EUR	2025	2024	Change absolute	Change in %
Total GHG emissions (location-based) per net sales	0.003072	0.002779	0.000293	10.54
Total GHG emissions (market-based) per net sales	0.003075	0.002782	0.000293	10.53

Previous year's figures have been adjusted due to corrections in data collection (Previously 2024: [1]0.002780; [2]0.002782)

The net revenue used in calculating the GHG intensity directly corresponds to the item "Revenue", which is reported in the company's consolidated financial statements under note 5.1.

E1-7 GHG REMOVALS AND GHG MITIGATION PROJECTS FINANCED THROUGH CARBON CREDITS

The current focus is on determining the sum of all emissions that the company emits (scope 1–3) as well as reducing emissions by adjusting production processes and the energy mix. The company has therefore neither developed projects to remove greenhouse gases nor financed projects through the purchase of CO_2 emission certificates within or outside its value chain.

E1-8 INTERNAL CARBON PRICING

Similar to E1-7 GHG removals and GHG mitigation projects financed through carbon credits, SAF-HOLLAND has not implemented an internal system for carbon pricing. No implementation is currently planned for the upcoming reporting cycles, as the undertaking is prioritizing actions to reduce GHG emissions within its operations by adjusting its processes.

ESRS E2 – POLLUTION

[E2-1] POLICIES RELATED TO POLLUTION

As detailed in chapter "ESRS E1 – Climate change", SAF-HOLLAND has established a group-wide framework via its **Environmental Policy** that regulates the handling of significant environmental and climate issues. The policy obligates the undertaking to prevent and continuously reduce environmental impacts along the entire value chain. It thus provides an overall strategic framework within which the subsequent policies for combating pollution are implemented.

The material impacts of the upstream value chain ("The release of dust during mining, as well as during smelting and steel production could cause diseases" & "Transport and production of unfinished products can contribute to air pollution through emissions") are addressed by the **Code of Conduct for Suppliers** as well as by the **Supply Chain Pollution Policy**. Currently, there are no specific policies, actions, or targets pertaining to material impact in the downstream value chain ("Release of heavy metals during the use of vehicles"), as SAF-HOLLAND's direct influence on its customers' usage behavior is very limited.

The **Code of Conduct for Suppliers** (see sections "S2-1 Policies related to workers in the value chain" and "G1-1 Corporate culture and business conduct policies") obligates direct business partners in the upstream supply chain to comply with the specified environmental and social standards. Even if sub-suppliers are not directly addressed, tier 1 suppliers are expected to take appropriate steps to ensure that relevant third parties adhere to the requirements of the Code. This includes clear expectations for handling critical materials and for compliance with applicable laws and standards on air pollution. Suppliers are also encouraged to record emissions of air pollutants, monitor them regularly, and implement actions to minimize negative impacts on health and the environment. Responsibility for implementing the Code of Conduct for suppliers lies with the Director of Global Sourcing.

In order to ensure pollution-related risks and responsibilities are adequately considered throughout the company's global value chain, the **Supply Chain Pollution Policy** provides a general framework for action. Responsibility for its implementation across the entire global value chain lies with the Director of Global Sourcing.

Furthermore, SAF-HOLLAND commits to complying with legal requirements such as REACH, RoHS, and California Proposition 65, which are outlined in the Supply Chain Pollution Policy. The Code of Conduct for Suppliers also refers to important international agreements such as the Minamata, Stockholm, and Basel Conventions. Compliance with these agreements is mandatory both for SAF-HOLLAND and for all suppliers along the supply chain. The Supply Chain Pollution Policy is communicated to all suppliers when entering into contracts, ensuring that expectations regarding compliance with environmental protection standards are clearly communicated. In this way, SAF-HOLLAND actively engages its suppliers, promotes the implementation of actions to reduce air pollution, and raises awareness of environmental impacts throughout the supply chain.

In case of incidents or violations in this context across the entire value chain, suppliers and customers alike have access to SAF-HOLLAND's electronic whistleblower system, which is available 24/7 via the company website and allows for immediate and anonymous reporting of unlawful or non-compliant behavior. This ensures quick and effective processing in accordance with internal procedural standards and helps to avoid or mitigate negative impacts on the environment or on people (see section "G1-1 Corporate culture and business conduct policies").

As far as business partners in the downstream value chain are concerned, there are currently no specific policies for combating air pollution in connection with significant IROs. This is because any relevant downstream emissions are mainly caused by the release of fine dust during the use of SAF-HOLLAND braking systems and are significantly influenced by driving behavior, vehicle configuration, and operating conditions that are outside the undertaking's direct control.

[E2-2] ACTIONS AND RESOURCES RELATED TO POLLUTION

SAF-HOLLAND addresses the material impacts related to air pollution in the upstream value chain through targeted actions within the supply chain. This includes regular assessments of the air pollution control processes used by suppliers and their compliance with applicable standards. All suppliers with more than EUR 15,000 annual revenue, and new suppliers (excluding one-time purchases), are required to acknowledge and sign the SAF-HOLLAND Supplier Code of Conduct. This applies to both direct and indirect suppliers of materials and services. They are thus obliged to conduct their business in an ethical and sustainable manner. In addition, the results of supplier surveys and the feedback on air pollution are continuously examined to identify potential improvements and to ensure compliance with applicable standards. Should any significantly negative deviations be identified, the supplier is called upon to take corrective action. Furthermore, the supplier survey is intended to motivate suppliers to independently initiate actions to lower their environmental impact.

The table below lists all actions related to air pollution in the upstream value chain that were implemented in 2025 or are planned for the future.

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Actions related to air pollution in the upstream value chain

Actions taken in 2025 and planned for the future*	Expected outcome (and contribution to policy/target)	Scope	Time horizon
Environmental impact assessment & action plans for suppliers with high environmental risk	Identifying high-risk suppliers based on questionnaires, taking necessary corrective actions to limit air pollution impacts and ensuring compliance with the specified pollution limitation standards	Upstream value chain	2025 (annual analysis)
Implementation of additional environmental protection requirements via local quality criteria for suppliers	Integration of pollution aspects into supplier evaluation and monitoring	Upstream value chain	2025
Supplier development in air pollution prevention	Integration of environmental impact requirements into the supplier selection process	Upstream value chain	2025 (annual analysis)

*All actions apply worldwide

"Environmental impact assessment & action plans for suppliers with high environmental risk" and "Implementation of additional environmental protection requirements" aim to reduce emissions of air pollutants – including volatile organic compounds, particulate matter, and other pollutants – thereby decreasing environmental impacts in the upstream value chain. At the same time, SAF-HOLLAND expects its suppliers to comply with the Supplier Code of Conduct, which establishes mandatory environmental requirements along the supply chain.

Furthermore, "Supplier development in air pollution prevention" is designed to integrate environmental requirements into the supplier selection process. This ensures that in future, suppliers with increased environmental risk can be excluded as early as possible. Suppliers are expected to integrate key environmental requirements into their management procedures. These include compliance with REACH, RoHS, or actions to reduce CO_2 emissions. In the past financial year, additional suppliers have implemented the corresponding requirements.

Due to the factors outlined in section "E2-1 Policies related to air pollution", no actions have so far been taken to mitigate emissions associated with material negative impacts in the downstream supply chain.

[E2-3] TARGETS RELATED TO AIR POLLUTION IN THE VALUE CHAIN

Due to the limited influence in both the upstream and downstream supply chains, as well as currently restricted data availability, the undertaking has not yet established measurable, results-oriented, and time-bound targets for limiting air pollution. It is therefore exercising its option not to report targets relating to the value chain in terms of pollution.

Instead, the effectiveness of the "Environmental impact assessment & action plans for suppliers with high environmental risk" measure described in section "E2-2 Actions and resources related to air pollution" is monitored qualitatively. This is specifically done by re-evaluating suppliers that have been classified as environmentally risky within the risk assessment system. For suppliers where risk-reducing actions have been established, defined corrective actions – such as updated guidelines, processes, or environmental certifications – are assessed to evaluate whether they have been implemented and whether this has resulted in a reduction of the environmental risk classification compared to the previous status. There have already been cases during the reporting year that show the potential effects of this approach. These included suppliers who gained new environmental certifications or set up additional internal environmental guidelines. The effectiveness of the "Supplier development in air pollution prevention" measure is also reviewed during supplier evaluations by examining the extent to which the specific environmental requirements and expectations have been met. Progress in the "Implementation of additional environmental protection requirements" is assessed based on its consistent integration into the supplier evaluation system, including supplier questionnaires and reviews.

At the same time, SAF-HOLLAND is taking active measures to minimize environmental impacts during production and to ensure a close alignment of business partners with the undertaking's environmental protection expectations via the Supplier Code of Conduct. A more detailed description of the targets set for this purpose and the extent to which these targets have been met can be found in chapter "ESRS S2 - Workers in the value chain".

ESRS E5 – RESOURCE USE AND CIRCULAR ECONOMY

[E5-1] POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

The process for determining and assessing the material impacts related to resource use and circular economy is explained in the chapter "Material impacts, risks, and opportunities (IROs) and their interaction with strategy and business model".

SAF-HOLLAND introduced a company-wide **Policy on Resource Use and Circular Economy** in the past financial year to manage the material impacts related to resource use and circular economy along the entire value chain. The policy aims to cover responsible resource use, the principles of circular economy, and effective waste management. It describes commitments that specifically address the avoidance of primary raw materials through increased use of recycled materials and also applies to subcontractors. Furthermore, environmental aspects are to be given more weight during the product development process. This is to ensure that greater durability, better reparability, and increased modularity can positively impact the product lifecycle.

In addition to the **Policy on Resource Use and Circular Economy**, the undertaking also calls on its suppliers to comply with environmental standards as part of the **Code of Conduct for Suppliers** (see chapters "S2-1 Policies related to workers in the value chain" and "G1-1 Corporate culture and business conduct policies"). These measures are designed to actively promote resource efficiency and circular economy with a focus on waste reduction, minimizing the use of hazardous substances, and the integration of durable product designs. The Policy on Resource Use and Circular Economy is regularly reviewed to ensure that international standards and current legal requirements regarding sustainable procurement and the use of renewable resources are taken into account. Any necessary adjustments are made, and the revised policy is then distributed internally to the relevant stakeholder representatives. Implementation is guided by measurable targets for 2030, such as reducing overall waste intensity, increasing recycling rates, and limiting hazardous waste. Any progress made within the upstream value chain and within the undertaking's own business operations is regularly reviewed, audited, and controlled as part of the ESG management strategy. Responsibility for issues related to resource use and circular economy lies with the Vice President ESG.

[E5-2] ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

SAF-HOLLAND is committed to promoting sustainable resource management and the principles of circular economy in all areas of its business. The objective is to continuously improve material efficiency, reduce waste, and promote circular solutions such as remanufacturing, recycling, and reusing throughout the entire value chain. These actions are an integral part of the sustainability strategy and help to reduce environmental impact and advance the transition to a more circular economy.

The following table provides an overview of all actions to promote the circular economy that were implemented in the past financial year or are planned for the coming years. Since the financial expenditures associated with the actions are not considered significant, there is no separate presentation of the relevant spending.

Actions related to resource use and circular economy

Actions taken in 2025 and planned for the future	Expected outcome (and contribution to policy/target)	Scope	Time horizon	IRO reference
Remanufacturing of heavy-duty brake components	Large number of remanufactured parts with high material recovery, saving steel and cast iron	Own production facilities: Remanufacturing plant in Marion and friction centers in Little Rock and Columbia in the USA	Ongoing	IRO-WST-01 IRO-WST-03 IRO-WST-04
Reduction of packaging material	Reduction of waste and packaging purchases	Own operations, production facilities	Ongoing	IRO-WST-02 IRO-WST-03
Optimization of production processes	Reduction of waste generation on-site through scrap reduction	Own operations, production facilities	Ongoing	IRO-WST-02
Extending the life of cooling lubricants by installing oil-water separators	Reduction of hazardous waste	Production facilities (Haidex Suzhou)	2025	IRO-WST-02

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The actions in detail:

Remanufacturing of heavy-duty brake components

SAF-HOLLAND's US production sites in Marion, North Carolina, Columbia, South Carolina, and Little Rock, Arkansas have specialized in remanufacturing heavy-duty brake components for over 40 years, thus contributing to the circular economy. Remanufacturing components such as air compressors, brake pads, and air dryers reduces resource requirements, energy consumption, and greenhouse gas emissions. In the past fiscal year, revenue from remanufactured components grew by 4.1% to EUR 40.3 million (previous year: EUR 38.7 million). SAF-HOLLAND is also committed to the "Remanufacturing Industries Council", which actively promotes training and collaboration within the industry. At the same time, customers benefit from high-quality products with original warranty at a lower price.

Reduction of packaging material

SAF-HOLLAND implements various initiatives at its site locations to optimize resource use throughout the entire manufacturing process. Examples of these include the utilization of reusable packaging and the return of packaging materials at SAF-HOLLAND do Brazil Ltda., the introduction of lean production methods, and optimized manufacturing techniques to reduce raw material waste. The York India site, for instance, switched to reusable metal pallets instead of wooden ones for specific axle variants during the reporting period, saving about 5 tons of wood per year. These actions enable the undertaking to consistently reduce material usage, increase resource efficiency, and simultaneously achieve cost savings.

Optimization of production processes

As part of its efforts towards achieving a circular economy, SAF-HOLLAND implements specific initiatives for waste reduction. For example, the Hungarian subsidiary has significantly improved the production process by systematically analyzing and repairing defective products at specially set up stations. It also introduced a more strongly data-driven prioritization of critical components, resulting in a noticeable reduction in scrap volume and rework effort. Moreover, consistent waste separation serves to improve recycling and reuse, while partnerships with disposal companies ensure that non-recyclable materials are handled responsibly.

Extending the lifespan of cooling lubricants

The use of modern oil-water separators in production machines at the Haldex Suzhou site in China helps to extend the lifespan of the relevant cooling lubricants by at least three years. This can lower operating costs while simultaneously further reducing waste generation.

[E5-3] TARGETS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

SAF-HOLLAND has defined the following voluntary objectives for the year 2030 with a view to keeping the environmental impacts associated with circular economy (throughout the entire value chain) low. This is part of the group-wide Policy on Resource Use and Circular Economy, with targets regarding waste diverted from disposal that are aimed directly at increasing the circular-oriented usage rate and minimizing the use of primary raw materials.

These targets apply to all SAF-HOLLAND site locations worldwide. The underlying methods and assumptions are aligned with the EU Landfill Directive, designed to ensure that a maximum of 10% annual municipal waste will end up in landfill by 2035. Based on this and assuming linear progress, a target value for the waste diverted from disposal rate was set at 83% by 2030. In addition, based on the base year 2024, target values for 2030 were set at 75.34% for the recycling rate, 7.79% for limiting the generation of hazardous waste, and 8.35% for total waste intensity. This derivation was supplemented using data provided by external disposal service providers and site-specific estimates. No scientific modeling was applied.

The target for avoiding landfill waste is an independent compliance objective that stems from the EU Landfill Directive. In contrast, the targets for recycling rates, the proportion of hazardous waste, and the intensity of total waste generation are independent waste management objectives. The targets mentioned were not specifically designed to directly contribute to the avoidance of landfill waste. They are rather aimed at improving overall waste performance and can therefore contribute indirectly to reducing landfill waste. These targets will be reviewed over time and adjusted as additional data becomes available and additional implementation experience is gained.

The waste targets and the associated actions were approved by the Management Board, taking into account site-specific conditions. Other stakeholders were not involved.

Waste targets 2030

Target	Hierarchy level	Unit	2024	2025
Reduction in waste intensity (weight per revenue) by 8.35% compared to 2024	Waste prevention	t / EUR mn	10.2	10.6
At least 83% of total waste generated is diverted from disposal through reuse, recycling, or other recovery processes	Preparation for reuse; recycling	%	74.7	72.6
Recycling of at least 75.34% of total waste generated	Recycling	%	69.5	70.4
Limiting the proportion of hazardous waste in total waste generation to a maximum of 7.79%	Not applicable	%	8.5	7.9

In addition to the actions already mentioned, the metrics disclosed in the following sections (E5-4 Resource inflows and E5-5 Waste) will be used to verify the effectiveness of the policies regarding resource use and circular economy for year-on-year comparison, with the year 2024 providing the base reference values. The metrics on resource inflows are an exception to this, as these have only been available since the reporting year 2025. The introduction of resource inflow targets is planned for the reporting year 2026.

In the reporting year, SAF-HOLLAND generated a total of 18,451 tons of waste, of which 92.1% was non-hazardous, and 7.9% was hazardous waste. A total of 72.6% of the waste volume was prevented from entering the waste disposal system in 2025 through reuse, recycling, and other recovery processes. This corresponds to a slight decrease compared to the previous year (74.7%). Actions to extend the lifespan of consumables helped further reduce the proportion of hazardous waste. SAF-HOLLAND continuously monitors waste streams and disposal routes to identify additional potential for optimization and improve diversion performance in future reporting periods.

[E5-4] RESOURCE INFLOWS

SAF-HOLLAND's main resource inflows consist mainly of unfinished products and processed materials required for manufacturing, particularly steel components, iron castings, and aluminum parts. These materials are sourced through a global supplier base and represent the undertaking's most significant resource inflows. Packaging materials are also part of the upstream deliveries. Although packaging plays a lesser role compared to the main materials, it is included in SAF-HOLLAND's resource inflows and managed with the aim of reducing the use of primary materials and promoting the principles of the circular economy. The most significant resource inflows in the current financial year were:

Resource categories

		2025
Resource inflow	tons	%
Steel	221,313	72.8%
Cast iron	56,648	18.6%
Wood	8,107	2.7%
Rubber	6,087	2.0%
Aluminum	5,095	1.7%
Plastics	3,325	1.1%
Other	3,313	1.1%
Total	303,890	100.0%

Site-specific assumptions and estimation methods were applied to determine resource inflows, in addition to internal purchasing data. Process materials are not considered relevant and therefore not evaluated. For direct materials, available invoice and order data are generally used. If no weight information is available for individual materials or components, these are estimated based on comparable materials. For the remanufacturing business, the product weights stored in the ERP system are used. The total weight is determined by assigning the individual components of a product to their respective material categories and then summing them up. The assessment of the recycling proportion is based on supplier declarations, as well as internal material and packaging data. The weights and necessary data stored in the ERP system from site logistics are used for this purpose. The recycling content for direct materials is determined by using an annually reviewed sample-based supplier survey and then applied to the respective total material weight. The reported recycling

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quantities are calculated by multiplying the material weight by the determined average percentage. Double-counting is not an issue as data collection is only carried out for the production sites and internal deliveries between sister companies are not taken into consideration.

SAF-HOLLAND also processes critical raw materials and rare earths, as well as standard materials, including:

- Gold, tantalum, tin, and tungsten (commonly found in electronic components)
- Cobalt (in batteries and electronic devices)
- Mica (commonly used for insulation and other industrial applications)

These materials come from global supply chains in Europe, Asia, and America. As a sign of responsible sourcing, SAF-HOLLAND is committed to adhering to the Responsible Minerals Initiative (RMI), as well as international standards such as the OECD Guidelines and the EU Regulation on Conflict Minerals.

The following table presents information on SAF-HOLLAND's resource inflows during the reporting period:

Information on resource inflows

	2025	
	tons	%
Total weight of products used, as well as technical and biological materials	303,890	100.0
thereof biological materials[1] (including biofuels used for non-energy purposes) used to manufacture the undertaking's products or services (including packaging) that is sustainably sourced	4,356	1.4
thereof secondary[2] reused or recycled components, and secondary intermediary products and materials (including packaging) used to manufacture the undertaking's products and services	195,842	64.4

[1] Biodegradable, renewable resources of biological origin such as wood, paper, and cardboard.

[2] This includes components derived from recycled or reused material streams, such as scrap metal or recycled plastics.

SAF-HOLLAND uses recognized certification systems to assess sustainably sourced biological materials, such as the Forest Stewardship Council (FSC), the Sustainable Forestry Initiative (SFI), and the Programme for the Endorsement of Forest Certification (PEFC). The cascade principle is currently not applied. The certifications mentioned serve as a framework for assessing the sustainability of biological materials, but do not automatically lead to a preferred selection of corresponding suppliers. Procurement decisions are made based on a comprehensive assessment that includes not only sustainability matters but also economic, qualitative, and operational criteria.

[E5-5] WASTE

Overall, the waste generation in the reporting period amounted to 18,451 tons, which is 3.5% lower compared to the previous year. A significant driver for this improvement was the reduction of packaging materials through reusable systems, the optimization of production processes to minimize scrap and rework, and the extension of the longevity of consumables, while a decline in production volumes also contributed to lower absolute waste generation.

Amount of waste from own operations 2025

Category	Total amount (tons)	Hazardous waste (tons)	Non-hazardous waste (tons)
(a) Total waste generated	18,451	1,462	16,989
(b) Waste diverted from disposal (by type of recovery)			

Type of recovery operation	Total amount (tons)	Hazardous waste (tons)	Non-hazardous waste (tons)	% of total waste generated
i. Preparation for reuse	348	22	326	1.9
ii. Recycling	12,996	380	12,616	70.4
iii. Other recovery operations	60	54	5	0.3
Total diverted waste	13,403	456	12,947	72.6
(c) Waste directed to disposal (by type of waste treatment)				

Type of disposal	Total amount (tons)	Hazardous waste (tons)	Non-hazardous waste (tons)	% of total waste generated
i. Incineration	1,630	825	806	8.8
ii. Landfill	3,177	27	3,150	17.2
iii. Other disposal operations	241	154	86	1.3
Total disposed waste	5,048	1,006	4,042	27.4
(d) Non-recycled waste				

Total non-recycled waste (tons)	Percentage share of total waste (%)
5,455	29.6

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Amount of waste from own operations 2024

Category	Total amount (tons)	Hazardous waste (tons)	Non-hazardous waste (tons)
(a) Total waste generated	19,112	1,628	17,483
(b) Waste diverted from disposal (by type of recovery)			

Type of recovery operation	Total amount (tons)	Hazardous waste (tons)	Non-hazardous waste (tons)	% of total waste generated
i. Preparation for reuse	399	68	332	2.1
ii. Recycling	13,289	402	12,887	69.5
iii. Other recovery operations	578	44	534	3.0
Total diverted waste	14,266	513	13,753	74.7
(c) Waste directed to disposal (by type of waste treatment)				

Type of disposal	Total amount (tons)	Hazardous waste (tons)	Non-hazardous waste (tons)	% of total waste generated
i. Incineration	860	595	265	4.5
ii. Landfill	3,838	484	3,354	20.1
iii. Other disposal operations	147	36	111	0.8
Total disposed waste	4,845	1,115	3,730	25.4
(d) Non-recycled waste				

Total non-recycled waste (tons)	Percentage share of total waste (%)
5,823	30.5

SAF-HOLLAND generates a variety of waste streams that are directly related to production processes and sector-specific business activities. The following materials are generated:

- **Metal waste (including steel and aluminum)** represents the largest waste stream and is essential in the production of durable, high-performance components.
- **Plastic waste** is mainly generated in cutting and assembly processes. Plastics are used in various product components due to their low weight and longevity.
- **Hazardous substances,** such as solvents, oils, and lubricants, are generated in small quantities and are disposed of properly to avoid environmental impacts.
- **Packaging materials,** such as cardboard, plastics, and protective materials, are used for both incoming raw materials and outgoing finished products.
- **General industrial waste,** such as paper, wood, and general trash.

SAF-HOLLAND relies on systematic waste separation and reduction actions to minimize environmental impacts (see section "E5-2 Actions and resources related to resource use and circular economy"). These actions are part of the undertaking's commitment to responsible waste management and environmental protection. No radioactive waste was generated.

Methodology for recording and estimating waste quantities

SAF-HOLLAND's waste quantities are mainly determined based on primary data provided by waste disposal companies (e.g., invoices). The basis is the weight of the waste, which is determined either by direct measurements or by estimates from the disposal companies. This information forms the basis for determining the recovery or disposal procedures.

In certain cases, waste quantities are estimated. The underlying methods and assumptions vary depending on the waste category and site location, and always reference a set benchmark regarding the waste quantity per employee or the weight per volume unit.

There is no external validation of the key metrics. Notwithstanding this, the sustainability reporting has been audited with limited assurance.

EU TAXONOMY REPORTING

CONSOLIDATED DISCLOSURES PURSUANT TO SECTION 8 TAXONOMY REGULATION

The Taxonomy Regulation[1] is a key component of the European Commission's action plan for financing sustainable growth. It represents an important step towards achieving CO_2 neutrality by 2050 in line with EU goals and is a classification system for environmentally sustainable ("Taxonomy-aligned") economic activities.

In the following section, SAF-HOLLAND reports on the proportion of consolidated Group turnover, as well as capital expenditure (CapEx) and operating expenses (OpEx) associated with Taxonomy-eligible economic activities related to the six environmental targets for the 2025 reporting period.

SAF-HOLLAND applies the delegated regulations (EU) 2021/2178, (EU) 2021/2139, and (EU) 2023/2486 in the version applicable from January 1, 2026.

This report includes all subsidiaries consolidated in the SAF-HOLLAND Group financial statements.

TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES

SAF-HOLLAND has reviewed the relevant activities of the Group and identified the following Taxonomy-eligible economic activities[2].

[1] Regulation (EU) 2020/852

[2] Adjusted economic activities are not Taxonomy-eligible unless there is a transition plan with specific actions. Currently, there is no such plan.

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Environmental objective 1: Climate change mitigation (CCM)

Code	Activity name	Description
CCM 3.6	Manufacture of other low carbon technologies	Manufacture of technologies aimed at substantial greenhouse gas emission reductions in other sectors of the economy. SAF-HOLLAND produces the following products for which production processes are classified as the economic activity CCM 3.6: • Electrified axles TRAKe and TRAKr • Air Disc Brake (ADB). Only ModulT • Electric Brake System (EBS). Only Gen4 • Electromechanical Brake (EMB) • Steering axles • Lift axles as well as components that enable axle lifting • Axles for rail loading as well as components that enable rail loading • Fifth wheels for rail loading
CCM 6.4	Operation of personal mobility devices, cycle logistics	Selling, purchasing, financing, leasing, renting and operation of personal mobility or transport devices where the propulsion comes from the physical activity of the user, from a zero-emissions motor, or a mix of zero-emissions motor and physical activity. This includes the provision of freight transport services by (cargo) bicycles.
CCM 6.5	Transport by motorbikes, passenger cars and commercial vehicles	Purchase, financing, renting, leasing and operation of vehicles designated as category M1, N1, as per the relevant EU legislation, or L (2- and 3-wheel vehicles and quadricycles). E.g., renting, leasing, purchasing or maintenance of cars and light motor vehicles; service vehicles, company vehicles, employee transport. The propulsion of the vehicles can be of any kind (i.e. combustion engine, electric or hybrid).
CCM 7.2/ CE 3.2	Renovation of existing buildings	Construction and civil engineering works or preparation thereof. E.g., renovation of existing buildings, including leased buildings (expansion, modernization), specialized construction activities, cleaning done by own workforce or 3rd party company.
CCM 7.3	Installation, maintenance and repair of energy efficiency equipment	Individual renovation measures consisting of installation, maintenance or repair of energy efficiency equipment. E.g., addition of insulation, replacement of existing windows & doors, replacing obsolete lighting in LED, installation, replacement, maintenance and repair of heating, ventilation and air-conditioning (HVAC) and water heating systems.
CCM 7.6	Installation, maintenance and repair of renewable energy technologies	Installation, maintenance and repair of renewable energy technologies, on-site. E.g., installation, maintenance and repair of solar photovoltaic systems, solar hot water panels, heat pumps, wind turbines, thermal or electric energy storage units, solar transpired collectors and ancillary technical equipment, heat exchanger/recovery systems.
CCM 7.7[1,2]	Acquisition and ownership of buildings (incl. construction of new buildings)	Buying, constructing and exercising ownership of that real estate. This activity applies within the EU Taxonomy to both construction companies and to entities that commission the construction of new buildings. The scope therefore encompasses scenarios where SAF-HOLLAND contracts a construction company to build an office building. E.g., buying industrial buildings, exercising the ownership of buildings.

[1] According to the FAQ on the EU Taxonomy (C/2023/267, No. 107), SAF-HOLLAND has decided to include construction activities related to buildings owned by SAF-HOLLAND in the economic activity CCM 7.7. This means that the economic activity CCM 7.1 "New Construction" is included in CCM 7.7

[2] There is a correspondence between the economic activity CCM 7.1 and CE 3.1 "New Construction". It is therefore reported as CCM 7.1/CE 3.1 (included in CCM 7.7)

Environmental objective 4: Transition to a circular economy (CE)

Code	Activity name	Description
CE 5.4	Sale of second-hand goods	Sale of second-hand goods that have been used for their intended purpose before by a customer (physical person or legal person), possibly after repair, refurbishment or remanufacturing. Within SAF-HOLLAND, this includes the remanufacturing business – e.g. the friction business in Americas (Marion, Little Rock and Columbia) remanufactures goods that have been used for their intended purpose before by a customer.

ASSESSMENT OF THE TAXONOMY ELIGIBILITY OF ECONOMIC ACTIVITIES

Economic activity CCM 3.18 under the Climate Delegated Act, Annex I

The economic activity CCM 3.18 "Manufacture of commercial vehicle and mobility components", which was included in the Climate Delegated Act in 2023, is fundamentally relevant for SAF-HOLLAND as the Group manufactures various commercial vehicle components. An analysis of interpretation issues relating to the description of the economic activity was conducted in 2024. In light of the responses to frequently asked questions from the EU Commission (Draft Commission notice on the interpretation and implementation of certain legal provisions of the EU Taxonomy Environmental Delegated

Act, November 29, 2024, FAQ no. 17), the manufactured components are only considered to be covered by the description of the economic activity if they make an essential contribution to the environmental performance of the vehicle for which they are intended. Products from SAF-HOLLAND that meet the further criteria of the description of the economic activity CCM 3.18 include, for example, type-approved trailer kingpins, pin couplings, ball couplings, hook couplings, and fifth wheels. As part of the analysis, SAF-HOLLAND concluded that such products (vehicle components) are indeed relevant to the environmental performance of the vehicle but are not "essential" in the sense of the FAQ mentioned above. Therefore, the associated production processes do not meet the description of the economic activity CCM 3.18. Therefore, this is not classed as a Taxonomy-eligible economic activity of SAF-HOLLAND.

Economic activity CCM 3.6 under the Climate Delegated Act, Annex I
The description of the economic activity CCM 3.6 "Manufacture of other low carbon technologies" includes the manufacture of technologies aimed at significantly reducing CO_2 emissions in other economic sectors. SAF-HOLLAND conducted an analysis for the relevant products to assess whether a reduction in CO_2 emissions in the downstream value chain can be attributed to the use of these products. As a result, the following products were classified as part of the economic activity CCM 3.6: electrified axles TRAKe and TRAKr, Air Disc Brake (ADB), Electronic Braking System (EBS), and Electromechanical Brakes (EMB). Following a re-analysis, SAF-HOLLAND decided to also classify the following products as part of the economic activity CCM 3.6 from 2025: steering axles, lift axles, axles for rail loading, and fifth wheels for rail loading. The previous year's figures have been updated accordingly and now also include these products to ensure comparability.

Other products in the portfolio have been classified as Taxonomy non-eligible under this economic activity.

Economic activity CE 5.4 under the Environmental Delegated Act, Annex II
The remanufacturing business of SAF-HOLLAND is reported under economic activity CE 5.4 "Sale of second-hand goods".

Core business activities and turnover-generating economic activities
With regard to the turnover-generating economic activities and the environmental objective of climate change mitigation, the production processes reported under economic activity CCM 3.6 represent the core business activities of SAF-HOLLAND as a manufacturer of commercial vehicle components. Moreover, for the environmental objective of transition to a circular economy (CE) sale of second-hand goods (CE 5.4) covering SAF-HOLLAND's remanufacturing business was identified as eligible core business activity of the Group.

The acquisition/construction of new buildings, insofar as it relates to manufacturing activities (production facilities), is allocated to the respective core activities, as these buildings merely support the main activities. Activities that are part of the core business are not reported as separate Taxonomy-eligible economic activities, but are taken into consideration as an integral part of the undertaking's core activities. Such activities (for example, acquisition/construction of new buildings) are identified as separate Taxonomy-eligible economic activities in cases where, based on an assessment of the relevant circumstances, they do not support production processes (for example, a building used only for administrative purposes).

TAXONOMY – TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES
SAF-HOLLAND manufactures certain products that have been excluded from classification as economic activities under CCM 3.6, although they can also contribute to the reduction of greenhouse gas emissions in other sectors. The reason for classifying such products and their associated production processes as Taxonomy non-eligible for the economic activity CCM 3.6 is that either the reduction of greenhouse gas emissions in other sectors is not sufficient to be classified as "substantial", or the data quality to demonstrate the emission reduction and its causal link to the product is not (yet) sufficiently reliable. Furthermore, there is also a group of products for which no detailed analysis has been conducted, as they are clearly Taxonomy non-eligible.

TAXONOMY-ALIGNED ECONOMIC ACTIVITIES
SAF-HOLLAND has conducted a robust climate risk and vulnerability assessment for the current reporting period (2025). This applies a generic "Do No Significant Harm" (DNSH) criterion for climate change adaptation to economic activities that are Taxonomy-eligible under other environmental objectives. A corresponding transition plan has already been developed (see also chapter E1-1). The assessment was not performed at the level of the individual economic activities. Consequently, the DNSH criterion has not yet been fulfilled. Therefore, none of the identified Taxonomy-eligible economic activities are reported as Taxonomy-aligned, irrespective of whether they meet the technical assessment criteria for a substantial contribution and do not cause significant harm.

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KPIS AND ACCOUNTING PRINCIPLES

The main KPIs of the EU Taxonomy are the turnover KPI, the CapEx KPI, and the OpEx KPI. The KPIs must be disclosed in relation to Taxonomy-eligible and Taxonomy-aligned economic activities for the 2025 reporting period and take all six environmental objectives into account. They are determined in accordance with Annex I of the Disclosures Delegated Act. Since SAF-HOLLAND does not report any Taxonomy-aligned turnover, CapEx, or OpEx, the accounting and valuation methods used for Taxonomy-eligible KPIs in accordance with legal requirements are described below.

Turnover KPI

Definition

The proportion of turnover from Taxonomy-eligible economic activities has been calculated for the 2025 financial year as the proportion of net turnover from products and services related to Taxonomy-eligible economic activities (e.g., products or services assigned to the economic activities CCM 3.6 or CE 5.4), divided by the total net turnover.

Whereby the total net turnover corresponds to the consolidated net turnover according to IAS 1.82 (a) (see "Sales" in the first line of the Consolidated Statement of Comprehensive Income in the IFRS Consolidated Financial Statements 2025). Further details on the undertaking's accounting principles regarding consolidated net turnover can be found in the Consolidated Financial Statements under accounting and valuation principles and in the Notes to the Consolidated Financial Statement under section 5.1.

In cases where SAF-HOLLAND sells Taxonomy-eligible components in connection with Taxonomy non-eligible components in a bundle as a single product to customers (for example, selling a Taxonomy-eligible braking system with an otherwise Taxonomy non-eligible axle), these constellations have been analyzed in more detail. SAF-HOLLAND has based this analysis on the principles of IFRS 15, also technical and regulatory requirements have been taken into account.

Furthermore, due to the way the identified economic activities are structured in relation to the environmental objectives, SAF-HOLLAND also did not identify any general issues related to potential double counting. Any individual issues where the risk of double counting during data collection was identified were discussed and resolved on an individual basis. The resulting effects were eliminated based on projections derived from sales volumes and average prices. In addition, a portion of the Taxonomy-eligible turnover was estimated based on internal transfer prices plus a sales margin.

CapEx KPI (KPI on capital expenditure)

Definition

The Taxonomy-eligible CapEx KPI is defined as Taxonomy-eligible CapEx divided by the undertaking's total CapEx.

Total CapEx at SAF-HOLLAND includes additions to property, plant and equipment (IAS 16), intangible assets (IAS 38), and right-of-use assets (IFRS 16) for the fiscal year before depreciation, revaluations, and impairments. Additions resulting from business combinations are also included. Additions to goodwill are not included in CapEx, as goodwill is not defined as an intangible asset under IAS 38. Further details on the undertaking's accounting principles regarding CapEx can be found in the Notes to the Consolidated Financial Statements in the "Intangible Assets", "Property, Plant and Equipment", and "Leases" sections in the "Summary of Significant Accounting Policies" chapter.

The numerator is calculated as follows:

a) CapEx related to assets or processes associated with Taxonomy-eligible economic activities (equivalent to category a in the Disclosures Delegated Act). SAF-HOLLAND assumes that assets and processes are associated with Taxonomy-eligible economic activities if they form part of an economic activity. Consequently, all CapEx invested in items such as machinery for a Taxonomy-eligible production process or in related buildings is included in the Taxonomy-eligible CapEx.
b) The undertaking has not prepared a CapEx plan according to the EU Taxonomy. For this reason, the information contained in this report does not include any amounts corresponding to category b in the Disclosures Delegated Act.
c) Ultimately, SAF-HOLLAND has essentially identified investments and maintenance expenses in buildings, as well as investments in vehicles under CapEx category c in the current fiscal year, according to the Disclosures Delegated Act.

Total CapEx can be reconciled with the Consolidated Financial Statements. The corresponding tables for the development of intangible assets, property, plant and equipment, and right-of-use assets can be found in the Notes to the Consolidated Financial Statements under sections 6.1 and 6.2. The corresponding amounts are reported under the two-line items (movement-types) "Additions" and "Additions from initial consolidation".

Allocation methods and keys

If CapEx relates to both Taxonomy-eligible and Taxonomy non-eligible economic activities, the Taxonomy-eligible portion of the CapEx is determined based on appropriate allocation methods depending on the respective situation (for example, use of an asset for activities or number of produced units). CapEx related to multiple Taxonomy-eligible economic activities was also allocated based on appropriate quantitative allocation keys. However, this was only necessary in certain cases.

Double counting in the allocation of Taxonomy-eligible CapEx

Since SAF-HOLLAND has not established a CapEx plan (CapEx category b) and no significant amounts have been identified for category c, the Taxonomy-eligible CapEx exclusively includes amounts related to category a. Therefore, individual investment amounts were not recorded multiple times or across several categories, thus avoiding double counting. Additionally, any specific cases identified during data collection as having a risk of double counting were examined and corrected on an individual basis.

OpEx KPI (Operating expenses KPI)

Definition

The proportion of Taxonomy-eligible operating expenses is calculated by dividing the Taxonomy-eligible OpEx amounts (OpEx) by the total OpEx. Total OpEx includes direct, non-capitalized costs related to research and development, building renovation measures, short-term leases, maintenance and repair, training costs, and other direct expenses for the ongoing maintenance of tangible assets. Specifically, these are:

- Research and development costs recognized as expenses during the reporting period in the Consolidated Statement of Comprehensive Income. In accordance with the undertaking's Consolidated Financial Statements (IAS 38.126), this includes all non-capitalized expenses directly attributable to research or development activities.
- Amounts from non-capitalized leases, determined in accordance with IFRS 16 and including expenses for short-term and low-value leases. Even though low-value leases are not explicitly mentioned in the delegated regulation, SAF-HOLLAND has interpreted the regulations to include these leases in the reported lease expenses.
- Maintenance and repair costs, as well as other direct expenses for the ongoing maintenance of tangible assets, determined based on maintenance and repair costs. The corresponding cost items are included in various items of the Consolidated Statement of Comprehensive Income, including production costs (maintenance in operation). This also includes the costs for building renovation measures. Maintenance and repair costs typically consist of personnel costs, service costs, and material costs for daily maintenance, as well as for regular and unplanned maintenance and repair measures.
- Direct costs for training and other staff development actions are also included.

The following expense categories that relate to the daily use of tangible assets were not included in the total OpEx, along with others that also do not meet the above criteria: Raw materials, costs for employees operating machines, electricity or fluids necessary for the operation of tangible assets, fuel costs, and production costs.

Non-materiality of OpEx for SAF-HOLLAND's business model

The regulations of the EU Taxonomy in the Delegated Act enable an assessment of whether operating expenditures are material for the reporting undertaking's business model within the context of EU Taxonomy reporting. SAF-HOLLAND has carried out this analysis and concluded that OpEx is non-material for its business model. As a result, and in accordance with the regulations of the Delegated Act, we report the numerator value of our Taxonomy-eligible OpEx KPI to be EUR 0. The denominator amounts to EUR 69.0 million (previous year EUR 76.5 million). The calculation of the denominator was partially based on estimates.

ADJUSTMENT OF COMPARATIVE INFORMATION FOR THE YEAR 2024

The information provided for the fiscal year 2024 partially deviates from the information in the EU Taxonomy report for the reporting year. Specifically, the assessment of Taxonomy-eligibility for some products has changed compared to the previous year. As part of a re-analysis, the simulation and calculation tool VECTO (Vehicle Energy Consumption Calculation

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Tool), developed by the European Commission, was primarily applied to assess the positive impact of the products on CO_2 reduction in heavy-duty transport. Based on these results, SAF-HOLLAND made the decision to also classify the following products as part of the economic activity CCM 3.6 from 2025 onwards: steering axles, lift axles, axles for rail loading, and fifth wheels for rail loading. Furthermore, no distinction is made between Taxonomy-eligible and Taxonomy non-eligible components. Instead, SAF-HOLLAND reports total product turnover in accordance with IFRS 15 under CCM 3.6. This approach is considered to be more reliable and relevant, as it recognizes turnover according to IFRS 15. Taking these adjustments into account, the proportion of Taxonomy-eligible turnover in 2024 was 24.1%. Of this, 21.9% was attributable to the economic activity CCM 3.6 and 2.2% to CE 5.4. Accordingly, the share of Taxonomy-eligible CapEx in 2024 amounted to 38.7% in total, with the most significant change attributable to CCM 3.6, which now accounts for 14.7%.

REASONS FOR THE CHANGE IN TURNOVER, CAPEX, AND OPEX KPIS IN 2025 AND COMPARATIVE ANALYSIS

Comparative analysis of KPI development in 2025

Based on the adjusted comparative figures for the year 2024 (see above), the following results for the comparative analysis of information for the year 2025 emerge:

- There was no change in the Taxonomy-aligned proportions of turnover, CapEx, or OpEx. These remain at zero.
- There were no significant changes in the proportions of Taxonomy-eligible turnover compared to the previous year for the economic activities of CCM 3.6 and CE 5.4.
- Taxonomy-eligible CapEx is significantly higher in 2025 compared to 2024. The economic activity most affected by this is CCM 7.7. A significant reason for the increase in CapEx is higher investment activity in acquisition and ownership of buildings (economic activity CCM 7.7/7.2). Further details can be found in the Notes to the Consolidated Financial Statements under section 6.2.
- Since OpEx was classified as non-material in the reporting period, no statement can be made about the proportion of Taxonomy-eligible OpEx.

Proportion of turnover, CapEx, and OpEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering year 2025 (summary KPIs)

Financial year (N)	2025														
					Breakdown by environmental objectives of Taxonomy aligned activities										
KPI (1)	Total (2)	Proportion of Taxonomy eligible activities (3)	Taxonomy aligned activities (4)	Proportion of Taxonomy aligned activities (5)	Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)	Proportion of enabling activities (12)	Proportion of transitional activities (13)	Not assessed activities considered non-material (14)	Taxonomy aligned activities in previous financial year (N-1) (15)	Proportion of Taxonomy aligned activities in previous financial year (N-1) (16)
	in EUR thousands	%	in EUR thousands	%	%	%	%	%	%	%	%	%	%	in EUR thousands	%
Turnover	1,734,361	25.2	–	0.0										–	0.0
CapEx	96,998	55.3	–	0.0										–	0.0
OpEx	68,968	0.0	–	0.0										–	0.0

Proportion of turnover from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering year 2025 (activity breakdown)

Reported KPI (Turnover/CapEx/OpEx)		Turnover											
Financial year (N)		2025											
					Environmental objective of Taxonomy aligned activities								
Economic Activities (1)	Code (2)	Taxonomy eligible KPI (Proportion of Taxonomy eligible Turnover/ CapEx/OpEx) (3)	Taxonomy aligned KPI (monetary value of Turnover/ CapEx/OpEx) (4)	Taxonomy aligned KPI (Proportion of Taxonomy aligned Turnover/ CapEx/OpEx) (5)	Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)	Enabling activity (12)	Transitional activity (13)	Proportion of Taxonomy aligned in Taxonomy eligible (14)
		%	in EUR thousands	%	%	%	%	%	%	%	(E where applicable)	(T where applicable)	%
Manufacture of other low carbon technologies	CCM 3.6	22.9	–	0.0									0.0
Sale of second-hand goods	CE 5.4	2.3	–	0.0									0.0
Sum of alignment per objective													
Total KPI (Turnover/CapEx/OpEx)		25.2	–	0.0									0.0

Proportion of CapEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering year 2025 (activity breakdown)

Reported KPI (Turnover/CapEx/OpEx)		CapEx											
Financial year (N)		2025											
					Environmental objective of Taxonomy aligned activities								
Economic Activities (1)	Code (2)	Taxonomy eligible KPI (Proportion of Taxonomy eligible Turnover/ CapEx/OpEx) (3)	Taxonomy aligned KPI (monetary value of Turnover/ CapEx/OpEx) (4)	Taxonomy aligned KPI (Proportion of Taxonomy aligned Turnover/ CapEx/OpEx) (5)	Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)	Enabling activity (12)	Transitional activity (13)	Proportion of Taxonomy aligned in Taxonomy eligible (14)
		%	in EUR thousands	%	%	%	%	%	%	%	(E where applicable)	(T where applicable)	%
Manufacture of other low carbon technologies	CCM 3.6	9.8	–	0.0									0.0
Operation of personal mobility devices, cycle logistics	CCM 6.4	0.1	–	0.0									0.0
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	2.4	–	0.0									0.0
Renovation of existing buildings	CCM 7.2/ CE 3.2	3.0	–	0.0									0.0
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0.8	–	0.0									0.0
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.5	–	0.0									0.0
Acquisition and ownership of buildings	CCM 7.7	38.7	–	0.0									0.0
Sum of alignment per objective													
Total KPI (Turnover/CapEx/OpEx)		55.3	–	0.0									0.0

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ESRS S1 – OWN WORKFORCE

[S1-1] POLICIES RELATED TO UNDERTAKING'S OWN WORKFORCE

The sustainable success of SAF-HOLLAND is based on a dedicated and qualified workforce. The company is therefore committed to fair, safe, and respectful working conditions. This is built on a foundation of clear values and guidelines, which will be explained below. These structures establish mandatory standards in relation to the workforce and are supplemented by globally applicable guidelines and programs.

SAF-HOLLAND relies on regular training and employee surveys, internal and external audits, as well as clearly defined reporting channels to implement these principles. Complaints, violations, and areas for improvement are discussed in regular consultations between central and regional HR managers. The actions derived from these discussions are taken on a case-by-case basis in collaboration with the relevant departments and range from the introduction of new processes and guidelines to targeted investments in working conditions.

Code of conduct

The SAF-HOLLAND Code of Conduct applies to all employees worldwide. It is based on the corporate values and provides clear ground rules for behavior in everyday business. The objective is to promote uniform and responsible conduct in dealing with colleagues, business partners, and society. It serves as an overarching guideline and addresses further guidelines that are covered in this chapter. Key focuses of the Code include topics such as "Health and safety", "Respect for human rights", "Compliance with laws and regulations", and "Diversity and equal opportunities". Furthermore, SAF-HOLLAND is committed to observing the International Bill of Human Rights and the principles of the International Labor Organization (ILO). At the highest level, the Chairman of the Management Board is responsible for implementation.

IROs associated with this policy:

Working conditions – health and safety
- Illness, long-term sick leave, physical and mental illnesses
- Injuries to workers from workplace accidents
- Enhancing the well-being, motivation, and satisfaction of the workforce
- Costs due to the consequences of low awareness of safety and health protection, and low standards
- Cost savings from lower turnover and absenteeism of staff

Other work-related rights – child labor
- Physical and mental harm to children
- Financial risk from reputational damage/lawsuits due to violations in the area of child and/or forced labor

Other work-related rights – forced labor
- Physical or psychological harm to workers involved in forced labor
- Financial risk from reputational damage/lawsuits due to violations in the area of child and/or forced labor

The Code of Conduct is publicly accessible on the SAF-HOLLAND website (https://corporate.safholland.com/en/code-of-conduct). Every supervisor is responsible for ensuring that the principles defined in this policy are adhered to.

Human Rights Policy Statement

As an internationally active undertaking, SAF-HOLLAND is committed to respecting recognized human rights, irrespective of where the company operates. Key issues included in SAF-HOLLAND's Human Rights Policy Statement include fair working conditions, health and safety at work, and the prevention of forced labor, child labor, modern slavery, and human trafficking. It aims to uphold human rights within the undertaking's sphere of influence by focusing on the protection of safety, rights, and data. The company is committed to high safety and quality standards, going beyond minimum legal requirements. The interests of stakeholders were incorporated into the policy in that the common expectations of customers for appropriate due diligence in the supply chain were taken into account. The Human Rights Policy Statement therefore includes the rights of its own workforce, business partners, and – within its sphere of influence and responsibility – other parties in the supply chain. The undertaking adheres to the following international regulations/guidelines, which are anchored in the statement of principles:

- UN Global Compact
- International Charter of Human Rights
- ILO Declaration on Fundamental Principles and Rights at Work
- OECD Guidelines for Multinational Enterprises
- UN Guiding Principles on Business and Human Rights
- German Supply Chain Due Diligence Act

Stakeholder interests were taken into consideration when creating the policy statement, taking into account the perspectives of internal departments, as well as aligning with the most important international standards. At the highest level, the Management Board is responsible for implementing the policy statement on respecting human rights. The Management Board is regularly informed by the Human Rights Officer.

IROs associated with this policy:

Working conditions – health and safety
- Illness, long-term sick leave, physical and mental illnesses
- Injuries to workers from workplace accidents
- Enhancing the well-being, motivation, and satisfaction of the workforce
- Costs due to the consequences of low awareness of safety and health protection, and low standards
- Cost savings from lower turnover and absenteeism of staff

Other work-related rights – child labor
- Physical and mental harm to children
- Financial risk from reputational damage/lawsuits due to violations in the area of child and/or forced labor

Other work-related rights – forced labor
- Physical or psychological harm to workers involved in forced labor
- Financial risk from reputational damage/lawsuits due to violations in the area of child and/or forced labor

The Human Rights Policy Statement is publicly accessible on the SAF-HOLLAND website (https://corporate.safholland.com/en/company/corporate-governance-compliance/compliance). This is also distributed internally directly to employees. Regular monitoring of compliance through compliance questionnaires and ensuring distribution at all site locations is essential. SAF-HOLLAND employees can contact their supervisor or Legal & Compliance directly regarding questions, compliance risks, or suspected violations of this policy statement through existing reporting channels. All internal and external parties have access to the company's whistleblower system to report incidents, compliance risks, or violations. SAF-HOLLAND is committed to addressing, investigating, and responding to such reports, as the group places great importance on effective remedial actions. So far, no actions or remedial measures regarding human rights impacts have been necessary, as indicated in section "S1-4 Actions related to own workforce". Further details on the whistleblower system, including a process flow, can be found in section "G1-1 Corporate culture and business conduct policies".

Workplace accident prevention

SAF-HOLLAND accepts its responsibility to create safe working environments for its employees. For this purpose, the management system ISO 45001 for occupational health and safety management systems is applied within Germany. In all other countries, the respective local health and safety management systems apply. The group has implemented the internal BROSI (Basic Requirement of Occupational Safety Infrastructure) program, which was fully rolled out at all production and distribution sites in the past reporting year. The actions established therein include mandatory safety training, specifically for employees in production, as well as monthly internal audits. Furthermore, it is intended in the future to conduct external audits at each production and distribution site location once a year.

Diversity

SAF-HOLLAND promotes a corporate culture based on mutual respect, equality, and openness for all employees. Diversity is understood as a central value and seen as an enrichment for the group. Individual differences, life experiences, unique skills, and talents are valued, contribute to the group's success, and support the its reputation. SAF-HOLLAND therefore actively commits to creating an environment free from any form of discrimination through its Diversity and Anti-

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Discrimination Policy, with a view to strengthening community feeling and productivity by ensuring that people are always treated with respect.

The group's commitment to diversity, equality, and inclusion extends to its workforce, business partners, and – within its influence and responsibility – to other parties in the supply chain.

IROs associated with this policy:

Equal treatment and equal opportunities for all – gender equality and equal pay for equal work
- Reputational risks leading to financial risks with regard to employees and revenue

Equal treatment and equal opportunities for all – actions against violence and harassment in the workplace
- Harassment in the workplace

Equal treatment and equal opportunities for all – diversity
- Social exclusion of employees
- A workforce that is not diverse enough can negatively impact business results

The Senior Vice President HR is responsible for the group-wide compliance with the diversity policy. The holder of this position is supported by the Diversity Council, which oversees all strategies and actions in the area of diversity, equality, and inclusion (Diversity, Equity & Inclusion – DEI). These policies and institutions are intended to ensure that discrimination and harassment are effectively prevented in the group and that a respectful environment for all employees is promoted.

The Diversity Council takes a holistic approach to sustainably promote diversity and inclusion at SAF-HOLLAND and anchor it in everyday work. A core objective is to establish simple communication channels through which employees can contribute, ask questions, or provide suggestions at any time. Furthermore, the Council aims to raise awareness of topics such as diversity, equality, and inclusion through open learning discussions and targeted training programs, thereby strengthening intercultural dialogue within the group. Another focus is on reviewing current policies, processes, and practices. This particularly considers the areas of recruitment, selection, development, promotion opportunities, compensation, and benefits, as well as the group's general business engagement. The objective is to identify potential barriers and work towards ensuring that these processes are fair, transparent, and offer equal opportunities. Where action is needed, the Diversity Council develops new policies and practices, which are then implemented step by step. The Council also makes specific recommendations to the Management Board to achieve a sustainable impact. These include not only strategic approaches but also responsibilities for specific actions, clear timelines, and measurable objectives. This allows progress to be tracked transparently and enables a continuous improvement process to develop.

Incidents can be reported anonymously both internally and externally via the whistleblower system. There is also the option of establishing Employee Resource Groups (ERG) supported by the Diversity Council, which provide employees with a platform for exchange and dialogue on specific topics. As an example, the first ERG – the Women Network Group – focusing on women's networks and career planning and promotion was established in 2024.

Anti-Discrimination Policy
All grounds for discrimination, such as race and ethnic origin, skin color, gender, sexual orientation, gender identity, disability, age, religion, political opinion, national descent or social origin, as well as other forms of discrimination that fall under European Union regulations and national law, are addressed in the Anti-Discrimination Policy. The objective is not only to leverage the strengths of a diverse workforce but also to protect the rights and interests of employees, thereby preventing bullying, harassment, and discrimination.

Respect for each individual is an important pillar of the corporate culture of SAF-HOLLAND. The company explicitly commits to a discrimination- and harassment-free work environment and sees itself as an employer that actively promotes equal opportunities. SAF-HOLLAND specifically strengthens inclusion, equality, and belonging for all employees with the group-wide diversity strategy. The scope of this policy extends to all employees and ensures that principles such as fairness and respect are comprehensively anchored.

In terms of harassment, employees have a range of reporting channels available to prevent and stop harassment and discrimination. The company categorically rejects any form of discrimination and takes appropriate action when incidents are discovered. At the highest level, the Management Board is responsible for implementing the Anti-Discrimination Policy. Operational integration into business processes is the responsibility of the Senior Vice President HR Global and the management.

IROs associated with this policy:

Equal treatment and equal opportunities for all
- Harassment in the workplace

Equal treatment and equal opportunities for all – diversity
- Social exclusion of employes
- A workforce that is not diverse enough can negatively impact business results

Global Compensation Policy
The Global Compensation Policy serves as a mandatory framework for all responsible parties in the group who establish and manage compensation systems. The objective is to secure the attractiveness of the group for top talents while simultaneously ensuring fair remuneration for all employees. The policy defines the principles for establishing appropriate salary ranges, ensuring transparency, and providing fair, coherent, and performance-oriented compensation. Base salaries are subjected to a formal review annually to verify compliance. At the highest level, the Senior Vice President HR Global is responsible for this.

The policy applies group-wide and extends to all SAF-HOLLAND employees.

IROs associated with this policy:

Working conditions – adequate wages
- Competitive wages attract and retain talent

Global HR Manual
SAF-HOLLAND has also created a Global HR Manual that serves as a central orientation framework for human resources management. It describes the group's culture code, sets expectations and guidance for leaders, and contains regulations on personnel policies, as well as training and development opportunities for employees. The objective of the manual is to establish a unified global standard for personnel management and to provide executives with a clear basis for effectively leading and developing their teams. While the manual primarily addresses executives, many chapters contain subsections relevant to wider groups of employees. Examples include information on working hours, business trips, or similar topics. For instance, the section on training and development opportunities explicitly applies to all employees worldwide. The ultimate responsibility for the manual lies with the Senior Vice President HR Global. It is made available to regional and local HR managers and teams group-wide in order to ensure consistent application.

IROs associated with this policy:

Equal treatment and equal opportunities for all – training and skills development
- Providing training opportunities can lead to a better-qualified and more adaptable workforce
- Investments in employee training can improve motivation and satisfaction
- Improved motivation and job satisfaction can reduce turnover rates and hiring costs

Training Policy
SAF-HOLLAND has a globally applicable Training Policy that defines how the continuous development of all employees is promoted. It aims to ensure that employees have the necessary skills and knowledge to perform their tasks effectively and efficiently. The policy applies to all employees and encompasses a wide range of learning formats such as in-person training, workshops, and e-learning. It is based on the principle of equal learning opportunities and an inclusive learning culture. Responsibility for implementation lies with the Management Board, which provides strategic priorities, budget, and resources, while managers are tasked with identifying individual training needs and encouraging employees to

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participate actively. Training needs and the effectiveness of actions are regularly assessed through performance evaluations, feedback tools, and the review of training programs.

IROs associated with this policy:

Equal treatment and equal opportunities for all – training and skills development
- Providing training opportunities can lead to a better-qualified and more adaptable workforce
- Investments in employee training can improve motivation and satisfaction
- Improved motivation and job satisfaction can reduce turnover rates and hiring costs

Child and Forced Labour Policy
SAF-HOLLAND has a group-wide policy on Child and Forced Labor that strictly prohibits these in any form. It applies to all of the site locations worldwide and is aligned with international standards, including the International Charter of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, the UN Global Compact Initiative, and the UN Guiding Principles on Business and Human Rights. The policy stipulates that those responsible for the plant and distribution site locations are accountable for its implementation, while the central HR and ESG function monitors compliance. SAF-HOLLAND conducts an annual structured analysis to identify risks, whereby all site locations are evaluated using a standardized questionnaire. The results form the basis for preventive and remedial actions.

IROs associated with this policy:

Other work-related rights – child and forced labor
- Physical and mental harm to children in the case of child labor
- Physical or psychological harm to workers involved in forced labor (e.g., retention of identification documents, non-payment for services rendered)
- Financial risk from reputational damage/lawsuits due to violations in the area of child and/or forced labor

[S1-2] PROCESSES FOR ENGAGING WITH UNDERTAKING'S OWN WORKFORCE AND WORKERS' REPRESENTATIVES ABOUT IMPACTS
Union representatives and Works Councils are established at most SAF-HOLLAND site locations, who are regularly informed about relevant developments and – subject to the topic and legal requirements – actively involved in the decision-making process. Regular meetings between the Works Council, management, and HR should ensure that employee concerns are taken into account and joint solutions are developed. Employees can contact their representatives at any time with their concerns, questions, or requests.

Employees are also involved in decision-making and improvement processes through regular global surveys and "pulse checks". These short surveys, conducted via the globally available Employee Engagement Survey Tool, continuously collect feedback on working conditions, and are sent out weekly and then evaluated. The results are to be regularly monitored by direct supervisors and integrated into their decision-making processes.

SAF-HOLLAND conducts a global employee survey at regular intervals (most recently in 2016, 2019, 2022, and 2025), in which all employees can participate. The results are evaluated and communicated at the site level to identify specific areas for action and potential for improvement. Targeted actions are developed and implemented based on this, aiming to promote satisfaction and working conditions. A global employee survey was conducted in the year 2025 reporting, inviting 4,732 employees to participate. A total of 3,342 individuals participated, resulting in a group-wide participation rate of 71%. Employee satisfaction is measured on a scale from 1 (very satisfied) to 5 (very dissatisfied). The overall average employee satisfaction score was 2.53.

The global Diversity Council serves as a contact point for diversity issues, collects feedback, and brings the perspectives and concerns of employees into the monthly meetings where these topics are discussed, and corresponding actions are decided. The Diversity Council also conducts case-specific employee surveys to assess the effectiveness of its initiatives. Insights from these surveys led, among other things, to the establishment of the first Employee Resource Group (ERG), which is intended to serve as a platform for exchange and discussions among female employees. Additional ERGs can be established if desired by the employees.

Although the current actions to transition to a more environmentally friendly and climate-neutral operation currently have no impact on the workforce, SAF-HOLLAND will ensure early involvement in future developments that could bring changes for employees through existing communication channels, as described in this chapter and in "G1-1 Corporate culture and business conduct policies".

The Senior Vice President HR Global is operationally responsible for ensuring the involvement of the workforce in the group. The holder of this position receives important insights, among other things, from the previously mentioned "Pulse surveys", for which various local committees have been established to evaluate the results and share these with them. They also gain further insights from the regularly conducted global employee surveys, which serve as a basis for developing and implementing further action plans to improve employee satisfaction. The results of employee engagement are regularly coordinated with the Management Board, so that insights gained are incorporated into the strategic and operational decisions of the company regarding its own workers.

[S1-3] PROCESSES FOR REMEDYING NEGATIVE IMPACTS AND CHANNELS THROUGH WHICH THE UNDERTAKING'S OWN WORKFORCE CAN EXPRESS THEIR CONCERNS

SAF-HOLLAND places great importance on respectful, fair, and responsible treatment of its employees. The company ensures safe working conditions, pays attention to equal opportunities and discrimination-free treatment, and is guided by international human rights standards. SAF-HOLLAND also ensures that appropriate compensation, compliance with working time regulations, and the protection of personal data are maintained. Employees can report violations of these values, as laid out in the Code of Conduct, anonymously through the whistleblower system. All submissions will be reviewed confidentially. If the company causes negative impacts on employees through its actions or has contributed to them, appropriate remedial actions will be initiated after careful individual case review. These follow a standardized process following the internal whistleblower system guidelines and the procedural regulations for the complaints procedure according to Section 8 Supply Chain Due Diligence Act (LkSG), which also contain provisions for testing the effectiveness of the actions.

Potential and actual negative impacts can be reported to SAF-HOLLAND through various dedicated reporting channels. These are open to all individuals inside and outside the SAF-HOLLAND organization to report any violations, grievances, or risks related to SAF-HOLLAND's business activities.

The process for handling reports through the whistleblower system is detailed in section "G1-1 Corporate culture and business conduct policies". The reporting channels include not only the electronic whistleblower system but also postal and personal reporting to the internal reporting office. All available channels have been established by the undertaking itself. Further details can be found in section "G1-1 Corporate culture and business conduct policies".

All employees from the salaried sector, as well as some of the employees from the industrial sector worldwide can access a survey tool at any time and participate in the "Pulse surveys", which are regularly distributed as previously described.

The results of the "Pulse surveys" are always compared with benchmark figures and analyzed at the monthly meeting of the internal committee responsible for this. The respective local HR managers subsequently present the results to the local management teams. The action plans at the site location are reviewed monthly or quarterly based on these results and adjusted as necessary. The effectiveness of the "Pulse surveys" is monitored based on participation rates. If these are significantly below the expected values – measured against the average data of previous years – an action plan to increase participation is developed.

Information on existing policies for the protection of whistleblowers is presented in section "G1-1 Corporate culture and business conduct policies". SAF-HOLLAND assesses employee awareness and trust in existing structures and processes by regularly evaluating the use of these reporting channels. An increasing utilization of processes such as the whistleblower system is regarded as an indicator of growing trust in the effectiveness and integrity of the system.

[S1-4] TAKING ACTION ON MATERIAL IMPACTS AND APPROACHES TO MITIGATING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO OWN WORKFORCE, AND EFFECTIVENESS OF THESE ACTIONS AND APPROACHES

SAF-HOLLAND places great value on its employees, strives for continuous improvement of working conditions, and aims to minimize potential negative impacts on its own workforce. SAF-HOLLAND has defined a series of actions to implement

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corporate policies and achieve set targets, intended to avoid negative impacts, mitigate risks, promote opportunities, and achieve positive effects for all its employees. The following overview table shows the policies, actions, and targets that are assigned to the respective sustainability topics and IROs.

Overview of sustainability topics in connection with the undertaking's own workforce

Sustainability topic	IROs	Policy	Action	Target
Working conditions – adequate wages	Competitive salaries to attract and retain talent	Global Compensation Policy	A4, A5, A14, A15	T7
Working conditions – health and safety	Illnesses (office and production), long-term sick leave, physical and mental illnesses	Code of Conduct, Human Rights Policy Statement	A2, A6	T1, T2, T3
	Injuries to workers attributable to workplace accidents		A7	
	Improvement in well-being, motivation, and satisfaction of employees		A2, A6	
	Costs attributable to low awareness of safety and health protection, and low standards		A7	
	Cost savings through lower employee turnover and absenteeism		A1, A2, A6	
Equal treatment and equal opportunities for all – gender equality and equal pay for equal work	Reputational risks that lead to financial risks regarding employees and revenue	Diversity Policy, Anti-Discrimination Policy	A8–A10, A14, A15	T5
Equal treatment and opportunities for all – training and skills development	Providing training opportunities can lead to a more skilled and adaptable workforce	Global HR Manual, Training Policy	A3, A11, A12	No target
	Investing in employee training can increase motivation and satisfaction		A3, A11, A12, A16	
	Increased motivation and job satisfaction can decrease turnover rate & recruitment costs			
Equal treatment and opportunities for all – diversity	Social exclusion of employees	Diversity Policy, Anti-Discrimination Policy	A8–A10	T4, T5
	Harassment in the workplace			
	A workforce that is insufficiently diverse can negatively impact business results			
Other work-related rights – child labor	Extreme physical and mental harm to children	Code of Conduct, Child and Forced Labor Policy, Human Rights Policy Statement	A13	T6
	Financial risk attributable to reputational damage/lawsuits arising from violations in the area of child and/or forced labor			
Other work-related rights – forced labor	Physical or psychological harm to workers involved in forced labor (e.g., withholding of identification documents, non-payment for services rendered)	Code of Conduct, Child and Forced Labor Policy, Human Rights Policy Statement	A13	T6
	Financial risk attributable to reputational damage/lawsuits arising from violations in the area of child and/or forced labor			

The following sections present the actions taken by SAF-HOLLAND in relation to its workforce, as well as their scope, expected outcomes, and time horizons. By the end of the reporting year, no actual impacts had been identified that would have necessitated remedial actions. Targeted feedback can be obtained on areas that required decisions with the support of the weekly "Pulse surveys". The results of the "Pulse surveys" are analyzed and summarized in monthly overviews. These are evaluated by the HR team and presented to the respective Regional President. The site management team also reviews the action plan monthly or quarterly and adjusts it as appropriate. The processes and feedback mechanisms

mentioned above also serve to ensure and regularly verify that SAF-HOLLAND does not cause or contribute to any material negative impacts on its workforce. Material risks associated with the own workforce are currently being addressed separately and have not yet been integrated into the company's existing risk management processes.

Flexible working hours and remote working – A1
Flexible working hours and remote working have been introduced for administrative employees in large parts of the EMEA and Americas regions, as well as partially in the APAC region. This is an ongoing action with no fixed time horizon. It is monitored through the weekly "Pulse surveys" of the employee engagement platform. In this context, employees are asked whether they feel their workload is appropriate and the extent to which they can recover in their free time. The expected outcome of this action is an increase in employee satisfaction, as well as employer attractiveness.

Health initiatives – A2
SAF-HOLLAND continuously offers health initiatives to all employees worldwide. An example of such initiatives included courses on back health in the 2025 reporting year. Individual regions have also developed their own programs – such as cooking classes in Germany. Depending on the health initiative, employees can register either through the "mySAF-HOLLAND App" or the respective provider's app. The objective of these actions is to reduce sick leave days and improve employee satisfaction.

Health activities are recorded and tracked based on the number of registered participants. The Senior Vice President HR Global is responsible for the annual consolidation of this data.

Development programs (personnel development discussions) – A3
The company conducts annual personnel development discussions with all salaried employees. Employee performance is evaluated based on a range of criteria. Progress and development needs are monitored by the local HR department and the respective supervisors. This is an ongoing action with no fixed time horizon. SAF-HOLLAND expects that the personnel development discussions will improve employee motivation, enable development potential to be identified at an early stage, and allow targeted support actions to be derived.

Trade union cooperation agreements or collective agreements – A4
A trusting relationship with its employees is of fundamental importance to SAF-HOLLAND. For example, the undertaking has entered into union cooperation agreements or collective agreements with its employees, specifically at the production site locations in the USA and Germany. The company's objective is to replace expiring collective agreements with new ones, thereby offering employees competitive remuneration. This is intended to simultaneously strengthen attractiveness as an employer and support the recruitment and retention of talent. This is an ongoing action with no fixed timeframe.

Continuous monitoring of market and salary development at the production site location – A5
As well as entering into collective agreements, SAF-HOLLAND continuously monitors market and salary developments in the industry to enable a market and industry comparison and thus create the conditions for a fair, transparent, and qualification-appropriate compensation structure. To this end, an external service provider has been commissioned to provide reliable and high-quality market data and to analyze the salary structures on an annual basis. The market and industry comparison is based on the median of the annual base salaries and total compensation of the defined competitors. Adjustments are to be made in the event of significant variances in the reviewed individual compensations compared to the benchmark. This action is reviewed annually by the Senior Vice President HR Global and the respective responsible persons in the regions.

Investments in production and site locations – A6
Since the work environment can influence the health and well-being of employees, SAF-HOLLAND makes targeted investments every year. In 2025, these particularly included actions that improve ergonomics at production workplaces, such as providing height-adjustable assembly tables and operator-controlled handling systems. The investments are reviewed every year and tailored to the site locations, aiming to improve the health and well-being of employees. The actions are reviewed based on an action plan that lists all intended regions and site locations. The ongoing action plan specifies actions and investments planned for the current year. The expected outcome is the achievement of the targets T1, T2, and T3, as described in the next chapter.

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Safety standards and safety training courses – A7
The company has implemented BROSI (Basic Requirement of Occupational Safety Infrastructure) at all production and distribution site locations in order to reduce injuries and accidents among employees. This includes audits conducted monthly by site location as a self-assessment. It is also planned to introduce externally conducted audits once a year for the 2026 reporting year. There are also safety training sessions and reviews of workplace accidents from the previous year to educate employees about potential hazards. These actions are carried out globally and apply to all employees.

Diversity Council – A8
The global Diversity Council consists of 16 members and coordinates actions to promote diversity and inclusion. It plays a central role in implementing the company's DEI (Diversity, Equity & Inclusion) strategy by fostering dialogue, providing information, implementing initiatives, and strengthening a culture of respect for all employees and stakeholders. This action is not tied to a specific timeframe, as the Council operates continuously at a global level and is available to all employees worldwide. The action is related to the objective of achieving a proportion of 25% women at Director and (Senior) Vice President level by 2029 at SAF-HOLLAND and zero cases of discrimination – both indicators of how successfully this action has been implemented.

Diversity days and training courses – A9
A total of 14 days were selected in 2025 to communicate and post about diversity topics, such as International Women's Day, World Day for Cultural Diversity, or International Day for the Elimination of Racial Discrimination. Supplementary online training offers have also been established that are accessible to all employees worldwide. The action is thematically related to the objective of achieving a proportion of 25% women at Director and (Senior) Vice President level at SAF-HOLLAND and zero cases of discrimination. The expected outcome is to strengthen awareness of diversity and promote the undertaking's values of respect and trust.

ERG women's network – A10
SAF-HOLLAND is committed to gender equality in the group. The proportion of female employees is currently 22% of the total workforce. Female employees expressed their interest in a networking platform in a diversity survey and discussion groups. The resulting "ERG Women's Network" is under the auspices of the Diversity Council and is a direct response to the desire of many female colleagues to create a forum where they can network, learn from each other, share experiences, discuss career support, and receive general advice. The network organized several events in the reporting year where female colleagues shared their personal experiences, provided insights into their career paths, and facilitated open discussions about opportunities, challenges, and best practices for women in the workplace.

The expected outcome of this action is, similar to A9, to strengthen awareness of diversity and promote the company's values of respect and trust. The "ERG Women's Network" is open to all female employees worldwide. The action is to be further expanded in the 2026 reporting year, meaning it is an ongoing and recurring action.

Development programs and training courses – A11
The group offers development programs and training for employees worldwide. SAF-HOLLAND launched a number of international leadership development programs in the reporting year. These programs aim to further develop the competencies of SAF-HOLLAND leaders and improve employee satisfaction. The focus of the program is on training to further develop key leadership competencies and strengthen group-wide networking. One or two programs, each with a cohort of 10–12 employees, are conducted per year and region. These programs take place continuously and their success is reviewed by the HR department as part of the annual personnel development discussions. The expected outcome is to systematically prepare employees for future leadership tasks and provide them with the necessary professional, methodological, and social leadership competencies.

Education opportunities – A12
SAF-HOLLAND offers worldwide access to an online learning platform to provide employees with the opportunity for continuous further education. The courses offered include, among others, learning opportunities in Excel, Word, PowerPoint, leadership skills, and stress management. The target is to achieve the highest possible participation of employees.

The undertaking's Learning Management System (LMS) is directly connected to LinkedIn Learning. The expected outcome is that all employees continuously use the LMS system to expand their skills and competencies and improve their job

satisfaction. Usage is monitored in the system based on metrics, such as hours spent in learning modules. It is an ongoing action with no fixed time horizon.

Analysis of risk countries for children and forced labor – A13
SAF-HOLLAND conducted an analysis of countries where there is a significant risk of child or forced labor. This analysis was conducted with a software solution that covers not only child and forced labor but is also part of the risk assessment and due diligence for suppliers.

Countries identified as high-risk include Brazil, China, India, the USA, Mexico, Türkiye, and South Africa. After completing the identification process, the group pays particular attention to these countries to proactively prevent violations of child or forced labor. The expected outcome of this action is to completely avoid cases of child and forced labor. The analysis was completed in 2024 but requires continuous monitoring of the high-risk countries.

Analysis of minimum wages by site location (adequate wages) – A14
SAF-HOLLAND collected group-wide information on legal minimum wages, as well as granted wages and salary structures in the individual regions during the reporting year, with a view to analyzing minimum or appropriate wages per site. The objective of this analysis was to demonstrate fair and transparent compensation for all employees of SAF-HOLLAND. This approach represents an important preparatory step to create the basis for possible targeted actions and improvements in compensation policy. Initial metrics have already been developed based on the collected data, which will serve as a future reference for evaluating and further developing SAF-HOLLAND's compensation practices.

Analysis of the gender pay gap – A15
SAF-HOLLAND conducted a comprehensive data collection and evaluation during the reporting year to quantify gender-specific pay differences (gender pay gap) and to prepare for the introduction of an group-wide metric. The average contractually agreed hourly wages of women and men were collected at all site locations for this purpose. This analysis forms the data basis for developing transparent and comparable metrics, as well as for deriving targeted actions with which SAF-HOLLAND aims to identify, monitor, and reduce gender-specific pay differences in the future.

Survey of employees regarding the assessment of working conditions – A16
SAF-HOLLAND conducted a global employee survey during the reporting year to obtain a comprehensive picture of how employees perceive and evaluate their working conditions. This action served as the basis for identifying strengths, areas for action, and improvement opportunities in the work environment. The participation rate was 71%, which represents an increase of 9% compared to the last survey in 2022. The employee survey included questions on various topics. Higher satisfaction compared to other areas was registered for collaboration with colleagues in the immediate work environment, collaboration with the direct supervisor, workplace safety, and working hours. There is potential for improvement in information flow and in workplace design. Overall satisfaction was measured at 2.53 on a scale of 1 to 5, where 1 means "very satisfied" and 5 means "very dissatisfied". Targeted local and regional actions are currently being implemented based on the results, aimed at improving working conditions and employee satisfaction.

Of the actions listed above, only (personnel development discussions) and A6 (investments in production and site locations) require significant financial resources. The investment overview below lists the amount of current and future required financial resources, as well as an indication of where the current financial resources can be found in the consolidated financial statements.

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Investment overview until 2026

Actions carried out in 2025 or planned for the future	Current financial resources	Relation to consolidated financial statements	Future financial resources
Development programs and training (personnel development discussions) – global annual budget, including all training, etc.	Approx. EUR 0.6 mn	The financial resources listed here are included in general administration costs and account for less than 1% of this figure.	Approx. EUR 0.6 mn
Investments in production and site locations	Approx. EUR 0.2 mn	The financial resources listed here are included in general administration costs and account for less than 1% of this figure.	Approx. EUR 0.2 mn

[S1-5] TARGETS RELATED TO THE UNDERTAKING'S OWN WORKFORCE

To assess the effectiveness of the aforementioned policies and actions related to its own workforce, the Management Board, partly in coordination with the Supervisory Board (regarding the proportion of female executives), has set measurable, time-defined, and results-oriented targets to systematically review and continuously improve progress in implementing company-wide sustainability actions. These targets relate to the IROs mentioned below. They were not additionally discussed with the employees.

- Working conditions – Health and safety (IRO-WOR-02; IRO-WOR-03; IRO-WOR-04; IRO-WOR-05; IRO-WOR-06)
- Working conditions – Adequate wages (IRO-WOR-01)
- Equal treatment and equal opportunities for all – Diversity (IRO-WOR-12; IRO-WOR-13)
- Other work-related rights – Child labor (IRO-WOR-14; IRO-WOR-15)
- Other work-related rights – Forced labor (IRO-WOR-16; IRO-WOR-17)

The respective scope, period, and associated milestones are presented in the following table.

No targets were defined for all other IROs (IRO-WOR-08 to IRO-WOR-10) related to the undertaking's own workforce.

Overview of targets

No.	Defined target (absolute/relative & unit)	Scope	Applicable period
T1	0 work-related fatalities Absolute target Integer	Global	Recurring goal per fiscal year
T2	Reduction in lost time injury rate Integer	Global	Recurring goal per fiscal year
T3	Implementation of BROSI in all locations Absolute target Percentage	Global	2025: 100%
T4	0 cases of discrimination resulting in conviction of SAF-HOLLAND Absolute target Integer	Global/all employees	Recurring goal per fiscal year
T5	25% women at the level of Director and (Senior) Vice President SAF-HOLLAND SE Absolute target Percentage	SAF-HOLLAND SE	2029: 25%
T6	0 cases of child and forced labor within SAF-HOLLAND's own operations Absolute target Integer	Global	Recurring goal per fiscal year
T7	Payment of adequate wages	Global	Recurring goal per fiscal year

Management deemed the 2024 target topics to still be valid in the past financial year. There is thus no need to adjust the ongoing targets. The corresponding metrics, the underlying measurement methods, the essential assumptions, limitations, sources, and procedures for data collection remain unchanged. The only exception is for the target regarding the female quota at the first and second management levels within SAF-HOLLAND SE. Due to the significant increase in employees, the previous target of 22.2% by the end of June 2025 was adjusted by the Management Board and Supervisory Board as explained below. No involvement of stakeholders in the determination and review of target achievement took place in the reporting year.

The following list provides an overview of the established targets, their scope, and the current implementation status in the reporting year:

Zero work-related deaths – T1
SAF-HOLLAND aims to completely avoid work-related deaths, as the protection of its employees is always a priority. The corresponding data is collected separately at each of the undertaking's site locations using a centralized reporting system and supplementary data tables before being centrally consolidated. In 2025, there were no work-related deaths.

Reduction of the Lost Time Injury Rate – T2
Similarly, SAF-HOLLAND aims to completely prevent workplace accidents. A central target in occupational safety is therefore the reduction of the Lost Time Injury Rate (LTIR), which is calculated from the number of accidents leading to downtime (one day or more) per million working hours. In the reporting year, this goal was supported by a reduction in the LTIR of 0.74 units to 10.51 compared with the previous year (11.25). For fiscal year 2026, the goal is to further lower the LTIR and achieve an additional reduction of at least 0.5 units.

The achievement of these targets is supported by accident prevention actions, including enhanced safety training, the optimization of internal processes, and the consistent recording, analysis, and processing of near misses and safety notices.

Additional confirmation of this positive development can be seen in the accident statistics: Registered accidents decreased by 9.62% with 94 accidents in the reporting year, compared with the previous year's total of 104. Continuous actions designed to raise employee awareness, as well as close cooperation between managers, safety officers, and operational teams, have significantly contributed to achieving the relevant targets. In the coming year, the focus will also be on continuing this trend through targeted investments in occupational safety and prevention to further advance the reduction of the LTIR.

Introduction of BROSI at all site locations – T3
SAF-HOLLAND set itself the target of fully implementing the BROSI health and safety management system at all production and distribution sites by the second quarter of 2025. The implementation status was regularly recorded and tracked and documented with the help of monthly internal audits and annual external audits. Even though stakeholders were not directly involved in defining this target, their occupational health and safety interests were taken into account. BROSI was fully implemented at all production and distribution sites in the past reporting year.

Zero cases of discrimination leading to a conviction for SAF-HOLLAND – T4
SAF-HOLLAND's objective is to prevent incidents of discrimination that might lead to the undertaking being held criminally liable. The aim is also to keep the total number of all discrimination cases as low as possible. Reports and incidents are recorded through various channels and regularly reviewed. Channels include the electronic whistleblower system, the Works Council, the union, and the Human Resources department. In the past reporting period, there were no discrimination cases that led to a conviction for the undertaking.

Increasing the proportion of women in management – T5
Due to the increase in the workforce within SAF-HOLLAND SE, which has a higher proportion of male employees, the undertaking has updated its existing target for promoting equality and diversity. SAF-HOLLAND now aims to increase the proportion of women in management at the level directly below the SAF-HOLLAND SE Management Board to 25% by the end of 2029. This target focuses on jobs with the titles "Senior Vice President", "Vice President", and "Director". Various actions, such as promoting diversity through the Diversity Council, working to ensure adequate wages and analyzing the gender pay gap (see section "S1-4 Actions related to own workforce"), are intended to positively contribute to meeting this target. The proportion of women at the end of the 2025 reporting year was 21.43%.

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Zero cases of child or forced labor in connection with SAF-HOLLAND's own business activities – T6
SAF-HOLLAND has set a target of zero cases of child or forced labor within its own business activities by 2025. A country analysis was conducted to identify potential risks and determine regions where there is an increased risk of child labor (see section "S1-4 Actions related to own workforce"). Monitoring of target achievement is carried out via existing communication channels that SAF-HOLLAND has established for communication with stakeholders. Similar to discrimination, suspected cases of child or forced labor can be reported through the whistleblower system. As in the previous year, no cases of child or forced labor were discovered at the undertaking's production sites in the reporting year.

Adequate wages – T7
SAF-HOLLAND aims to ensure adequate and fair wages in all countries where the undertaking operates, in accordance with the minimum requirements according to the ESRS. The assessment of wage equity is based on a global comparative study that analyzes the compensation structures at all SAF-HOLLAND locations worldwide. The results of this evaluation are used to verify the effectiveness of current collective agreements and the implementation of the global compensation policy, thus ensuring that all employees worldwide are fairly compensated. In the past financial year, all employees of SAF-HOLLAND received adequate wages in accordance with the applicable reference values.

Future processes for managing significant IROs related to the undertaking's own workforce
SAF-HOLLAND has not currently adopted anyresults-oriented and time-bound targets for the IROs pertaining to "equal treatment and equal opportunities for all – training and skills development", as reporting on this is still being developed. SAF-HOLLAND is therefore making use of the option not to report on key figures for training and skills development for the time being.

Although there are currently no specific targets for the above-mentioned topics, the undertaking continues to actively work on implementing the respective actions (see section "S1-4") in these business areas and is committed to reviewing their development at least once a year.

Management of aspects related to gender equality and equal pay
In principle, the undertaking strives to keep the pay gap between men and women low. The gender pay gap in the 2025 reporting year was again analyzed based on a comparison of remuneration at a global level. A detailed evaluation at the local level is being prepared, on the basis of which the undertaking will decide on targeted control actions. In the third quarter of 2025, the undertaking also launched a global efficiency program for indirect operations, which is expected to be completed by the end of 2026. With this initiative, SAF-HOLLAND plans to structure its workforce more efficiently. SAF-HOLLAND has therefore decided not to set a target for the pay gap for the time being. After completing the detailed analysis and efficiency program, control-relevant targets can be established accordingly. Further development of the analysis and the associated metrics is monitored by the Senior Vice President HR Global as part of regular internal reporting procedures.

Metrics on SAF-HOLLAND's own workforce
The metrics described in this chapter are all defined according to the ESRS and have not been validated by any external entity. Notwithstanding this, the sustainability reporting has been audited with limited assurance.

[S1-6] CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES
In addition to the number of employees by geographic areas, the following metrics and the methods and assumptions behind them are explained in connection with the undertaking's own workforce.

Metrics related to the undertaking's own workforce

Metric	Definition, methodology & assumptions (incl. limitations)
Number of employees by country	For this metric, the total number of employees is broken down by countries with more than 50 employees and at least 10% of the total number of employees. The reported figures are based on the number of employees on December 31 in the respective fiscal year.
Number of employees by gender	This metric reports the total workforce broken down by gender, expressed as a whole number. The number of employees is determined as of December 31 of the respective fiscal year.
Employee turnover (number & percentage)	The turnover rate measures the proportion of employees who have voluntarily left the employment relationship, terminated their employment without notice, been dismissed, retired, or died in service. Each case that meets this description is counted as "leaving". To calculate employee turnover, the number of employees leaving in the reporting year is divided by the average number of employees in the reporting year. Employee turnover is determined as of December 31 of the respective fiscal year.

Countries with more than 50 employees and at least 10% of the total number of employees as of December 31, 2025, are as follows:

Number of employees by country*

Country	2025 (head count)	2024 (head count)
Germany	1,100	1,125
USA	795	876
Brazil	536	525
Mexico	513	539

*Defined by ESRS as countries where the company has at least 50 employees, representing at least 10% of the company's total workforce

The number of employees by gender employed at SAF-HOLLAND as of December 31, 2025, was as follows:

Number of employees by gender

Gender	2025 (head count)	2024 (head count)
Male	3,923	4,093
Female	1,103	1,139
Other	0	0
Not reported	0	0
Total employees	5,026	5,232

The number of employees by contract type and gender as of December 31, 2025, was as follows:

Information on employees by type of contract, broken down by gender (number of employees)

	Female		Male		Other*		Not disclosed		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Number of employees (head count)	1,103	1,139	3,923	4,093	0	0	0	0	5,026	5,232
Number of permanent employees (head count)	1,021	1,053	3,602	3,776	0	0	0	0	4,623	4,829
Number of temporary employees (head count)	82	86	321	317	0	0	0	0	403	403
Number of non-guaranteed hours employees (head count)	0	0	0	0	0	0	0	0	0	0

*Gender according to the employees' own statement

The total number of employees who left SAF-HOLLAND during the reporting period was 1,024 (previous year 1,167). The turnover rate was therefore 19.73% (previous year 22.03%).

For further information on changes in the number of employees, please refer to item 7.5 "Number of employees" in the consolidated notes and the section on workforce in the "Report on economic position" chapter in the Management Report.

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[S1-9] DIVERSITY METRICS

For disclosures on gender equality at the top management level, the two management tiers directly below the Management Board are defined as the top management level.

The gender distribution at the top management level and the age distribution of SAF-HOLLAND employees as of December 31, 2025, are as follows:

Gender distribution at top management

Gender	Number 2025	Percentage 2025	Number 2024	Percentage 2024
Female	5	12.82	5	11.90
Male	34	87.18	37	88.10
Other	0	0	0	0

Age distribution of employees

Age group	Number 2025	Percentage 2025	Number 2024	Percentage 2024
Under 30 years	847	16.85	937	17.91
30 to 50 years	2,649	52.71	2,759	52.73
Over 50 years	1,530	30.44	1,536	29.36

[S1-10] ADEQUATE WAGES

The SAF-HOLLAND Group is committed to fair and adequate compensation for all employees according to their qualifications, responsibilities, and performance. Compensation is based on market standards, legal requirements, and internal salary structures and is regularly reviewed to ensure equal opportunities and competitiveness.

All SAF-HOLLAND employees receive adequate wages in accordance with the applicable reference values.

[S1-14] METRICS FOR HEALTH AND SAFETY

The health and safety of employees is of the utmost priority for SAF-HOLLAND.

The proportion of individuals working at SAF-HOLLAND site locations that have implemented a health and safety management system was 100% in the past fiscal year (previous year 88.02% of employees). It should be noted that this refers to site locations that fall under ISO 45001 certification or where BROSI has been implemented and internally audited.

Workplace accidents are recorded and classified locally by site managers, from which reportable work accidents can be derived, irrespective of whether they lead to incapacity for work. Reportable workplace accidents occur if there is death, days of work incapacity, restricted work ability or transfer to another workplace, medical treatment beyond first aid, loss of consciousness, or significant injury/illness diagnosed by a licensed healthcare professional. This metric covers all accidents affecting the SAF-HOLLAND workforce and also includes commuting accidents. The number of reportable workplace accidents in the fiscal year 2025 was 94 (previous year 104), corresponding to a rate of 10.51 cases per million working hours (previous year 11.25 cases). This reflects the total number of actual hours worked by SAF-HOLLAND's workforce.

There were no fatalities in the reporting period (previous year 0) among its own employees or among non-SAF-HOLLAND employees who worked at SAF-HOLLAND site locations.

[S1-16] COMPENSATION METRICS (PAY GAP AND TOTAL COMPENSATION)

SAF-HOLLAND is expressly committed to equal pay for women and men.

The gender pay gap refers to the average gross hourly earnings of women and men worldwide (further broken down by employee categories). The calculation is based on the average gross hourly earnings of all female employees in relation

to the average gross hourly earnings of all male employees. Gross hourly earnings include wages or salaries, including all other compensation that employees receive directly or indirectly per hour worked. Working time includes paid working hours.

The global earnings gap was 18.16% in the 2025 reporting year (previous year 16.58%). It was 18.45% among permanent employees (previous year 17.30%), and 5.05% among temporary employees (previous year 12.43%).

The median of the annual total remuneration of the highest-paid individual is used for the ratio of annual total remuneration. It includes the annual base salary, cash benefits, benefits in kind, and direct compensation.

The ratio of the annual total remuneration of the highest-paid individual to the median annual total compensation of all employees in the reporting year (excluding that of the highest-paid person) was 60 (previous year 55).

[S1-17] INCIDENTS, COMPLAINTS, AND SERIOUS IMPACTS RELATED TO HUMAN RIGHTS

SAF-HOLLAND is expressly committed to respecting human rights wherever the undertaking operates. The commitment to human rights extends to employees, managers in all business regions, business partners, and other parties in the supply chain within the undertaking's sphere of influence and responsibility.

Five (previous year 7) incidents of discrimination, including harassment, were reported through the whistleblower system or other governmental or non-governmental reporting channels in the reporting period. Two of these reports were submitted through the whistleblower system (previous year 2). The above-mentioned complaints submitted to SAF-HOLLAND were found to be unjustified. Accordingly, there were no cases of discrimination and thus no payments of fines, sanctions, or compensation payments (previous year 0).

Furthermore, there were no serious incidents related to human rights involving the SAF-HOLLAND workforce during the reporting period (previous year 0). Serious human rights violations include incidents related to child and forced labor as well as human trafficking, and violations of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. Consequently, there were no payments of fines, sanctions, or compensation payments (previous year 0).

No notifications to national contact points for multinational enterprises of the OECD were reported (previous year 0).

ESRS S2 – WORKERS IN THE VALUE CHAIN

[SBM-3] MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

SAF-HOLLAND is a supplier to the commercial vehicle industry, whose value chain includes different groups of workers that can be divided into three groups.

Contractors on site and service providers:

This group includes external workers who are not SAF-HOLLAND employees but work at the undertaking's site location.

Workers in the upstream value chain:

The group of workers in the upstream value chain includes workers involved in the extraction, production, and processing of materials needed for production at SAF-HOLLAND, such as steel, rubber, and aluminum. These workers are exposed to risks related to labor rights, occupational safety, and environmental conditions, specifically in regions with less stringent regulations.

Workers in the downstream value chain and workers in joint ventures:

This group includes workers in SAF-HOLLAND's downstream value chain who are involved in the assembly of SAF-HOLLAND products in commercial vehicles. According to the double materiality analysis conducted by the undertaking, these workers are not exposed to material impacts. The undertaking employs staff who work in joint ventures, including both workers and employees. Their working conditions are governed by the internal undertaking regulations on health protection and occupational safety, as well as the operational standards of the undertaking.

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Vulnerable groups within the above categories:
Certain groups of workers and individuals are particularly vulnerable to negative impacts due to systemic disadvantages or lack of protection. This includes elderly and sick people, as well as people with disabilities, for whom access to fair working conditions and protective measures may be more difficult. Ethnic and religious minorities may face discrimination or unequal treatment in the labor market. People with low educational attainment or limited access to education are more susceptible to exploitation, as they are often not fully aware of their rights. Labor migrants, especially in regions with low occupational safety standards, may be exposed to health risks, exploitation, or challenges related to labor rights.

SAF-HOLLAND has conducted a country and industry analysis as part of its due diligence to systematically identify potential areas of risk within the value chain. This analysis serves to prioritize risks regarding human rights, working conditions, and environmental aspects and forms the basis for upstream due diligence measures, as well as preventive and remedial strategies. Systemic risks related to forced and child labor, as well as generally poor working conditions, exist in countries such as Turkey, India, China, Brazil, and Mexico. These have been identified as a significant impact for SAF-HOLLAND in the context of risk assessment.

Industries such as raw material extraction and manufacturing, where employee rights may potentially be restricted, are particularly affected. The risks are particularly pronounced in Turkey, where both forced labor and maltreatment have been identified as potential risks.

SAF-HOLLAND is currently not aware of any specific incidents of child labor and forced labor. Nevertheless, the undertaking continuously monitors the situation to identify and mitigate potential risks at an early stage.

The country and industry analysis has specifically identified the following potential risks:
Forced labor and maltreatment:
Within the undertaking's value chain, Turkey has been specifically identified as a country with a potential risk for forced labor and maltreatment. To mitigate this risk, SAF-HOLLAND focuses its actions specifically on the area of due diligence. This also includes increased monitoring and collaboration with suppliers in this country.

The risk of forced labor and maltreatment is assessed as moderate for Brazil, China, and India. Although these regions do not exhibit the same level of risk as Turkey, they are subject to continuous monitoring and suppliers are actively involved.

Child labor:
The risk of child labor has been assessed as moderate for Brazil, China, India, Mexico, and Turkey. This means that while there is a risk, it currently does not pose a critical threat. SAF-HOLLAND continues to carefully monitor the risk classification of these regions and works closely with suppliers. All suppliers that have been classified as medium or high risk according to the risk analysis conducted by SAF-HOLLAND are taken into account. The risk analysis for suppliers is described in chapter "G1 – Business Conduct".

Problematic raw materials:
Certain raw materials – such as steel, rubber, and aluminum – are historically associated with risks such as forced and child labor in the value chain. Furthermore, other materials from Brazil, India, and China also show a comparable historical risk profile.

[S2-1] POLICIES RELATED TO VALUE CHAIN WORKERS
SAF-HOLLAND has introduced three policies to address the potential material impacts of poor working conditions in the upstream value chain:

- SAF-HOLLAND Code of Conduct for Suppliers
- SAF-HOLLAND Responsible Sourcing Policy
- SAF-HOLLAND Human Rights Policy Statement

These policies do not target specific groups of workers in the value chain but apply comprehensively to all suppliers. This approach is intended to promote broad compliance and fair working conditions throughout the entire value chain. They also clarify SAF-HOLLAND's clear stance against human trafficking, forced labor, and child labor, thereby emphasizing the undertaking's commitment to ethical practices and respect for human rights throughout the entire value chain. The three

policies are part of the Supplier Quality Manual and are communicated to suppliers during the supplier qualification process.

SAF-HOLLAND aligns its actions with international standards and also expects the same conduct from its business partners. The policies are in line with internationally recognized standards regarding the rights and well-being of workers in the value chain. Key standards include:

- United Nations Guiding Principles on Business and Human Rights: SAF-HOLLAND's policies are based on these principles and emphasize respect for human rights, as well as the responsibility of undertakings to avoid negative impacts on individuals.
- International Labor Organization declaration (ILO Core Labor Standards on fundamental principles and rights at work): SAF-HOLLAND's policies include a commitment to uphold fundamental labor standards, a prohibition of child and forced labor, as well as discrimination, and support for freedom of association and the right to collective bargaining.
- OECD Guidelines for Multinational Enterprises: SAF-HOLLAND is committed to these guidelines and advocates for responsible and sustainable business practices throughout the global value chain.
- Principles of the UN Global Compact: SAF-HOLLAND's policies are aligned with the principles of the UN Global Compact, specifically regarding labor, human rights, environmental sustainability, and anti-corruption.

The policies in detail:

The **SAF-HOLLAND Code of Conduct for Suppliers** contains fundamental requirements and principles for promoting ethical business practices, respecting human rights, and environmental responsibility throughout the value chain. By acknowledging the Code of Conduct, suppliers commit to adhering to international standards for labor, health, and safety. The Code requires suppliers to comply with fair working conditions, prohibits child labor, forced labor, and discrimination, and instructs them to provide a safe and healthy working environment for their employees. Suppliers are required to sign and comply with the Code of Conduct for Suppliers. Non-compliance may result in the termination of business relationships. Accordingly, the policy directly addresses the IROs defined as "Potentially inadequate working conditions for mining workers in the upstream value chain" and "Child or forced labor in the upstream value chain (especially in material extraction) can lead to extreme physical and mental harm to children and other workers".

SAF-HOLLAND reserves the right to conduct inspections or request documentation from suppliers to verify compliance with the guidelines. The highest-ranking position within the undertaking responsible for implementing the SAF-HOLLAND Code of Conduct for Suppliers is the Director of Global Sourcing. The holder of this position is to ensure the assumption of responsibility at all levels along the value chain. The Code of Conduct for Suppliers is transmitted as an integral part of supplier agreements to all suppliers with an annual purchasing volume of EUR 15,000 and above, excluding one-time purchases. The Code of Conduct aims to ensure a uniform understanding and consistent implementation of standards throughout the value chain.

The **Responsible Sourcing Policy** is a central element of the undertaking's sustainability activities. This aims to ensure that the undertaking's procurement practices respect human rights, comply with environmental standards, and promote social and economic development in the global value chain. The policy aligns with international human rights standards and environmental principles, the implementation of which SAF-HOLLAND also expects from its suppliers. The most significant commitments include the elimination of child and forced labor, ensuring fair wages and safe working environments, as well as minimizing environmental impacts by reducing emissions, waste, and unsustainable resource use. Accordingly, the policy addresses the essential IROs defined as "Working conditions – potentially inadequate working conditions for mining workers in the upstream value chain" and "Other work-related rights – Child or forced labor in the upstream value chain (especially in material extraction) can lead to extreme physical and mental harm for children and other workers". The highest-ranking position responsible for this within the undertaking is the Director of Global Sourcing.

The globally applicable **Responsible Sourcing Policy** is intended to support transparent and ethical procurement. SAF-HOLLAND uses tools such as the ESG questionnaire for self-disclosure (self-assessment questionnaire, SAQ) for initial risk assessments and conducts regular audits. The undertaking improves the understanding of sustainable practices among the actors in its supply chain through internal and external ESG training. SAF-HOLLAND has incorporated specific ESG requirements into its Supplier Quality Manual (SQM), its standardized contracts, and its supplier selection processes, thereby further embedding sustainability criteria in supplier relationships.

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SAF-HOLLAND revised its Responsible Sourcing Policy in the past reporting year and has established in the policy that, with effect from 2026, suppliers are required to complete a supplier questionnaire. This requirement initially applies to direct and indirect suppliers that have been classified as medium or high risk based on the country and industry analysis conducted by SAF-HOLLAND and have an annual purchasing volume of EUR 75,000 or more. Starting in 2027, the obligation will be extended to low-risk suppliers and gradually expanded to suppliers with lower purchasing volumes by 2028. The obligation will encompass all suppliers in the three risk groups – low, medium, and high – with a purchasing volume starting from EUR 15,000 by no later than 2030.

A description of the complete risk analysis conducted by SAF-HOLLAND on suppliers can be found in chapter G1 – Business conduct.

The **Human Rights Policy Statement** describes the undertaking's commitment to protecting human rights in its operations, along the value chain, and in local communities. It applies to employees, business partners, and suppliers and requires compliance with international human rights standards, including the principles of the UN Global Compact, the standards of the International Labor Organization (ILO), and the OECD Guidelines. The policy is closely linked to the value chain, as SAF-HOLLAND requires its suppliers to ensure fair working conditions, prohibit child and forced labor, and implement grievance mechanisms. The undertaking conducts risk assessments, audits, and preventive measures to ensure compliance with regulations. The policy addresses the key IROs "Working Conditions – potentially inadequate working conditions of mining workers in the upstream value chain" and "Other work-related rights – child or forced labor in the upstream value chain (especially regarding material extraction) can lead to extreme physical and mental harm for children and other workers". The highest-ranking position responsible for the policy within the undertaking is the Human Rights Officer.

Collaboration with suppliers focuses on their labor practices through communication, assessments, and audits to enable fair treatment, safe working conditions, and compliance with ethical standards. A grievance mechanism in the form of a whistleblower system (described in detail in section "G1-1 Corporate culture and business conduct policies") allows workers in the value chain and stakeholders to confidentially report concerns related to human rights. The Supply Chain Due Diligence Act (LkSG) Complaints Committee is responsible for ensuring that reported issues are thoroughly investigated and appropriate remedial actions are taken.

SAF-HOLLAND actively monitors compliance with these standards (and the previously described international standards) by suppliers through audits and supplier assessments. This is intended to ensure compliance with the requirements throughout the supply chain. No violations have been found in SAF-HOLLAND's supply chain; however, the SAF-HOLLAND Code of Conduct for Suppliers includes mechanisms for dealing with potential incidents that allow for immediate action if necessary.

[S2-2] PROCESSES FOR ENGAGING WITH WORKERS IN THE VALUE CHAIN

SAF-HOLLAND actively involves workers along the value chain and their representatives through various channels, thus striving for awareness of important issues, compliance with regulations, and continuous improvement. SAF-HOLLAND also utilizes a third-party platform that enables continuous communication and data exchange regarding ESG performance.

Commodity Managers typically conduct personal visits to selected suppliers once a year to once every two years. The selection of suppliers to be visited is based on long-standing experience, existing business relationships, and an assessment of potential risks. The objective of the visits is to strengthen collaboration, verify compliance with regulations, and assess the performance of suppliers. In addition, the SQA (Supplier Quality Assurance) team conducts weekly supplier meetings and monthly audits to verify compliance with sustainability and quality standards. In this case, the selection of the affected suppliers is also based on long-standing experience, existing business relationships, and an assessment of potential risks by the SQA team. Structured discussions with representatives of the most important suppliers take place at least twice a year to discuss significant developments, compliance expectations, and initiatives for continuous improvement. Furthermore, it is common for representatives from procurement and research and development to be involved when introducing new production lines, actively collaborating with employees in the value chain and their representatives to ensure smooth implementation and alignment with SAF-HOLLAND's standards, as well as compliance with responsible business practices. Moreover, suppliers identified as having "high risk in the country and industry" in the ESG risk assessment are required to involve workers' representatives in the upstream supply chain and have them complete a self-assessment questionnaire. The objective is to gain deeper insights into sustainability practices and working conditions within the supply chain.

Operational responsibility for involvement in the value chain and compliance within SAF-HOLLAND lies with the global responsibility of the Human Rights Officer. This officer oversees the implementation of inclusion strategies, is responsible for alignment with sustainability standards, and monitors compliance processes of suppliers.

SAF-HOLLAND assesses the effectiveness of its collaboration with workers in the value chain through regular feedback mechanisms, audit results, evaluations of the self-assessment questionnaire (SAQ), and by tracking improvements in compliance and ESG performance.

[S2-3] PROCESSES FOR REMEDYING NEGATIVE IMPACTS AND CHANNELS THROUGH WHICH VALUE CHAIN WORKERS CAN EXPRESS THEIR CONCERNS

SAF-HOLLAND has established a complaints committee, which includes the Vice President Legal & Compliance and other members, as part of the Supply Chain Due Diligence Act. The Supply Chain Due Diligence Act (LkSG) complaints committee is established as a permanent body to assess human rights and environmental risks. The committee conducts ad-hoc reviews of potential or actual violations and emerging risks, irrespective of whether they arise from SAF-HOLLAND's activities, within its direct and indirect value chain, or in the context of its global business operations. The main purpose of the Supply Chain Due Diligence Act (LkSG) Complaints Committee is to discuss and evaluate the handling of compliance reports and potential compliance violations within the scope of the Supply Chain Due Diligence Act (LkSG).

Workers in the value chain can express their concerns through the undertaking's whistleblower system. This web-based system is accessible via the undertaking website and allows relevant information to be transmitted securely, confidentially, and anonymously. SAF-HOLLAND always treats reports with high priority. Once a report is received, it is documented internally, and the reporting person receives confirmation within a reasonable time frame. A detailed explanation of the whistleblower system, along with information on monitoring and effectiveness, can be found in section "G1-1 Corporate culture and business conduct policies". Suppliers are also expected to establish an appropriate grievance mechanism for their employees and other stakeholders.

The Code of Conduct for Suppliers outlines how employees in the value chain can raise concerns and emphasizes the supplier's responsibility to ensure that employees receive adequate information and training on compliance with the code, including the grievance mechanism. As part of audits, SAF-HOLLAND checks whether suppliers have implemented processes that ensure compliance with the Code of Conduct for Suppliers, including the grievance mechanism. This is to ensure that workers can report concerns safely and that suppliers meet the required standards.

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[S2-4] ACTIONS RELATED TO WORKERS IN THE VALUE CHAIN

The following table lists all actions related to the two identified material impacts that were carried out in 2025 and are planned for the future.

Actions taken in 2025 and planned for the future	Expected outcome (& contribution to policy/target)	Scope	Time horizon
SAF-HOLLAND's supply-chain due diligence process	The development of SAF-HOLLAND's supply chain due diligence process aims to ensure that a structured approach is taken in identifying, avoiding, and mitigating risks related to human rights, environmental protection, and ethical business practices throughout the value chain. The initiative positively impacts risk management by introducing clear processes for assessing supplier practices and addressing violations. It strengthens compliance by ensuring that business operations align with international frameworks such as the UN Guiding Principles on Business and Human Rights and relevant ESG standards. At the same time, it creates more transparency through documentation, audits, and reporting mechanisms. Furthermore, the initiative promotes the involvement of suppliers, who are called upon to align with SAF-HOLLAND's values, adhere to the Code of Conduct for Suppliers, and establish sustainable business practices.	Value chain and own business units	2025 (annual analysis)
Risk assessment for social & governance	Use of a tool to identify suppliers with high risk, taking targeted actions to reduce the impacts of these risks, and reviewing compliance with standards in the area of social issues and business conduct.	Upstream value chain	2025 (annual analysis)
Updating the Supplier Quality Manual (SQM) with requirements for working conditions for the workforce	Working conditions for the workforce will be integrated into procurement and supplier evaluation.	Upstream value chain	completed in 2025
Incorporation of ESG requirements in the supplier selection process	SAF-HOLLAND's approach to supplier development integrates social requirements into the supplier selection process with the expected outcome of not selecting high-risk suppliers.	Upstream value chain	Implementation completed in 2025, application in the supplier selection process from 2026 onwards
Workshop on ESG standards for the own workforce	Creating a better understanding of the undertaking's own workforce for ESG standards and strengthening their ability to promote best practices in sustainability and supplier management.	Own business unit	Workshop conducted in 2025, with more planned for 2026

Actions to avoid, mitigate, or remedy actual or potential negative impacts on workers in the value chain will be determined based on the identification and assessment of material impacts, risks, and opportunities by the undertaking, as well as the requirements set out in the **SAF-HOLLAND Code of Conduct for Suppliers**.

The Code defines minimum standards in the areas of human rights, working conditions, environmental protection, and business ethics that apply to suppliers and relevant third parties, and represents a central element of the undertaking's compliance management system.

The identification of potential and actual impacts is supported by continuous risk analyses and due diligence processes, including supplier risk screenings and self-disclosure questionnaires conducted through an external risk assessment system. If potential risks are identified, the undertaking assesses the severity and likelihood of possible damages, the feasibility of preventive or corrective actions, and the degree of impact on the respective business relationship. These factors are crucial for determining appropriate actions and prioritizing measures.

At the same time, potential or actual impacts can also be identified through reports received via the undertaking's own whistleblower system. Upon receipt of a report, it is documented internally and confirmed within a reasonable timeframe.

The matter is initially reviewed centrally by the **Global Legal & Compliance** function to determine whether it falls within the scope of the complaints procedure and applicable legal requirements.

If a report is deemed relevant, a detailed review is conducted by the responsible body, and appropriate investigations are initiated. Based on the results, preventive or remedial actions are promptly established and implemented if human rights or environmental risks or violations are identified. These actions may include, among other things, corrective action plans with defined timelines, increased monitoring, or – in cases of serious or unresolved violations – escalation up to and including termination of the business relationship.

The implementation and effectiveness of the measures taken are monitored by the responsible functions. Whistleblowers are informed about the outcome of the process, taking into account legal and data protection requirements. The duration and scope of the process depend on the complexity and severity of the respective case.

The effectiveness of the measures can be monitored using various mechanisms. SAF-HOLLAND addresses significant negative impacts on workers in the value chain with its Supplier Code of Conduct. This sets clear expectations for ethical labor practices, including the prohibition of forced and child labor and discrimination, as well as requirements for safe working conditions. All suppliers must sign the Code of Conduct for Suppliers and commit to complying with the defined standards. Compliance with the Code of Conduct for Suppliers is monitored through regular audits and supplier assessments. If violations are identified, suppliers must take corrective actions.

In addition, SAF-HOLLAND monitors compliance with ESG requirements by suppliers through a third-party system and tracks progress on preventive measures. The system logs updates on the status of each action and reviews results such as policies and certifications during regular assessments. This is intended to ensure that the desired improvements for workers in the value chain are effectively and sustainably implemented.

As part of the risk management system, SAF-HOLLAND tracks remediation processes, allowing them to be documented, implemented, and reviewed. Furthermore, compliance with regulations by suppliers is monitored to document the effectiveness of the measures taken.

SAF-HOLLAND continuously works to improve its procurement practices to avoid negative impacts within the value chain. Sustainability matters have been systematically integrated into procurement management in this reporting year via the introduction of a supplier performance matrix. In doing so, results from the current supplier questionnaire were taken into account. SAF-HOLLAND will conduct supplier performance evaluations on this basis starting in 2026. This approach allows procurement practices to be linked with measurable ESG results and supports procurement decisions that promote responsible and sustainable business behavior.

SAF-HOLLAND uses a third-party platform to manage the sustainability assessments and due diligence of its suppliers. Suppliers provide information and evidence through this platform on topics such as human rights, compliance with environmental regulations, CO_2 emissions, and responsible sourcing. The platform enables continuous monitoring, risk assessment, and transparency within the global supply chain and provides insight into compliance with legal requirements and the corporate obligations of SAF-HOLLAND.

There were no reports of serious human rights issues or incidents in the reporting year along the upstream and downstream value chain. Consequently, SAF-HOLLAND has not identified any actual negative impacts on workers in the value chain from corresponding reports from the whistleblower system and has not yet had to take any actions regarding an actual material impact.

[S2-5] TARGETS RELATED TO WORKERS IN THE VALUE CHAIN

The targets described below have been established to address the material impacts on workers in the SAF-HOLLAND value chain.

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Target 1: Commitment to the Code of Conduct for Suppliers

Alignment with policy targets:

The target of achieving a signing rate of the SAF-HOLLAND Code of Conduct for Suppliers of 100% for suppliers with an order volume of EUR 15,000 and above aligns with the undertaking's commitment to responsible sourcing and ethical business practices.

Defined target level:

By the end of 2025, 100% of suppliers with an order volume of EUR 15,000 and above should have signed the SAF-HOLLAND Code of Conduct for Suppliers.

Description of the scope of the target:

All suppliers who achieved a sales volume of more than EUR 15,000 in the previous year, as well as new suppliers (excluding one-time purchases), are required to acknowledge and sign the SAF-HOLLAND Code of Conduct for Suppliers. This applies to both direct and indirect material and service suppliers and aims to ensure a comprehensive commitment to ethical and sustainable conduct.

Timeframe for which the target applies:

2025

Disclosure of whether and how stakeholders were involved in setting the target:

The target was set as a top-down measure by the Management Board. Internal stakeholders – including the procurement and legal departments – were involved in the process to ensure practical implementation along the value chain.

Description of performance compared to the stated target:

By the end of 2025, 97% of suppliers had signed the SAF-HOLLAND Code of Conduct for Suppliers. In the previous year, the majority of suppliers had signed the code.

Target 2: Risk-free supply chain – exclusion of high-risk partners

Alignment with policy targets:

The target for supplier due diligence aligns with the undertaking's commitment to responsible sourcing and ethical business practices.

Stated target level:

All suppliers with a high risk and a purchasing volume of more than EUR 15,000 are to be identified and excluded from the supplier selection process by 2034.

Description of the scope of the target:

The target is to identify high-risk suppliers. The identification of all suppliers with annual expenditures of EUR 15,000 and more will take place in several phases and will be completed by the end of 2030. In the subsequent second phase, high-risk suppliers will have the opportunity to implement measures to mitigate risks. High-risk suppliers that have not taken appropriate remedial actions by the end of 2034 will be excluded from the supplier selection process. The classification of suppliers into three risk categories (low, medium, and high risk) is based on the risk analysis conducted by SAF-HOLLAND for suppliers, as described in "ESRS G1 – Business conduct".

Timeframe for which the target applies:

2025 to 2034

Disclosure of whether and how stakeholders were involved in setting the target:

The target was set as a top-down measure by the Chairman of the Management Board. Internal stakeholders – including the procurement and legal departments – were involved in the process to ensure practical implementation along the value chain.

Description of performance compared to the stated target:
The target was set in the 2025 reporting year. At the beginning of 2025, an initial group of suppliers was analyzed, comprising 23% of the suppliers in the global supply chain with an annual purchasing volume of over EUR 15,000 (based on the 2024 purchasing volume). This supplier group was verified using a country- and industry-based risk analysis.

Based on the subsequent supplier questionnaire and risk assessment, the undertaking identified 6% of suppliers as having high ESG risk. From 2026, these suppliers will be specifically addressed with risk mitigation measures as part of the due diligence process. If no appropriate remedial measures are implemented, further steps up to exclusion are planned.

The above-mentioned targets were not developed directly together with workers in the value chain or their representatives. However, SAF-HOLLAND's target-setting process is aligned with industry requirements, classification of industry standards (benchmarking), and legal regulatory frameworks. This enables the set targets to be comprehensive and relevant.

Performance is regularly tracked using digital monitoring tools and data analyses, through which compliance with the established targets is assessed. Supplier audits and assessments, as well as ongoing communication with suppliers, provide data points that are useful for evaluating progress.

Progress regarding the target of a risk-free supply chain – exclusion of high-risk partners will be monitored through a third-party platform. All supplier assessment questionnaires (SAQs) are distributed, completed, and stored through this platform. The platform also serves as a central monitoring tool.

In addition, the following aspects are considered:

- **Risk classification** based on the country of operation and industry sector to identify suppliers with increased ESG risk, even before evaluating the questionnaires.
- **Evaluation of SAQ results,** which provide detailed information on practices, policies, and performance of suppliers regarding ESG requirements.
- **Consolidated reporting,** which supports tracking progress against the phased invitation plan, as well as monitoring trends over time.

This integrated approach takes into account both inherent risks (regarding country/industry) and the actual responses of suppliers. This creates a transparent and systematic follow-up process, which is reported on annually.

Effective communication and close collaboration with suppliers are central to SAF-HOLLAND. It is evident that ESG practices are often more established in the European Union, while awareness and implementation can vary significantly in other regions. This highlights the need to specifically inform suppliers about ESG principles and to emphasize their relevance not only in terms of compliance but also for promoting sustainable and ethical business practices. By emphasizing the added value of ESG criteria, SAF-HOLLAND strengthens its partnerships and encourages suppliers to integrate these principles into their business processes.

ESRS G1 – BUSINESS CONDUCT

[G1-1] CORPORATE CULTURE AND BUSINESS CONDUCT POLICIES

SAF-HOLLAND defines integrity and compliance as fundamental elements of corporate governance and the Compliance Management System (CMS). SAF-HOLLAND acknowledges its social responsibility and behaves with integrity, reliability, and compliance towards its employees, investors, customers, and other business partners. Guided by these values, SAF-HOLLAND aims to lead by example in the global business world and create trust in its business activities and business conduct. This corporate culture is reflected specifically in the Code of Conduct, the Code of Conduct for Suppliers, the Global Sourcing Guideline, the Anti-Corruption Policy, the Guideline for Handling of Gifts and Invitations, and the Money Laundering Policy. The codes and policies create a transparent, fair, and responsible working environment by clearly defining acceptable behavior and ethical standards. This approach fosters trust and collaboration among employees while simultaneously enhancing SAF-HOLLAND's reputation with key stakeholders, including customers, suppliers, and regulatory authorities. The company's values-based corporate culture constitutes a fundamental success factor for sustainable and long-term growth.

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Whistleblower procedures and protection of whistleblowers

SAF-HOLLAND promotes an open corporate culture in which any individual inside and outside of the organization can report violations, grievances, and risks safely, confidentially, and anonymously. SAF-HOLLAND has established a whistleblower system to receive early information about possible violations of laws or internal policies and to counteract them. The whistleblower system provides both employees and third parties the opportunity to report any information about violations, grievances, and risks related to SAF-HOLLAND's business activities. This specifically includes cases of corruption and bribery.

The reporting channels include not only the electronic whistleblower system but also postal and personal reporting to the internal reporting office. The electronic whistleblower system, accessible via the SAF-HOLLAND corporate website, allows for secure, confidential, anonymous contact with SAF-HOLLAND's internal reporting office to report issues 24/7 from anywhere in the world. The electronic whistleblower system is offered in various languages. However, reports can be submitted in any language.

SAF-HOLLAND carefully reviews all incoming information and initiates the necessary actions on a case-by-case basis. The Compliance Committee is convened to thoroughly examine the facts and jointly decide on the further course of action, which may include support, the involvement of other departments, or sanctions. In cases of human rights and environmental violations, grievances, or risks, the LkSG Complaints Committee, which is explained in detail in chapter "ESRS S2 – Workers in the value chain", will be tasked with handling the case.

Investigations are conducted impartially and objectively in a fair process, with the presumption of innocence applying. All individuals responsible for handling the reports have the necessary expertise and act independently. Other tasks and obligations must not lead to conflicts of interest.

The protection of whistleblowers and the individuals mentioned in a report is an utmost priority for SAF-HOLLAND. Corresponding processes have been implemented for this purpose. The identity of the whistleblower and the individuals mentioned in a report may only be known to those responsible for receiving reports or taking follow-up actions, as well as those supporting them in fulfilling these tasks (the "Need to know" principle). All individuals involved in an investigation or the processing of reports are under an obligation of confidentiality towards third parties. Exceptions to this rule are only permissible in legally prescribed cases. If desired and permitted by local law, reports of possible violations, deficiencies, and risks - as described above –can also be submitted anonymously. SAF-HOLLAND does not tolerate any retaliatory measures against individuals who report in good faith and believe that their reports are true to the best of their knowledge and belief. The objective of the prohibition of retaliation is to effectively protect whistleblowers from negative consequences that may arise from reporting violations, grievances, and risks. This may include protection against employment-related measures, such as dismissal, reassignment, or salary reduction. SAF-HOLLAND has created a policy that provides information on the comprehensive protection of whistleblowers and has implemented this worldwide.

Reports are processed and investigated in compliance with data protection regulations. Further information can be found in the Privacy Policy available in the electronic whistleblower system. The process and principles for investigating reports are described in detail in the Procedural Standards for the Whistleblower System and the Rules of Procedures on the Complaints Procedure according to Section 8 LkSG. Both documents have been communicated internally and are also available to external parties on the corporate website. All employees also have access to a one-page in-house document that illustrates the entire whistleblower process. The efficiency of the process and the documents are regularly reviewed and updated as necessary. The individuals responsible for processing the reports have been trained using these documents as a basis and have confirmed compliance with the established procedure, as well as its confidential handling. The official whistleblower system, including the relevant documents, can be found on the company website at https://corporate.safholland.com/en/company/corporate-governance-compliance/whistleblower-system.

Policies are continuously developed and implemented throughout the group to fulfill the requirements of the Code of Conduct. Policies govern, inter alia, the handling of benefits in the context of cooperation with business partners, as well as interactions with public authorities and audit bodies. They prohibit any form of bribery, extortion, or corruption and expressly forbid the acceptance, granting, or offering of unlawful advantages. Policies, as well as any amendments to existing policies, are approved and communicated by the Management Board. The following provides an overview of selected guidelines and policies of SAF-HOLLAND:

Code of Conduct
The Code of Conduct has already been described in section "S1-1 Policies related to own workforce", where information about the highest responsible person, the scope and objective of the Code are provided. The Code of Conduct also addresses other topics in addition to the information disclosed in section "S1-1 Policies related to own workforce". These are specifically: Conflicts of interest, insider trading, competition and antitrust law, corruption and bribery, confidentiality and intellectual property, as well as proper accounting and financial reporting. The Code of Conduct deals with the IRO defined as "Corruption and bribery – Incidents of corruption and bribery".

The Code of Conduct is public and accessible in 13 languages via the corporate website.

Code of Conduct for Suppliers
The Code of Conduct for Suppliers addresses environmental, social, and governance matters that must be adhered to by SAF-HOLLAND's suppliers. The prohibition of corruption and bribery, the prohibition of money laundering and terrorist financing, the avoidance of conflicts of interest, confidentiality and data protection, intellectual property, as well as international trade regulations are addressed in the section on business conduct, fair competition, and antitrust law. The Code thus addresses the following IRO: "Corruption and bribery – Incidents of corruption and bribery".

The Code applies globally to all business partners in the supply chain that provide goods and/or services to SAF-HOLLAND and aims to establish the minimum requirements necessary for entering into a business relationship with the undertaking. The highest responsible level is the Director of Global Sourcing.

The Code of Conduct for Suppliers is based on international conventions and guidelines, such as the International Charter of Human Rights, the Ten Principles of the UN Global Compact initiative, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the labor standards set by the International Labour Organization (ILO). Requirements from other legal regulations, such as the German Supply Chain Due Diligence Act, are also taken into account.

The Code of Conduct for Suppliers is publicly available and can be accessed on the undertaking's website in five languages.

Anti-Corruption Policy
SAF-HOLLAND's Anti-Corruption Policy addresses key points related to corruption and bribery. It includes, among other things, guidance and warning signals, as well as processes for risk detection and for handling incidents of corruption. Detailed control measures and sanctions for non-compliance are also listed. The policy's objective is to prevent or uncover cases of corrupt behavior by the undertaking and its employees, as well as to raise employee awareness of potentially critical situations. The policy applies not only to SAF-HOLLAND's own business but also has an impact on the entire value chain. There are numerous risks relating to corruption and other criminal acts along the supply chain, such as fraud, embezzlement, theft, extortion, and forgery, which can often be obscured by corrupt practices. The policy addresses the following IRO: "Corruption and bribery – Incidents of corruption and bribery". This was extensively revised in the reporting year. The highest-ranking responsible person in the organization is the Vice President Legal & Compliance.

Money Laundering Policy
The Money Laundering Policy contains requirements for (cash) payments and due diligence, as well as reporting obligations and internal processes in cases of suspicions of money laundering. The objective of the policy is to prevent money laundering, limit its impacts, and deal with identified cases appropriately. It addresses the IRO "Corruption and bribery – Incidents of corruption and bribery". The policy applies to all employees of SAF-HOLLAND worldwide in conjunction with the respective country's legal provisions. The highest-ranking responsible person in the undertaking is the Vice President Group Treasury.

Policy on Avoiding Conflicts of Interest
The issue of avoiding conflicts of interest is a central part of the compliance culture and is specifically addressed in the Codes of Conduct. A separate policy for the avoidance of conflicts of interest was also issued in the reporting year, which applies throughout the group. This policy defines mandatory principles for the transparent and responsible handling of conflicts of interest. The objective is to raise awareness about potential conflicts of interest among all employees and to support them in recognizing such conflicts early, avoiding them whenever possible, and – if they cannot be avoided – disclosing them via a standardized reporting form. Compliance with this policy protects employees and the undertaking.

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Appropriate training materials are also available to raise awareness and specifically support employees in assessing potential conflicts of interest. The policy addresses the IRO "Corruption and bribery – Incidents of corruption and bribery". The policy applies to all employees and bodies of SAF-HOLLAND worldwide. The highest responsible person is the Vice President Legal & Compliance.

Guideline for Handling of Gifts and Invitations
This Guideline for Handling of Gifts and Invitations regulates the basic principles for the acceptance, granting, or offering of gifts and invitations and also contains mandatory requirements for donations and sponsorship. The objective of the guideline is to establish rules for the handling of gifts and invitations in everyday business and to avoid corruption and bribery or the mere appearance of it. The guideline addresses the IRO "Corruption and bribery – Incidents of corruption and bribery". The guideline applies to all employees and bodies of SAF-HOLLAND worldwide. The highest responsible person is the Vice President Legal & Compliance.

Procedural Standards for the Whistleblower System and Policy on the Protection of Whistleblowers
The objective of the Procedural Standards for the Whistleblower System is to build trust by informing employees and interested or affected parties transparently about the process and principles of SAF-HOLLAND's whistleblower procedure. The Procedural Standards for the Whistleblower System establish the reporting channels, the process for investigating reported violations, grievances, and risks, as well as the protective measures for whistleblowers and communication. The Policy on the Protection of Whistleblowers serves to ensure comprehensive protection for whistleblowers. It addresses the IRO "Protection of Whistleblowers – lack of protection for whistleblowers increases the likelihood of misconduct". The policy applies worldwide and to the business activities of the entire group but may be subject to differing local legal requirements. The highest responsible person for this is the Vice President Legal & Compliance.

Global Sourcing Guideline
This guideline describes SAF-HOLLAND's global sourcing strategy, based on the item to be procured. Different approaches to procurement apply to various categories of items depending on the total value of the item and its complexity. The policy therefore directly addresses the IRO defined as "Management of relationship with suppliers – Increased costs or reduced production capacity due to dependence on individual suppliers" by reducing the risk of dependence on individual suppliers. The highest responsible person for this policy is the Director of Global Sourcing.

Compliance training
Regular employee training on compliance topics is an essential part of the Compliance Management System.

SAF-HOLLAND offers various training formats for all employees on an annual basis. Risk group-specific and special training is also conducted for individual departments and employees. These training courses are organized annually by the respective specialist departments and include extensive e-learning courses, as well as in-person events on topics, such as anti-corruption, antitrust law, and data protection.

Digital tools and attendance registers at on-site training sessions serve to document the participation of the employees concerned. Knowledge checks or tests are completed at the end of the training sessions to ensure learning success. The content is available in German and English, but additional languages can be offered if needed.

The undertaking's commitment to comprehensive compliance training is particularly highlighted in the anti-corruption policy. Units and departments within the undertaking that are particularly at risk of corruption include those responsible for directly entering into contracts with external parties, applying for and obtaining permits, and initiating critical payment flows. These high-risk functions include the respective management, including the corresponding support functions, as well as the various finance, sales, procurement, and development departments. All management positions from the "Director" level upwards are also included. The policy stipulates that they must be comprehensively informed and trained. Further details can be found in section "G1-3 Prevention and detection of corruption and bribery".

Actions
The training described above represents the most important action that SAF-HOLLAND has taken to address the essential IRO defined as "Corruption and bribery cases". The undertaking expects that after completing training and taking part in additional training measures for high-risk functions, all employees will be familiar with and able to comply with

SAF-HOLLAND's relevant policies. Corresponding training sessions were held in the reporting year, and the undertaking intends to conduct them in the same manner in 2026.

The Policy on the Protection of Whistleblowers was created and implemented worldwide for the IRO "Lack of protection for whistleblowers increases the likelihood of misconduct". A presentation on the whistleblower process and the protection of whistleblowers was also created and rolled out to employees. The objective of the presentation is to inform people transparently about the whistleblower procedure and the comprehensive protection of whistleblowers at SAF-HOLLAND, thereby strengthening employee trust. These actions are regulated by the policies and processes described above.

With regard to the IRO listed as "Increased costs or reduced production capacity due to dependence on individual suppliers", SAF-HOLLAND pursues a dual sourcing strategy aimed at reducing dependence on individual suppliers. This action applies to suppliers providing standard goods and strategic products. It has been implemented since 2024, and as a recurring action, it is also scheduled for 2026.

Targets

SAF-HOLLAND's target is to have no convictions for corruption and bribery. This target is in line with the Code of Conduct, the Code of Conduct for Suppliers, the Anti-Corruption Policy, and the Money Laundering Policy, all of which aim to prevent cases of corrupt behavior by corporate entities and employees. The target applies globally to all business activities of the corporate entities. It is also set as a recurring target for 2026. While stakeholders were not directly involved in setting the target, it was defined with due regard to their interests. There were no convictions for violations of anti-corruption and bribery laws in 2025.

SAF-HOLLAND has, as described above, established comprehensive protection mechanisms for whistleblowers. The undertaking has also defined specific targets in accordance with the requirements of the ESRS. Since an appropriate quantification of this issue presents a complex challenge, SAF-HOLLAND this year determined which targets best represent the relevant IROs.

These targets can be divided into two main categories:

- Protection of whistleblowers
- Trust in the Compliance Management System of SAF-HOLLAND SE

The global Legal & Compliance department conducts annual reviews. The basis for the reviews includes both qualitative and quantitative targets used to assess the effectiveness of the policy.

The same applies to targets regarding the IRO on "Increased costs or reduced production capacity due to dependence on individual suppliers". While there is already a quantitative dimension through the dual sourcing strategy, the development of further target-oriented KPIs brings a high degree of complexity. Currently, however, there is no specific tracking of the effectiveness of the policies and actions in this context.

[G1-2] MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

SAF-HOLLAND has no policy in place to prevent payment delays, specifically for small and medium-sized enterprises (SMEs). This is because SAF-Holland instead complies with local law and global law when establishing payment agreements with its suppliers.

SAF-HOLLAND pursues a structured approach to managing supplier relationships, focusing on the supply chain risks defined in the IRO entitled "Increased costs or reduced production capacity due to dependence on individual suppliers". The undertaking conducts regular supplier visits, audits, and meetings to ensure close collaboration and compliance with its standards. Furthermore, the undertaking collaborates with suppliers at industry events to strengthen relationships and promote open communication. SAF-HOLLAND also pursues a dual sourcing strategy to reduce dependence on individual suppliers, increase flexibility, and ensure continuity in the event of disruptions.

SAF-HOLLAND expects its suppliers to share SAF-HOLLAND's principles and fulfill their responsibilities towards the environment, society, business partners, and their own employees. New suppliers are onboarded in a structured selection process, in which a potential new supplier:

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- must complete the SAF-HOLLAND self-disclosure, which includes information on relevant sustainability elements, such as ISO 14001, CO_2 emissions, and energy consumption
- must follow the SAF-HOLLAND Supplier Guidelines, which points out environmental and social management requirements
- must sign the SAF-HOLLAND Code of Conduct for Suppliers

The information provided from the supplier self-disclosure is reviewed and evaluated by the respective buyer. Corresponding evidence, such as certificates, must be submitted. A further, and final, assessment for the approval of the supplier takes place during an on-site audit by Supplier Quality Assurance (SQA) and the sourcing department.

Risk analyses are also conducted for new and existing suppliers, which can be divided into five steps and are described below.

1. Risk assessment of countries and industries
In the first step, suppliers are assessed based on geographical and industry-specific risks. The risk management system allows for the assessment of risks associated with the country in which the supplier operates and its industry. This assessment includes factors, such as:

- Regulatory and governance risks
- Violations of labor and human rights
- Environmental impacts, such as pollution

These factors provide an understanding of the risks associated with the business activities of a particular supplier.

2. Deeper analysis of spending and supplier revenue
Upon completion of the initial risk assessment, SAF-HOLLAND further refines this analysis by examining the financial relationship with each supplier more closely. Specifically, the spending for each supplier is assessed in relation to the supplier's annual total revenue in a "spend analysis". This comparison provides a clear indication of the extent of SAF-HOLLAND's influence over the supplier and is critical to understanding the leverage that needs to be exercised in addressing identified risks.

- High spending in relation to supplier revenue: This indicates a significant influence, and the undertaking can engage the supplier more directly to mitigate risks.
- Low spending in relation to supplier revenue: This indicates a limited influence, and the undertaking may need to rely more on industry standards or external verifications in risk management.

3. Identification of high-risk suppliers
Based on the combined assessment of country, industry, and spend analysis, suppliers with high risk are flagged in the risk management system. This flagging serves to prioritize due diligence processes and focus on suppliers where SAF-HOLLAND can exert the greatest influence and where potential risks are particularly severe.

4. Integration of suppliers through questionnaires
The undertaking creates a specific questionnaire for flagged suppliers via its risk management. The questionnaire is designed to collect detailed information about the supplier's business activities, its sustainability practices, and compliance with ESG standards. Key focus areas include:

- Ethical labor practices
- Environmental management
- Certifications and compliance with regulatory requirements

Suppliers are required to complete this questionnaire and provide appropriate supporting documentation to demonstrate that, despite being flagged, they do not pose actual risks. This step allows the undertaking to validate the initial risk assessment of the system and provides suppliers the opportunity to demonstrate their performance in compliance and sustainability.

5. Risk mitigation and continuous monitoring

After evaluating the questionnaire, a decision is taken on whether remedial actions are necessary. If a supplier can provide documents to prove that risks are being managed appropriately, SAF-HOLLAND will continue the business relationship under regular monitoring. However, if the risks are confirmed, the undertaking may take further steps with the supplier to address specific concerns, implement corrective actions, or, if necessary, consider terminating the business relationship.

This structured process allows the undertaking to maintain transparency and aims to ensure that its supply chain aligns with the undertaking's sustainability targets. At the same time, the process allows for efficient risk management and active engagement of suppliers.

[G1-3] PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

SAF-HOLLAND commits itself, as well as its employees and business partners, to complying with national and international laws, regulations, and ethical principles in accordance with the company-wide Code of Conduct and the Code of Conduct for Suppliers.

Together with the provisions of the Guideline for Handling of Gifts and Invitations, the internal requirements on donations and sponsorship, the Anti-Money Laundering Policy, the Policy on Avoiding Conflicts of Interest, and the Code of Conduct, the Anti-Corruption Policy forms the mandatory framework for all employees and serves as the basis for preventing and combating corruption and bribery within SAF-HOLLAND.

The Money Laundering Act aims to prevent funds and assets from criminal activities from entering the legal economy. SAF-HOLLAND SE and its subsidiaries are therefore subject to the due diligence, organizational, and reporting obligations described in the undertaking's Money Laundering Policy. For example, there are prohibitions and restrictions on accepting or granting (cash) payments. In addition, there are special identification obligations, as well as regular controls. Internal controls include, for example, consistently applying the four-eyes principle or comprehensive documentation of business transactions. In addition to the German regulations on money laundering, the legal provisions of the respective countries in which SAF-HOLLAND operates also apply.

If local laws and regulations in force are stricter than the provisions of the Anti-Corruption Policy, the stricter provisions take precedence over the corporate policy.

SAF-HOLLAND regularly conducts assessments of corruption risks, structured by regions, countries, and risk groups (e.g., departments). This takes into account the fact that corruption risks can have both financial and non-financial impacts. The objective of these assessments is to identify the key risk areas and derive appropriate risk minimization actions. Building on the established processes for risk assessment, SAF-HOLLAND also introduced an independent risk analysis with a specific focus on anti-corruption in the reporting year. This additional analysis is initiated and conducted regularly and as needed by the global Legal & Compliance department to capture, assess, and address potential corruption risks in an even more comprehensive manner, with appropriate actions at an early stage. The assessment includes companies and business activities. The Corruption Perceptions Index (CPI) from Transparency International is used as an external indicator, specifically for assessing country risks. Prioritization is based on the following criteria: specific country risks, revenue sizes in purchasing and sales, anomalies in local business development, and known incidents from the past. Workshops with executives are also conducted, and questionnaires are evaluated.

Furthermore, it is necessary to identify the departments within the undertaking that are particularly at risk of corruption. These high-risk functions are already described in section "G1-1 Corporate culture and business conduct policies". Employees in high-risk functions complete a special e-learning course on anti-corruption annually, supplemented by additional presentation materials. This training specifically conveys the characteristics and types of corruption, their impacts on undertakings, and possible sanctions. It highlights typical risk areas, explains how corrupt actions can be recognized, and presents actions for corruption prevention within the framework of a CMS. In addition, it contains regulations and processes for interaction with third parties in business. This comprehensive approach emphasizes the undertaking's commitment to ethical practices and compliance with anti-corruption standards. 1,076 high-risk functions were identified in the SAF-HOLLAND Group in the reporting year, and 100% of the identified functions (previous year 100%) were assigned training on anti-corruption (completion rate 2025: 98.69%). The corresponding training data was collected through a global survey, using both the internal LMS and other digital tools.

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Every employee is encouraged to contact the established SAF-HOLLAND reporting channels in cases of violations of anti-corruption laws, the Anti-Corruption Policy, or other relevant internal policies and regulations, even if such violations are only suspected. Furthermore, relevant violations, grievances, or risks can also be reported anonymously at any time via the electronic whistleblower system at https://safholland.integrityline.io.

The regulations regarding the internal reporting and communication processes of the Compliance Committee and the LkSG Complaints Committee in connection with current issues, investigation results, and decisions on follow-up measures are defined in the corresponding charters. The respective reporting structures to the Management Board, the Supervisory Board, and the Audit Committee are clearly defined. In addition, the global Legal & Compliance department reports regularly in fixed meetings to the Chief Financial Officer (CFO) and informs the Supervisory Board and the Audit Committee of the Supervisory Board twice a year in regular meetings. Depending on the significance of the matter and the staff involved, an extraordinary report on compliance cases may be initiated.

SAF-HOLLAND places strong emphasis on the effective communication of policies and guidance across the organization, as well as on clearly defined reporting processes. Various communication channels are used to ensure that employees are well informed and understand the applicable requirements. Policies and guidance must be communicated to employees in a clear and understandable way. New or updated documents are therefore communicated via email to all managing directors and compliance ambassadors. For relevant topics, these are also communicated to all employees. Central content from policies, work instructions, or process descriptions is explained in a practical approach during training. In addition, compliance topics in the undertaking are explained through informational materials and brochures to emphasize the importance of compliant behavior.

Global policies are also centrally available to employees on the intranet platform and the employee "my-SAF-HOLLAND" app.

The combination of responsible behavior and knowledge of the rules and regulations at SAF-HOLLAND leads to responsible actions by employees.

[G1-4] CASES OF CORRUPTION OR BRIBERY

There were no convictions in the reporting year for violations of anti-corruption and bribery laws. Consequently, no fines were paid in respect of such violations (previous year 0). This key metric is based on the number of final convictions related to corruption and bribery. Each conviction is counted as a single case, irrespective of the number of individuals involved or the severity of the offense. The key metrics were not validated by any entity other than the auditor.

ADDITIONAL ESRS INFORMATION

LIST OF DISCLOSURE REQUIREMENTS

The following table lists all disclosure obligations that SAF-HOLLAND has fulfilled based on the results of the double materiality analysis. SAF-HOLLAND also utilizes the transitional provisions regarding the disclosure of the ESRS standards E1-9 "Anticipated financial effects of material physical risks and transition risks as well as potential climate-related opportunities", E2-6 "Anticipated financial effects from material risks and opportunities related to pollution", E5-6 "Anticipated financial effects related to resource use and the circular economy concerning risks and opportunities", "S1-7 characteristics of the non-employees of the undertaking", S1-13 "Metrics for training and skills development", and S1-14 "Section 88 (d-e) cases of reportable work-related illnesses and the number of workdays lost by the undertaking's employees due to work-related injuries, illnesses, and fatalities". The assessment of relevant information and data points according to ESRS is conducted in accordance with the provisions of ESRS 1, Section 3.2, as part of the dual materiality analysis. Data points are material and will be reported if they are related to material impacts, risks, and opportunities and support the users of sustainability reporting in their decision-making.

ESRS 2

ESRS	Disclosure requirement	Chapter/section
2	BP-1 General basis for preparation of sustainability statement	General disclosures
2	BP-2 Disclosures in relation to specific circumstances	General information, E1-5 Energy consumption and energy mix, E1-6 Gross GHG emissions, EU taxonomy reporting
2	GOV-1 The role of administrative, supervisory and management bodies	General disclosures
2	GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	General disclosures
2	GOV-3 Integration of sustainability-related performance in incentive schemes	General disclosures
2	GOV-4 Statement on due diligence	General disclosures
2	GOV-5 Risk management and internal controls over sustainability reporting	General disclosures
2	SBM-1 Strategy, business model and value chain	General disclosures
2	SBM-2 Interests and views of stakeholders	General disclosures
2	SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	General disclosures, Double materiality analysis, Material impacts, risks and opportunities, E1 Climate change, S2 Workers in the value chain
2	IRO-1 Description of the process to identify and assess material impacts, risks and opportunities	Double materiality analysis
2	IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement	Material impacts, risks and opportunities, Additional ESRS information

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E1

ESRS	Disclosure requirement	Chapter/section
E1	GOV-3 Integration of sustainability-related performance in incentive schemes	General disclosures
E1	1 Transition plan for climate change mitigation	E1-1 Transition plan for climate change
E1	SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	General disclosures, Double materiality analysis, Material impacts, risks and opportunities, E1 Climate change
E1	IRO-1 Description of the process to identify and assess material impacts, risks and opportunities	Double materiality analysis
E1	2 Policies related to climate change mitigation and adaptation	E1-2 Policies related to climate change mitigation and adaption
E1	3 Actions and resources in relation to climate change policies	E1-3 Actions and resources in relation to climate change policies
E1	4 Targets related to climate change mitigation and adaptation	E1-4 Targets related to climate change mitigation adaption
E1	5 Energy consumption and mix	Energy consumption and mix
E1	6 Gross scopes 1, 2, 3 and Total GHG emissions	E1-6 Gross scopes 1, 2, 3 and total GHG emissions
E1	7 GHG removals and GHG mitigation projects financed through carbon credits	E1-7 GHG removals and GHG mitigation projects financed through carbon credits
E1	8 Internal carbon pricing	E1-8 Internal carbon pricing

E2

ESRS	Disclosure requirement	Chapter/section
E2	IRO-1 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	Double materiality analysis
E2	1 Policies related to pollution	E2-1 Policies related to pollution
E2	2 Actions and resources related to pollution	E2-2 Actions and resources related to pollution
E2	3 Targets related to pollution	E2-3 Targets related to pollution

E5

ESRS	Disclosure requirement	Chapter/section
E5	IRO-1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	Double materiality analysis
E5	1 Policies related to resource use and circular economy	E5-1 Policies related to resource use and circular economy
E5	2 Actions and resources related to resource use and circular economy	E5-2 Actions and resources related to resource use and circular economy
E5	3 Targets related to resource use and circular economy	E5-3 Targets related to resource use and circular economy
E5	4 Resource inflows	E5-4 Resource inflows
E5	5 Resource outflows	E5-5 Resource outflows

S1

ESRS	Disclosure requirement	Chapter/section
S1	SBM-2 Interests and views of stakeholders	General disclosures
S1	SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	General disclosures, Double materiality analysis, Material impacts, risks and opportunities
S1	1 Policies related to own workforce	S1-1 Policies related to own workforce
S1	2 Processes for engaging with own workforce and workers' representatives about impacts	S1-2 Processes for engaging with own workforce and workers' representatives about impacts
S1	3 Processes to remediate negative impacts and channels for own workforce to raise concerns	S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns
S1	4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions
S1	5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S1-5 Targets related to the undertaking's own workforce
S1	6 Characteristics of the undertaking's employees	S1-6 Characteristics of the undertaking's employees
S1	9 Diversity metrics	S1-9 Diversity metrics
S1	9 Adequate wages	S1-10 Adequate wages
S1	14 Health and safety metrics	S1-14 Health and safety metrics
S1	16 Remuneration metrics (pay gap and total compensation)	S1-16 Remuneration metrics (pay gap and total remuneration)
S1	17 Incidents, complaints and severe human rights impacts	S1-17 Incidents, complaints and severe human rights impacts

S2

ESRS	Disclosure requirement	Chapter/section
S2	SBM-2 Interests and views of stakeholders	General disclosures
S2	SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	General disclosures, Double materiality analysis, Material impacts, risks and opportunities, S2 Workers in the value chain
S2	1 Policies related to value chain workers	S2-1 Policies related to value chain workers
S2	2 Processes for engaging with value chain workers about impacts	S2-2 Processes for engaging with value chain workers about impacts
S2	3 Processes to remediate negative impacts and channels for value chain workers to raise concerns	S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns
S2	4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	S2-4 Actions related to workers in the value chain
S2	5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S2-5 Targets related to workers in the value chain

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G1

ESRS	Disclosure requirement	Chapter/section
G1	GOV-1 The role of administrative, supervisory and management bodies	General disclosures
G1	IRO-1 Description of the process to identify and assess material impacts, risks and opportunities	Double materiality analysis
G1	1 Business conduct policies and corporate culture	G1-1 Business conduct policies and corporate culture
G1	2 Management of relationships with suppliers	G1-2 Management of relationships with suppliers
G1	3 Prevention and detection of corruption and bribery	G1-3 Prevention and detection of corruption and bribery
G1	4 Incidents of corruption or bribery	G1-4 Incidents of corruption or bribery

References to other regulations

Disclosure require-ments	Datapoint	Label / Name	SFDR reference	Pillar 3 reference	Bench-mark regulation reference	EU climate law reference	Materia-lity	Chapter
ESRS, GOV-1	21 (d)	Gender diversity in the undertakings administrative, management and supervisory bodies	●		●			General disclosures, E1
ESRS, GOV-1	21 (e)	Number of independent members of the administrative, management and supervisory bodies			●			General disclosures, E1
ESRS 2, GOV-4	30	Due diligence statement	●					General disclosures
ESRS 2, SBM-1	40 (d) (i)	Involvement in fossil fuel-related activities (oil and gas)	●	●	●		Not material	General disclosures
ESRS 2, SBM-1	40 (d) (ii)	Involvement in chemical-related activities	●		●		Not material	General disclosures
ESRS 2, SBM-1	40 (d) (iii)	Involvement in controversial weapons activities	●		●		Not material	General disclosures
ESRS 2, SBM-1	40 (d) (iv)	Involvement in tobacco-related activities			●		Not material	General disclosures
ESRS E1-1	14	Contribution to climate neutrality by 2050				●		E1
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned benchmarks		●	●			E1
ESRS E1-4	34	GHG emission reduction targets	●	●	●			E1
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by source (climate-intensive sectors only)	●					E1
ESRS E1-5	37	Energy consumption and mix	●					E1
ESRS E1-5	40–43	Energy intensity associated with activities in high climate impact sectors	●					E1
ESRS E1-6	44	Gross scope 1, scope 2 and scope 3 GHG emissions and total GHG emissions	●	●	●			E1
ESRS E1-6	53–55	GHG emissions intensity (total GHG emissions per net revenue	●	●	●			E1
ESRS E1-7	56	GHG removals; carbon credits				●		E1
ESRS E1-9	66	Risk profile of the benchmark portfolio in relation to climate-related physical risks			●		Not reported – phase-in	
ESRS E1-9	66 (a); 66 (c)	Breakdown of monetary amounts by acute and chronic physical risks; location of significant assets exposed to material physical risks		●			Not reported – phase-in	

ESRS E1-9	67 (c)	Breakdown of the carrying amount of its real estate by energy efficiency class						Not reported – phase-in	
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities						Not reported – phase-in	
ESRS E2-4	28	The amounts of each pollutant listed in Annex II of the E-PRTR Regulation emitted to air, water and soil						Not material	
ESRS E3-1	9	Water and marine resources						Not material	
ESRS E3-1	13	Specific concept						Not material	
ESRS E3-1	14	Sustainable oceans and seas						Not material	
ESRS E3-4	28 (c)	Total volume of water recovered and reused						Not material	
ESRS E3-4	29	Total water consumption in m³ per net revenue from own operations						Not material	
ESRS E4, SBM-3 – E4	16 (a) (i)							Not material	
ESRS E4, SBM-3 – E4	16 (b)							Not material	
ESRS E4, SBM-3 – E4	16 (c)							Not material	
ESRS E4-2	24 (b)	Sustainable land use and agricultural practices or concepts						Not material	
ESRS E4-2	24 (c)	Implement sustainable ocean and marine practices or concepts						Not material	
ESRS E4-2	24 (d)	Concepts for combating deforestation						Not material	
ESRS E5-5	37 (d)	Non-recycled waste							E5
ESRS E5-5	39	Hazardous and radioactive waste							E5
ESRS 2, SBM-3 – S1	14 (f)	Risks related to forced labor							S1
ESRS 2, SBM-3 – S1	14 (g)	Risks related to child labor							S1
ESRS S1-1	20	Commitments in the undertaking's human rights policy							S1
ESRS S1-1	21	Due diligence processes regarding matters covered by ILO core conventions 1 to 8							S1
ESRS S1-1	22	Processes and actions to combat human trafficking							S1
ESRS S1-1	23	Concept or management systems for the prevention of occupational accidents							S1
ESRS S1-3	32 (c)	Processes for handling complaints							S1
ESRS S1-14	88 (b) and (c)	Number of work-related fatalities; number and rate of work-related injuries							S1
ESRS S1-14	88 (d)	Number of recordable work-related ill-health cases, subject to legal limitations on data collection						Not reported – phase-in	

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ESRS S1-14	88 (e)	Number of days lost to work-related injuries, fatalities or ill-health					Not reported – phase-in	
ESRS S1-16	97 (a)	Unadjusted gender pay gap						S1
ESRS S1-16	97 (b)	Excessive remuneration of members of the administrative, management and supervisory bodies						S1
ESRS S1-17	103 (a)	Cases of discrimination						S1
ESRS S1-17	104 (a)	Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises						S1
ESRS S2, SBM-3 – S2	11 (b)	Significant risk of child labor or forced labor in the value chain						S2
ESRS S2-1	17	Commitments in the undertaking's human rights policy						S2
ESRS S2-1	18	Concepts related to value chain workers / information on value chain workers						S2
ESRS S2-1	19	Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises						S2
ESRS S2-1	19	Due diligence processes regarding matters covered by ILO core conventions 1 to 8						S2
ESRS S2-4	36	Human rights issues and incidents in the upstream and downstream value chain						S2
ESRS S3-1	16	Deficiencies /commitments in the undertaking's human rights policy					Not material	
ESRS S3-1	17	Non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO principles or the OECD Guidelines for Multinational Enterprises					Not material	
ESRS S3-4	36	Human rights issues and incidents					Not material	
ESRS S4-1	16	Information on managing impacts on consumers and end-users					Not material	
ESRS S4-1	17	Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises					Not material	
ESRS S4-4	35	Human rights issues and incidents					Not material	
ESRS G1-1	10 (b)	United Nations (UN) Convention against Corruption (UNCAC)						G1
ESRS G1-1	10 (d)	Whistleblower protection						G1
ESRS G1-4	24 (a)	Fines for violations of anti-corruption and bribery laws						G1
ESRS G1-4	24 (b)	Standards for combating corruption and bribery						G1

ASSURANCE REPORT OF THE INDEPENDENT GERMAN PUBLIC AUDITOR ON A LIMITED ASSURANCE ENGAGEMENT IN RELATION TO THE GROUP SUSTAINABILITY STATEMENT

To SAF-HOLLAND SE, Bessenbach

ASSURANCE CONCLUSION

We have conducted a limited assurance engagement on the Group Sustainability Statement of SAF-HOLLAND SE, Bessenbach, (hereinafter the "Company") included in section "Non-financial statement" of the group management report, which is combined with the Company's management report, for the financial year from 1 January to 31 December 2025 (hereinafter the "Group Sustainability Statement"). The Group Sustainability Statement has been prepared to fulfil the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 as well as §§ 289b to 289e HGB [Handelsgesetzbuch: German Commercial Code] and §§ 315b to 315c HGB to prepare a combined non-financial statement.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Group Sustainability Statement is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, § 315c in conjunction with §§ 289c to 289e HGB to prepare a combined non-financial statement as well as with the supplementary criteria presented by the executive directors of the Company. This assurance conclusion includes that no matters have come to our attention that cause us to believe:

- that the accompanying Group Sustainability Statement does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information to be included in the Group Sustainability Statement (hereinafter the "materiality assessment") is not, in all material respects, in accordance with the description set out in section "Double materiality analysis" of the Group Sustainability Statement, or
- that the disclosures set out in section "EU Taxonomy reporting" of the Group Sustainability Statement do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

BASIS FOR THE ASSURANCE CONCLUSION

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the "German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Statement" section.

We are independent of the Company 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 require Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) issued by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

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RESPONSIBILITY OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE GROUP SUSTAINABILITY STATEMENT

The executive directors are responsible for the preparation of the Group Sustainability Statement in accordance with the requirements of the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the executive directors of the Company. They are also responsible for the design, implementation and maintenance of such internal controls that they have considered necessary to enable the preparation of a Group Sustainability Statement in accordance with these regulations that is free from material misstatement, whether due to fraud (i.e., manipulation of the Group Sustainability Statement) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Group Sustainability Statement, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The supervisory board is responsible for overseeing the process for the preparation of the Group Sustainability Statement.

INHERENT LIMITATIONS IN THE PREPARATION OF THE GROUP SUSTAINABILITY STATEMENT

The CSRD and the relevant German statutory and other European regulations contain wording and terms that are still subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. As such wording and terms may be interpreted differently by regulators or courts, the legal conformity of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the Group Sustainability Statement.

GERMAN PUBLIC AUDITOR'S RESPONSIBILITIES FOR THE ASSURANCE ENGAGEMENT ON THE GROUP SUSTAINABILITY STATEMENT

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Group Sustainability Statement has not been prepared, in all material respects, in accordance with the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the executive directors of the Company, and to issue an assurance report that includes our assurance conclusion on the Group Sustainability Statement.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

- obtain an understanding of the process to prepare the Group Sustainability Statement, including the materiality assessment process carried out by the Company to identify the information to be included in the Group Sustainability Statement.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal controls. In addition, the risk of not detecting a material misstatement within value chain information from sources not under the control of the company (value chain information) is generally higher than the risk of not detecting a material misstatement of value chain information from sources under the control of the company, as both the executive directors of the Company and we, as assurance practitioners, are ordinarily subject to limitations on direct access to the sources of value chain information.
- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

SUMMARY OF THE PROCEDURES PERFORMED BY THE GERMAN PUBLIC AUDITOR

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgement.

In conducting our limited assurance engagement, we have, amongst other things:

- evaluated the suitability of the criteria as a whole presented by the executive directors in the Group Sustainability Statement.
- inquired of the executive directors and relevant employees involved in the preparation of the Group Sustainability Statement about the preparation process, including the materiality assessment process carried out by the company to identify the information to be included in the Group Sustainability Statement, and about the internal controls relating to this process.
- evaluated the reporting policies used by the executive directors to prepare the Group Sustainability Statement.
- evaluated the reasonableness of the estimates and the related disclosures provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors have been unable to obtain.
- performed analytical procedures and made inquiries in relation to selected information in the Group Sustainability Statement.
- performed site visits.
- considered the presentation of the information in the Group Sustainability Statement.
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Group Sustainability Statement.

RESTRICTION OF USE

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is solely towards the Company. We do not accept any responsibility, duty of care or liability towards third parties.

Frankfurt am Main, March 12, 2026

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Stefan Hartwig	Richard Gudd
Wirtschaftsprüfer	Wirtschaftsprüfer

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RISK AND OPPORTUNITY REPORT

As an international supplier to the commercial vehicles industry, SAF-HOLLAND is faced with a range of opportunities and risks that arise from the Group's business activities, its business strategy and its market environment. On the basis of the systematic management of opportunities and risks, SAF-HOLLAND pursues the goal of identifying opportunities and risks as early as possible, assessing them appropriately and taking appropriate action to mitigate or avoid risks and exploit opportunities.

ORGANIZATION OF RISK MANAGEMENT AND RESPONSIBILITIES

The risk management of SAF-HOLLAND comprises all of its activities for the systematic management of risks. In this regard, risks are recognized and analyzed at an early stage using a uniform system, from which measures are derived to optimize the risk position. Risk management is a central element of Group-wide corporate governance.

The Management Board of SAF-HOLLAND SE is responsible for ensuring an effective risk management system. Anchoring risk management within Group Controlling allows the risk management system to be holistically integrated into the planning and reporting process. In applying the risk management instruments, the main focus is on assessing any possible deviation in the performance indicator EBITDA (Group earnings before interest, taxes, depreciation and amortization). This focus is a result of the fact that SAF-HOLLAND's risk-bearing capacity is determined from its compliance with the financial covenant "net financial debt to EBITDA" of the syndicated loan agreement concluded recently in 2022. A breach of the financial covenant could result in the loan amounts becoming due. In this case, the Group's liquidity and financial independence would be uncertain. In addition to EBITDA, the risk management system also identifies and assesses risks that concern the result for the period in order to ensure that risk is viewed in a holistic manner.

The primary responsibility for risk, risk identification, and risk management along the value chain is decentralized and lies with the functional managers in the operating units and the central departments. The company's risk manager is responsible for defining and further developing processes and coordinating their implementation. The risk manager prepares quarterly risk reports and coordinates the assessment of risk bearing capacity. The risk manager also receives the ad hoc notifications and forwards these without delay to the Management Board.

The Supervisory Board's responsibility is to monitor the effectiveness of the risk management system. In addition, monitoring the compliance of the Group entities and Group departments with the Group's internal risk management policies is integrated into the routine audit activities of the Internal Audit department.

PROCESS OF COMPANY-WIDE RISK MANAGEMENT

The risk management process at SAF-HOLLAND comprises the core elements of risk recognition, risk assessment and risk management and monitoring. This process is fully mapped in an integrated software solution. With this tool, the risk owners record and assess the risks that have been identified. The software is then used to review and approve the risks at the next level of the hierarchy and, depending on the risk category, escalate them for approval by the heads of the respective functions at the Group level. The process of risk identification, assessment and management is accompanied by the continuous monitoring and communication of the reported risks by the risk owners.

Risk identification at SAF-HOLLAND is carried out by the risk officers and the risk managers at the company, regional and Group level at the end of each quarter. It is their duty to regularly assess whether all risks have been recorded. The company's risk manager initiates the quarterly risk survey process.

As part of the risk assessment process, the risks identified are assessed using systematic evaluation procedures and quantified both in terms of financial impact and probability of occurrence.

Appropriate risk mitigating control measures are developed, initiated and their implementation is monitored as part of risk management. The strategy or goal is to avoid, reduce or hedge against risks. This requires the development of measures that mitigate the financial impact or probability of occurrence of risks. The Group's risks are managed in accordance with the risk management principles described in the Group's risk management policy.

The Group-wide recognition and assessment of risks is reported to the Management Board on a quarterly basis, broken down by risk category and region. The Supervisory Board is informed regularly of the risk position of the Group. In addition, risks identified within a quarter that have a net expected value exceeding one million euros are reported ad hoc to the Management Board.

In order to analyze the overall risk position of SAF-HOLLAND and initiate appropriate countermeasures, individual risks at the local business units, the business segments and Group-wide risks are aggregated into a risk portfolio. The scope of consolidation for risk management corresponds to 100% with the scope of consolidation used for the Consolidated Financial Statements. This allows individual risks to be aggregated into risk categories. In addition to facilitating individual risk management, this aggregation also allows for trends to be recognized and managed, thus allowing the risk factors for certain risk categories to be influenced and reduced. Unless stated otherwise, the risk assessment applies to all three regional segments.

THE RISK PROFILE OF SAF-HOLLAND SE

As part of the preparation and monitoring of the risk profile, risks at SAF-HOLLAND are assessed based on their financial impact and their probability of occurrence. The financial impact of risks is quantified on the basis of their impact on the Group's earnings before interest, taxes, depreciation and amortization of property, plant and equipment and intangible assets (EBITDA) after taking risk mitigation measures into account. The following five categories are used:

- less than EUR 400 thousand
- more than EUR 400 thousand and less than EUR 1,500 thousand
- more than EUR 1,500 thousand and less than EUR 3,000 thousand
- more than EUR 3,000 thousand and less than EUR 5,000 thousand
- more than EUR 5,000 thousand

The probabilities of occurrence used in the risk assessment are broken down into the following six categories:

- 0% to 5%
- 5% to 20%
- 20% to 35%
- 35% to 50%
- 50% to 75%
- 75% to 100%

Depending on the severity of the impact and probability of occurrence, SAF-HOLLAND classifies risks into A, B and C risks.

Risk assessment matrix

	Propability					
Impact	Extremly Unlikely 0 – 5 %	Very Unlikely 5 – 20 %	Unlikely 20 – 35 %	Likely 35 – 50 %	More likely than not 50 – 75 %	Very likely 75 – 100 %
More than EUR 5,000,000						
Up to EUR 5,000,000						
Up to EUR 3,000,000						
Up to EUR 1,500,000						
Up to EUR 400,000						

A B C

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OVERVIEW OF SIGNIFICANT BUSINESS RISKS

Risk	Risk rating A	Risk rating B	YoY change
Strategic risks/elementary risks			
Russia-Ukraine conflict	x		↑
Economic, political and geopolitical environment		x	↓
Project and process risks			
Cybersecurity deficiencies		x	→
Business interruptions due to IT failures		x	→
Compliance risks			
Data protection		x	→
Financial and reporting risks			
Exchange rate risks		x	→

All of the risks in the risk portfolio are classified to one of the main risk categories in order to consolidate and present the overall risk position in a clear manner. These categories are based on the globally recognized framework of the "Committee of Sponsoring Organizations of the Treadway Commission" (COSO):

— Strategic risks/elementary risks
— Compliance risks
— Process and project risks
— Financial and reporting risks

The risks that could have the most detrimental impact on the asset, financial and earnings position, as well as the reputation of SAF-HOLLAND over the next four years, measured in terms of the relative extent of risk, are described below. The order of the risks presented reflects the current assessment of the relative extent of risk for SAF-HOLLAND in descending order and therefore provides an indication of the current significance of these risks for the company.

In addition, the company is also exposed to other risks that due to their probability of occurrence and/or potential impact.

Significant risks from SAF-HOLLAND's current risk profile:

Russia-Ukraine conflict – Level A risk – Strategic risks/elementary risks

Against the backdrop of the war in Ukraine, the overall political situation remains tense, especially in the EMEA region. The ongoing conflict could lead to a further deterioration in economic growth and, consequently, in the demand for trucks and trailers. There could also be indirect effects on sales in other countries. For example, western European fleet operators often sell their trailers to Russia after they reach a certain age. As this sales channel is no longer available due to the sanctions in force, fleet operators could be forced to use their vehicles for longer and postpone new purchases.

In addition, there is a risk that the assets or subsidiaries of Western companies could be seized or nationalized by the Russian government as part of retaliatory measures. SAF-HOLLAND is present in Russia through its four subsidiaries. The carrying amount of the investments in non-current assets in Russia amounted to EUR 0.3 million as of the December 31, 2025, reporting date. Long-term loans amounted to EUR 6.2 million as of the balance sheet date of December 31, 2025. The short-term assets of the Russian companies of the SAF-HOLLAND Group amounted to EUR 22.0 million as of the December 31, 2025, reporting date. Based on the Group's current knowledge, it does not see any material need to make an impairment on current assets.

As all previous efforts to achieve a negotiated solution to end the war have remained unsuccessful, the risk is classified as an A-risk this year in accordance with the current risk assessment.

Deterioration in the economic, political and geopolitical environment – Level B risk – Strategic risks/elementary risks

With operations worldwide, SAF-HOLLAND's business is dependent on global economic developments. An economic downturn – particularly in the markets important to SAF-HOLLAND – could result in the company falling short of its sales

and earnings targets. Risks could also arise from political and social changes, particularly in the countries where SAF-HOLLAND manufactures and/or markets its products.

For instance, the new US administration announced in 2025 that it will pursue a significantly more decisive customs policy and that it will impose new and/or higher tariffs in order to offset existing trade deficits. The extent to which these tariff increases will actually be introduced and maintained in the long term is not foreseeable at this point in time. Depending on the countries or products affected, this could have a negative impact on SAF-HOLLAND. The company is attempting to counteract this by further diversifying its supply chains, relying on a more flexible manufacturing network and working closely with customers.

Trade and customs disputes and trade restrictions could also have a negative impact on global trade and, in turn, on global economic growth. These could result from political tensions or trade conflicts between individual countries or regions, leading to short-term or unforeseeable decisions which could have an impact on sales and results of operations as a result.

The conflict in the Middle East and the tense security situation surrounding the Suez Canal and the Strait of Hormuz are also contributing to uncertainty on the markets.

Irrespective of the evaluated scenarios and possible reactions in this complex risk field, these developments could have a negative impact on SAF-HOLLAND's sales and margin development.

In particular in the Americas region, measures to mitigate custom-related interventions were implemented. Therefore, the risk is classified within the B-risk category this year.

Cybersecurity deficiencies – Level B risk – Process and project risks
Information technology (IT) is a key element of the business model. SAF-HOLLAND relies on its systems running efficiently without any disruptions. In addition, the company depends on IT services from third party providers. There has been an increase in cybersecurity threats in recent years as well as in the sophistication of cyber criminals. Moreover, the increasing use of AI is lowering the barriers to entry for cyberattacks and enables even less experienced actors to carry out effective and automated attacks. This represents a risk to the security of systems, networks and products as well as to the privacy, availability and integrity of data. The IT environment could become compromised, by attacks on the networks or those of the IT service providers or from social engineering, data manipulation to critical applications or the loss of critical resources, for example.

However, there can be no guarantee that the measures taken by the company or its IT service providers to safeguard uninterrupted and efficient operations (firewalls, penetration testing, etc.) can successfully ward off these threats in all circumstances. Such attacks can have a detrimental effect on business operations and especially on smart factories, which have a comparatively high degree of automation.

Risks associated with cyber risks that have a direct impact on products and services can also have negative effects. SAF-HOLLAND distributes, among other items, products and systems with integrated digital and mechatronic solutions, but also offers digital and mechatronic solutions itself, such as the TrailerMaster information system, sensors in its products or electric trailer axles. If such products, systems or solutions would become compromised or impaired, due to a cyber-attack, by interruptions, including by any of the possible incidents described above, a liability to pay damages to customers could arise and the company's reputation could suffer.

Moreover, there is a risk that confidential data or private information, including third-party data, can be leaked, stolen, manipulated or compromised in some other way in the event of a security incident.

If information pertaining to intellectual property is lost or stolen due to a data breach, this could have a negative impact on the competitive position and on the earnings position.

If confidential or private data is compromised, the company could be confronted with contractual penalties or official fines or other sanctions under non-disclosure agreements or data protection legislation and regulations could be imposed.

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Cyberattacks or other disruptions could also result in intentional unlawful access to or use of the company's locations or systems. They could also result in production outages or supply shortages. Such incidents could have an adverse impact on the company's reputation, competitiveness and the earnings position.

SAF-HOLLAND attempts to mitigate these risks using a range of measures, including employee training, cybersecurity teams to monitor networks and systems, and maintaining back-up and security systems such as firewalls and virus scanners.

The Company is continuously investing in the modernization of its global IT landscape and the associated enhancement of IT security. We consistently follow established industry standards as well as the requirements and standards of the NIS2 regulation.

From SAF-HOLLAND's perspective, the company's current security systems have proven their worth overall. The risks from the area of IT continue to be reported under the B risks.

IT risks from failures of IT infrastructure or IT application landscape components – Level B risk – Process and project risks

Information technology risks that could lead to productivity losses could also result from the failure of IT infrastructure components (networks, data centers, hardware components, cloud operations/infrastructure as a service). Such failures could arise from an outdated IT infrastructure or from the sheer diversity of hardware components due to past company acquisitions. Components in the IT application landscape can fail due to a heterogeneous application landscape resulting from the absence of an overarching application architecture, a lack of common guidelines, and inadequate monitoring. Too few or inadequately qualified personnel could also have a negative impact.

SAF-HOLLAND mitigates such risks by establishing a medium-term replacement program for critical IT components and by having contracts in place with suppliers for extended maintenance. SAF-HOLLAND also works to mitigate these risks by harmonizing its IT infrastructure and acquiring additional qualified personnel.

This risk remained unchanged compared to the prior year and continues to be categorized as a Level B risk.

Risks of non-compliance with data protection requirements – Level B risk – Compliance risks

As a globally operating company, SAF-HOLLAND is subject to a broad spectrum of legislative and regulatory requirements in a range of different jurisdictions, which have a significant influence on its daily operations and processes. Any legal action whatsoever taken against the company related to breaches of data protection requirements could result in painful penalties.

In order to mitigate this risk, a data protection officer is available to SAF-HOLLAND employees and provides support through appropriate training and specific rules of conduct.

This risk remained unchanged compared to the prior year and continues to be categorized as a Level B risk.

Exchange rate risks – Level B risk – Financial and reporting risks

Due to the international nature of its business activities, the Group is exposed to foreign currency risks from investments, financing and operations. The individual subsidiaries conduct most of their operations in the respective local currencies. In the event of a devaluation of the US dollar against the euro, however, the earnings contribution to the risk management indicator EBITDA of the Group companies invoicing in US dollars would be reduced as a result of currency translation. However, since the raw materials purchased by the Group are predominantly traded in US dollars, a depreciation in the US dollar against the euro would simultaneously result in lower purchasing prices, which would result in a positive contribution to earnings. SAF-HOLLAND permanently monitors its net financial positions in foreign currencies so that it can hedge them if necessary.

This risk remained essentially unchanged compared to the previous year.

OVERALL STATEMENT OF THE MANAGEMENT BOARD: NO RISKS THAT WOULD JEOPARDIZE SAF-HOLLAND'S VIABILITY

The general risk situation of the SAF-HOLLAND Group did not change significantly in fiscal year 2025. From today's perspective, there are still no risks that, individually or in combination, could lead to the excess indebtedness or insolvency of the company. SAF-HOLLAND's maximum risk bearing capacity is determined on the basis of its compliance with the financial covenant "net financial debt to EBITDA" attached to the syndicated loan agreement concluded on June 6, 2022. Compliance with the financial covenant is monitored continuously so that appropriate measures can be taken at an early stage if necessary and to avoid the breach of any covenants.

OVERVIEW OF SIGNIFICANT OPPORTUNITIES

The opportunity management system used by the SAF-HOLLAND Group is based on the risk management system. The objective of opportunity management is to recognize potential opportunities arising from positive developments in our business as early as possible and seize them as well as possible by taking appropriate measures. Seizing such opportunities will ensure that the targets planned are met or even outperformed. As part of opportunity management, realizable opportunities are considered that have not yet been used as planning inputs.

OPPORTUNITIES THROUGH GOVERNMENT SUBSIDY PROGRAMS – STRATEGIC OPPORTUNITIES

Government subsidy programs offer companies the opportunity to receive financial support for innovations, investments or sustainable projects. SAF-HOLLAND examines the applicable government regulations in the relevant markets and continuously analyzes the requirements and opportunities for participating in such subsidy programs. The company aims to make targeted use of relevant subsidy programs in order to drive innovation and sustainable development within the organization and secure long-term competitive advantages.

OPPORTUNITIES THROUGH CONFLICT RESOLUTION – STRATEGIC OPPORTUNITIES

The resolution of conflicts, particularly in the Middle East and Ukraine, could have a positive impact on economic growth in the affected countries and regions. In addition, the elimination or removal of tariff-related trade restrictions and the lifting of sanctions could significantly increase the international trade in the affected countries and regions, which could have a positive impact on SAF-HOLLAND's business performance.

OPPORTUNITIES FROM THE ACQUISITION AND SUCCESSFUL INTEGRATION OF HALDEX – PROJECT AND PROCESS OPPORTUNITIES

By acquiring Haldex, SAF-HOLLAND has gained extensive capabilities in the technology areas of software engineering, sensor technology and electronic control, and thereby pays heed to the megatrends and industry-specific drivers of electrification, (semi-)autonomous driving and digitalization. With Haldex, SAF-HOLLAND is creating a leading systems supplier for "Smart Trailers." In the future, the Group will offer customers integrated solutions for axle and suspension systems combined with telematics and EBS control-based, predictive maintenance functions as well as intelligent added functions such as theft warning systems and tire pressure monitoring from a single source. This will open up new added growth opportunities for SAF-HOLLAND.

The acquisition also strengthens SAF-HOLLAND's position in the less cyclical, high-margin aftermarket business.

SAF-HOLLAND initially expected potential synergies of more than EUR 10 million per year from the acquisition of Haldex. As part of the Capital Market Days 2025, SAF-HOLLAND quantified the targets for the anticipated net synergies (after offsetting transformation expenses) at EUR 40 to 50 million from 2027 onward.

STRONGER-THAN-EXPECTED DEMAND FOR TRUCKS AND TRAILERS WORLDWIDE – STRATEGIC OPPORTUNITIES

Should the general economic environment develop better than expected, SAF-HOLLAND assumes that demand for new trucks and trailers will also be stronger than the company expects. Improved economic development generally leads to higher demand for transport capacity.

For the 2026 financial year, SAF-HOLLAND anticipates that the current market environment in the commercial vehicle markets in EMEA and APAC should develop positively overall. In the Americas region, the Company expects a subdued business performance in the original equipment segment.

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The Eastern European market, which accounts for more than one-third of the total market in terms of new trailer registrations in Europe and includes high-volume trailer production and sales markets such as Poland, Türkiye and Russia, suffered significant losses as a result of the war in Ukraine. An end to the military conflict in the region could result in a sudden surge in demand by unlocking a significant degree of pent-up demand. Consequently, Group sales could develop better than expected, enabling SAF-HOLLAND to benefit from positive earnings as a result of lower fixed costs.

SUPPORT FROM GLOBAL MEGATRENDS AND GROWTH IN INTERNATIONAL FREIGHT TRANSPORT – STRATEGIC OPPORTUNITIES

Several global megatrends are benefiting the long-term development of worldwide freight transport and, in turn, the markets for trucks and trailers. The growing world population, especially in developing and emerging countries, and the globalization of the economy are leading to an increasing exchange of international goods. A global transport infrastructure is vital to supporting this. Urbanization is also drawing an increasing number of people to cities. Trucks and trailers are the most important means of transportation for supplying major cities.

The long-term growth of the social middle class, especially in the Asia-Pacific region, is another aspect. As incomes rise, the purchasing power of the global middle class is set to increase in the years ahead and lead to higher freight volumes. In the developed economies, it is primarily trends such as the increasing share of e-commerce that are further boosting demand for transport capacity.

CONTINUOUS GROWTH IN DEMAND FOR SPARE PARTS – STRATEGIC OPPORTUNITIES

Fleet sales in recent years, especially in SAF-HOLLAND's core markets of Europe and North America, have resulted in larger fleet sizes in these markets. With the increasing age of these vehicles, the demand for spare parts is also rising and is expected to continue to rise in the years ahead, regardless of the development of the original equipment business. With margins in the aftermarket business generally higher than in the original equipment business, this development should have a positive effect on the Group's profitability in the medium term.

Through its trademarks SAUER QUALITY PARTS and Gold Line, SAF HOLLAND has opened up a further segment within the aftermarket. SAF-HOLLAND is supplying parts to trucks and trailers in what is known as the "second life" marketplace with a tailored brand that offers more cost-effective parts specially designed for comparatively older vehicles. This opens up additional sales potential, particularly in the emerging markets, which have a high number of older vehicles on the roads. This is because the company can deliver the special qualities that characterize trucks and trailers in these countries: robustness, reliability and an attractive price.

OPPORTUNITIES FROM INDUSTRY-SPECIFIC MEGATRENDS – STRATEGIC OPPORTUNITIES

Autonomous driving, digitalization and alternative drive concepts will open up growth opportunities for SAF-HOLLAND in the medium to long term.

The Group offers digitization solutions for fleet managers via its UK subsidiary, Axscend. The TrailerMaster information system provides operating data in real time and enables fleet managers to better utilize their resources. From SAF-HOLLAND's perspective, the most important functionalities that can be integrated include lighting function control, load testing and optimization, maintenance condition testing, data evaluation from the tire pressure control system and electronic braking systems (EBS), patented performance data and the condition evaluation of the brake system – which in the UK exempts operators from the obligation to have their trailers tested on test beds – and GPS data transmission for trailer tracking.

The TRAKr and TRAKe axles complement the classical axle by adding a centrally installed electric motor. In the TRAKr system, this motor acts solely as a generator to recuperate energy during braking that can then be used to power electrical aggregates in the trailer. In the TRAKe system, the power generated by the system can be used to power the electrical motor itself, so that the axle contributes to the drive of the trailer. Both solutions take load off the combustion engine in the tractor unit, thereby making an active contribution to reducing CO_2 emissions. In addition, the extra drive in the trailer will improve the range of electrically powered trucks. At the same time, logistics companies operating in urban environments benefit from the systems. TRAKr allows a trailer with an electrically powered and battery supported cooling system and refrigerated goods to be parked in an urban area, as the system can function without a running combustion engine.

RISING DEMAND FOR DISC BRAKE TECHNOLOGY – STRATEGIC OPPORTUNITIES

Whereas the majority of trailers in Europe have been equipped with disc brakes for many years, the percentage of trailers equipped with disc brakes in the US lies at roughly 25%. Traditional drum brakes still dominate the US market, despite being inferior in terms of performance, weight and ease of maintenance. The share of disc brake technology in the US is expected to increase in the medium term.

Disc brakes have clear advantages in terms of safety due to their better braking performance. A truck and trailer combination equipped with disc brakes, for example, needs 20% less braking distance (dropping from 129 meters to 104 meters at a speed of 75 mph) compared to drum brakes.

SAF-HOLLAND has been playing a pioneering role in this segment of the European market for years and has many years of expertise. By employing disc brake technology in its axle systems, the Group could increase its added value per vehicle by approximately 50%.

OPPORTUNITIES THROUGH ACQUISITIONS – PROJECT AND PROCESS OPPORTUNITIES

Already in the past, SAF-HOLLAND has proven its ability to consolidate its market position and accelerate its growth with the acquisitions of KLL, York, V.Orlandi, Assali Stefen and Tecma and especially Haldex. Similarly, even after the acquisition of Haldex, SAF-HOLLAND continuously conducts targeted market reviews and analyses of the potential in both the original equipment business and the aftermarket business in the relevant regions.

In recent years, potential sellers of family-run businesses have offered options but not always at attractive terms and conditions. In view of the challenges many of these sellers are facing, SAF-HOLLAND expects interesting opportunities going forward to expand its position in select markets. A good example of this approach was the acquisition of KLL in 2016 and the purchase of the outstanding stake in this company in 2021, with which SAF-HOLLAND expanded its product portfolio to include products that are characterized by durability and relatively low prices. The Group also sees tremendous sales potential for such products in other emerging markets, opening up cross-selling opportunities in this area.

SAF-HOLLAND also pursued strategic objectives when it acquired the York Group, the market leader for trailer axles in India, in 2018. So far, demand for robust and reliable trucks and trailers has dominated the market, with price playing an important role. With York's product portfolio, SAF-HOLLAND precisely meets the current market demand as a first step. However, as already seen in China in recent years, market observers expect India and other APAC markets to transition to gradually stricter loading and safety regulations over the next few years. Consequently, the Group also expects these markets to shift towards technologically more sophisticated solutions. With the York acquisition, SAF-HOLLAND has gained a foothold with its product portfolio at an early stage and is in a strong position to exploit the available market potential.

In fiscal year 2025, SAF-HOLLAND generated 88.4% of its sales in its traditional regions EMEA and the Americas. It is the company's stated objective to raise its sales outside of these key regions in the mid-term.

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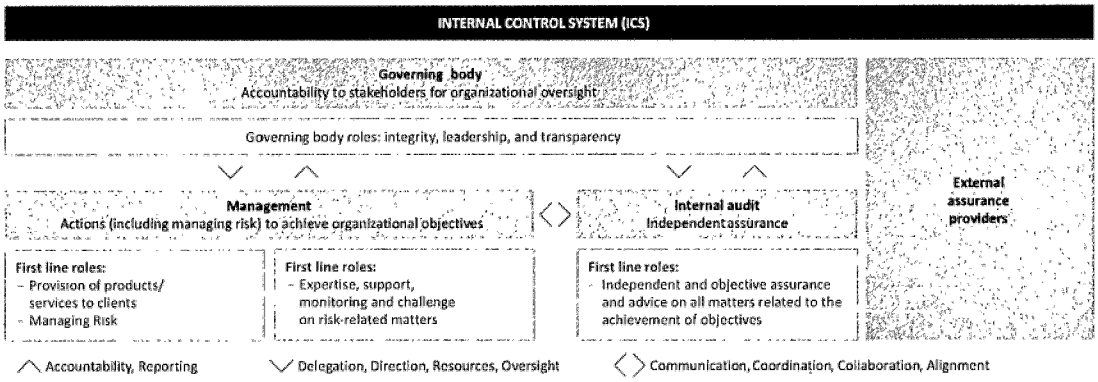
INTERNAL CONTROL SYSTEM WITH REGARD TO THE GROUP ACCOUNTING PROCESS

Three-Lines-Model

Role of the Risk Management System within the ICS



The primary goal of the internal control system (ICS) for the Group accounting processes is to ensure the compliance of the financial reporting by making sure that the Consolidated Financial Statements and the Combined Management Report of the SAF-HOLLAND Group and the financial statements of the parent company SAF-HOLLAND SE comply with all relevant laws and regulations. It is the responsibility of the Management Board to design the ICS to meet the specific needs of the company. According to the allocation of executive functions, the CFO is responsible for finance and accounting. These departments define and review the accounting standards used throughout the Group and combine the information when compiling the Consolidated Financial Statements. Significant risks for the accounting process arise from possible non-compliance with the need to communicate complete and accurate information within the specified reporting deadlines. To ensure this, the needs must be clearly communicated, and the units concerned must be enabled to fulfill the requirements. Risks that could impact the accounting process can arise, for example, from transactions being recognized too late or incorrectly, or when accounting standards are not observed. The failure to recognize transactions also constitutes a potential risk. To minimize such errors, the accounting process is based on a strict segregation of functions.

The accounting process is fully integrated into the risk management system of SAF-HOLLAND SE. This ensures that accounting-relevant risks are identified at an early stage and that measures for risk prevention and mitigation can be promptly initiated.

Accounting-related processes are reviewed regularly by the Internal Audit department to ensure the effectiveness of the internal control system and risk management system. The effectiveness of the controls is ensured by the constant monitoring of key indicators in the course of the monthly management reporting.

First and foremost, the Supervisory Board, represented by the Audit Committee, monitors the accounting process, the effectiveness of the control system and the risk management system, as well as the audit of the annual financial statements. In addition, it reviews the documents pertaining to the separate financial statements of SAF-HOLLAND SE, the Consolidated Financial Statements and the Combined Management Report and discusses these with the Management Board and the auditor. The Management Board is responsible for establishing a monitoring system that enables the early detection of developments that could jeopardize the Company's continued existence. As part of the annual audit, the external auditor assesses whether the Management Board has taken the measures incumbent upon it in an appropriate manner.

The IFRS accounting manual serves as the basis for the Group's accounting and reporting processes. All Group entities must base their accounting processes on the standards described in the manual. Significant recognition, presentation and valuation policies, such as for non-current assets, inventories and receivables, as well as provisions and liabilities, are defined in a binding manner.

In addition, reporting mechanisms have been installed in the Group to ensure uniform treatment of extraordinary issues arising from operating activities. Reporting deadlines have been set for all entities to allow timely compilation of the Consolidated Financial Statements and the Group Management Report.

The individual financial statements of the Group companies are prepared in accordance with the relevant local accounting standards. Intragroup deliveries and services are recorded by the Group companies in separately identified accounts.

The balances of the intercompany clearing accounts are reconciled on the basis of defined guidelines and schedules via balance confirmations. The Group companies have been using the reporting system OneStream for their financial reporting since January 1, 2025.

In accordance with the regional segmentation of SAF-HOLLAND, the technical responsibility for the area of finance is borne both by the financial officers in the Group parent company and by the regional CFOs for the respective region. They are involved in the quality assurance of the financial statements of the Group companies included in the Consolidated Financial Statements. The overall quality assurance of the financial statements of the Group companies included in the Consolidated Financial Statements is performed by the corporate department Group Consolidation and Controlling, which is responsible for the preparation of the Consolidated Financial Statements. The preparation of the Combined Management Report is the responsibility of the corporate Investor Relations department, which also reports directly to the CFO of SAF-HOLLAND.

The financial accounting systems used by the Group companies of SAF-HOLLAND are gradually being standardized.

ADEQUACY AND EFFECTIVENESS OF THE OVERALL RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM[3]

SAF-HOLLAND's risk management system is based on the globally recognized framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The appropriateness and effectiveness of the ICS is reviewed in regular audits by the Group Audit department. The audits are carried out as part of a risk-oriented audit planning process. Any weaknesses identified are recorded and a review of the measures taken to rectify the weaknesses is carried out by the Group Audit department.

The risk management officers work continuously and in a structured manner on improvements. On a quarterly basis, additional internal audits are carried out at the most important companies using a structured review protocol for the main control areas. All other smaller companies within the Group also conduct supplementary internal audits on a quarterly basis, although these are less frequent than those carried out by the main companies. The overall scope and thus the informative value of these audits was continuously expanded during the fiscal year. An IT-supported ICS tool is used for this purpose throughout the Group.

SAF-HOLLAND's Internal Control System (ICS) for financial and non-financial reporting is designed to mitigate process risks impacting financial and non-financial reporting to a level that is acceptable to the company. An effective ICS is necessary to ensure the functionality of all essential business processes.

The Management Board of SAF-HOLLAND Group is committed to continuously strengthening the ICS, enhancing the set of policies, procedures, and processes to provide reasonable assurance to the stakeholders that the organization can meet its objectives related to financial and non-financial reporting, operational efficiency, and compliance with laws and regulations. The enhanced ICS benefits from self-assessments and continuous control monitoring. Internal controls are an integral part of business operations. Management, the first line of business, is and remains responsible for sound business controls.

The SAF-Holland ICS guideline governs and documents the basic principles, organization, and procedures of the ICS in place. The guideline describes responsibilities and roles, as well as the ICS process and reporting such as a risk and impact analysis, definition of internal controls that must be followed by the different divisions and subsidiaries of the Group, assessment and review of control points, control performance and documentation. Once every quarter the controls need to be reported and documented in the Groups ICS software.

The Management Board of SAF-HOLLAND has no information whatsoever suggesting that the risk management system or internal control system were not appropriate or effective as of December 31, 2025.

[3] The disclosures in this section are not part of the Management Report and are not the subject of an audit by the auditors PricewaterhouseCoopers.

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OUTLOOK

ECONOMIC FRAMEWORK CONDITIONS

MODERATELY POSITIVE DEVELOPMENT OF THE GLOBAL ECONOMY EXPECTED IN 2026

The International Monetary Fund (IMF) expects the global economy to grow by 3.3% in 2026, thus continuing the growth seen in the previous year. Despite ongoing geopolitical tensions and existing trade policy uncertainties, the IMF believes that the global economy remains resilient.

The IMF expects prices for energy commodities to decline in 2026 and believes that this effect, together with easing inflation, should contribute to a gradual loosening of monetary policy conditions. At the same time, given the regional differences in inflation and growth trends, the IMF expects the leading central banks to adjust key interest rates at different rates.

Following the partially recessive development of previous years, the IMF expects a noticeable recovery for the German economy. Economic growth of 1.1% is forecast for 2026, which is attributable to a decline in inflation and favorable fiscal policy. Structural challenges in the manufacturing sector and energy costs, which are still high by international standards, will continue to have a negative impact.

The IMF expects growth of 1.3% in 2026 in the eurozone as a whole. Nevertheless, geopolitical tensions and political uncertainties continue to dampen economic momentum in the monetary union.

The IMF forecasts economic growth of 2.4% for the United States in 2026. According to the IMF, this will be supported by expansionary fiscal policy and a more dynamic investment environment compared to other industrialized countries.

The IMF also expects strong growth to continue in the major emerging economies. The Chinese economy is expected to grow by 4.5% in 2026, supported in part by government stimulus measures and the continued importance of exports. Economic growth of 6.4% is forecast for India, although the high growth rate is likely to slow slightly compared to the previous year.

Economic development in ley markets

in %	2024	2025
Eurozone	1.4	1.3
Germany	0.2	1.1
United States	2.1	2.4
Brazil	2.5	1.6
China	5.0	4.5
India	7.3	6.4
World	3.3	3.3

Source: International Monetary Fund, World Economic Outlook Update, January 2026

INDUSTRY ENVIRONMENT

MIXED DEVELOPMENT OF COMMERCIAL VEHICLE MARKETS WITH SIGNS OF RECOVERY

SAF-HOLLAND expects a slight recovery in the **European** trailer market in 2026. The company assumes that smaller European markets such as Spain, Italy, the Benelux countries and Scandinavia will continue their stable development, while larger markets such as Germany, France and Poland are likely to recover over the course of the year. The research institute CLEAR expects the European trailer market to grow by around 8% in 2026. Against this backdrop and taking current customer feedback on the market situation into account, SAF-HOLLAND currently expects the European trailer market to grow by around 0 to +5% in 2026. In the heavy truck market, SAF-HOLLAND expects a market recovery in the range of +5% to +10%. This assessment is in line with a forecast published by S&P Global in 2025, which expects heavy trucks to grow by around 8% in 2026.

The research institute ACT Research expects the **North American** markets for trailers to decline by around 7%. In the heavy truck market, ACT Research even anticipates growth of around 3%. In SAF-HOLLAND's view, the markets continue to be

influenced by US trade policy and the resulting uncertainties. In addition, increased consumer and operating costs are having a dampening effect on demand. There is also uncertainty regarding the details of the announced EPA 27 emissions standard. Due to the continued expectation of weak freight markets and cautious investment by fleets, only a muted pull-forward effect is to be expected. At the same time, there are opportunities for better-than-expected demand, through potentially positive effects from the ongoing USMCA negotiations or from regulatory adjustments in the context of the EPA27 processes, for example. SAF-HOLLAND therefore currently estimates the development of the North American trailer market and the North American Class 8 market to be in a range of -5% to +5% in each case.

With regard to the **Brazilian** commercial vehicle market, SAF-HOLLAND expects the declines of 2025 to be overcome and the market to stabilize again in 2026. Accordingly, the company expects production in the trailer segment to develop at the same level as in the previous year. In 2025, demand was particularly affected by unfavorable economic conditions, which were characterized by increased financing costs and more restrictive lending. The Brazilian government intends to counteract this in the current year with a government program to facilitate vehicle financing, which SAF-HOLLAND believes should have a supportive effect on market development. Nevertheless, SAF-HOLLAND does not expect the truck market to reach the previous year's level. SAF-HOLLAND expects production levels for heavy trucks to range from 0 to -10% compared to the previous year.

SAF-HOLLAND believes that the **Chinese** commercial vehicle market will not be able to match the growth seen in 2025 in 2026. Nevertheless, the company continues to expect slight growth momentum. SAF-HOLLAND anticipates production growth in the range of 0 to +5% for both the trailer and the heavy truck markets.

SAF-HOLLAND sees positive momentum in the **Indian** trailer market. Although US trade policy and the associated import tariffs are likely to continue to have a dampening effect on the export-oriented industry, the need for infrastructure investment remains high, which supports demand for commercial vehicles. Against this backdrop, SAF-HOLLAND expects the commercial vehicle markets to continue their recovery. SAF-HOLLAND anticipates growth in the range of around +5 to +10% for both the trailer and the heavy truck markets.

FORECAST OF THE COMPANY'S DEVELOPMENT

FUTURE DEVELOPMENT OF SAF-HOLLAND

Based on the market and industry trends outlined above, SAF-HOLLAND expects demand in the original equipment business to vary from region to region in the coming reporting year.

The Group strategy for the period up to 2030, which was approved by the Management Board and Supervisory Board in fiscal year 2025, takes these conditions into account. It considers the key long-term market drivers, in particular the development of overall economic performance and transport volume, as well as relevant technological trends such as electrification, autonomous driving, digitalization and traffic safety.

The opportunities and risks identified were also taken into account in preparing the forecast for fiscal year 2026. The underlying assumptions are based on an unchanged structure and composition of the SAF-HOLLAND Group.

GROUP SALES AFFECTED BY REGIONAL MARKET TRENDS

SAF-HOLLAND expects the business to develop positively overall in the trailer and heavy truck segments in its core market of EMEA in 2026. In North America, SAF-HOLLAND continues to expect subdued business development in the trailer and Class 8 truck customer segments. However, demand could develop more positively than currently expected if additional impetus emerges from ongoing political and regulatory processes. These include, in particular, the renegotiation of the USMCA agreement and possible adjustments to emission standards under the EPA27 regulation. In the APAC region, SAF-HOLLAND expects the business to develop positively overall, supported in particular by momentum in the Indian market.

From today's perspective, SAF-HOLLAND expects stable volumes for the aftermarket business, supported by the vehicle population from original equipment deliveries in previous years. Overall, based on stable exchange rates, the Management Board expects Group sales for the SAF-HOLLAND Group to be in the range of EUR 1,700 to 1,850 million for fiscal year 2025 (previous year: EUR 1,734.4 million).

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RESILIENT PROFITABILITY EXPECTED

SAF-HOLLAND's margin development is significantly influenced by how sales volumes develop, the product mix of standard products and special solutions and the segment mix of original equipment and aftermarket business. Other relevant influencing factors include the cost of materials, personnel and energy, as well as price enforcement.

From today's perspective, SAF-HOLLAND's profitability in 2026 will be driven in particular by continued robust aftermarket business and economies of scale in regions with positive growth momentum. In addition, the company expects progress from the ongoing efficiency program in the indirect area, which will gradually contribute to cost relief and counteract the general rise in wage levels. Conversaly, a change in the regional distribution of sales is expected, with a higher proportion attributable to the EMEA region. Inflation-related cost increases are to be offset by planned measures to increase operational efficiency and control costs. Against this backdrop, SAF-HOLLAND is targeting an adjusted EBIT margin in the range of 9% to 10% for 2026.

INVESTMENTS IN GROWTH AND R&D OF UP TO 3% OF GROUP SALES

In order to achieve its medium- and long-term growth targets and to position the company for the future in terms of its products, the Group plans to make payments for investments of up to 3% of Group sales in fiscal year 2026 (previous year: 3.0%). Compared to other companies in the commercial vehicle supply industry and the automotive supply industry in particular, the business model is therefore significantly less investment-intensive (asset-light).

The planned expenditures include investments in improvements to the production network, such as optimization of the site structure in the US, as well as automation projects to strengthen process efficiency in manufacturing. Another focus will be on the further rollout of SAP S/4 HANA as the ERP system, which will create global standards and implement best practice processes with maximum synergy potential across the Group. Investments of around EUR 4 million for the implementation of the transition plan are included in this figure.

Group forcast for fiscal year2026

Sales	1,700 – 1,850 Mio. Euro
Adjusted EBIT margin	9.0 – 10.0%
Investment ratio	Up to 3.0%

OVERALL STATEMENT BY THE MANAGEMENT BOARD ON THE EXPECTED DEVELOPMENT

At the time of preparing the Combined Management Report 2025, the Management Board expects SAF-HOLLAND to compete successfully in fiscal year 2026 with its broad product portfolio, continued stable aftermarket business and flexible production network.

For fiscal year 2026, the Management Board of SAF-HOLLAND SE expects the current market environment in the EMEA and APAC commercial vehicle markets to develop positively overall. For the Americas region, the Management Board anticipates subdued business development in the original equipment business. At the same time, there will be opportunities for better-than-expected demand, due to potentially positive effects from the ongoing USMCA negotiations or regulatory adjustments as part of the EPA27 processes, for example.

SAF-HOLLAND anticipates solid overall sales development for 2026. This will be supported by robust business in the aftermarket, economies of scale in regions with positive market dynamics and further efficiency improvements, which should contribute to strengthening earnings. Inflation-related cost increases will be at least partially offset by cost-saving measures resulting from the implementation of the efficiency program in the indirect area. A high material cost ratio and flexible automation in production will continue to support a high level of adaptability with regard to potential fluctuations in demand.

In the middle of the forecast ranges, the Management Board therefore expects to see a slight increase in sales and adjusted EBIT for fiscal year 2026 compared to the previous year. With regard to investments, the Management Board remains committed to its asset-light concept and plans to make payments for investments of up to 3% of Group sales.

In addition, uncertainties remain due to geopolitical and trade policy risks, including the tense situation in the Middle East as a result of the recent Iran conflict and possible changes in import tariffs to the US. These developments cannot be reliably predicted at this time.

Against the backdrop of the US Supreme Court's declaration of inadmissibility regarding the International Emergency Economic Powers Act (IEEPA) on the imposition of additional import duties, SAF-HOLLAND currently sees no significant impact on the Group's net assets, financial position, and results of operations. The measures already initiated and the diversified multi-supplier network offer sufficient flexibility to limit potential disruptions in the procurement environment.

This assessment is subject to new information or changes in the regulatory environment.

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CORPORATE GOVERNANCE STATEMENT

The German Corporate Governance Code designates the Corporate Governance Statement pursuant to Sections 289f and 315d of the German Commercial Code (HGB) as the main instrument for Corporate Governance reporting. The Management Board and Supervisory Board report on SAF HOLLAND's Corporate Governance in this statement.

At SAF HOLLAND, Corporate Governance stands for responsible company management and monitoring geared towards sustainable value creation that encompasses all areas of the Group. Transparent reporting and company communication, company management aligned with the interests of all stakeholders, trust-based cooperation between the Management Board, Supervisory Board and employees as well as compliance with the applicable laws are key cornerstones of the company culture.

The Corporate Governance Statement is publicly available on the company website https://corporate.safholland.com/en/cgs.

TAKOVER-RELEVANT INFORMATION AND EXPLANATORY REPORT

The disclosures as of December 31, 2025, required by Article 9 (1) lit. c) ii) SE Regulation in conjunction with Sections 289a and 315a HGB are presented below.

I. COMPOSITION OF SUBSCRIBED CAPITAL

As of December 31, 2025, the share capital of SAF-HOLLAND SE amounted to EUR 45,394,302.00, divided into 45,394,302 no-par value bearer shares, each with imputed notional interest in the share capital of EUR 1.00 per share. All shares confer the same rights and obligations.

II. RESTRICTIONS AFFECTING VOTING RIGHTS OR THE TRANSFER OF SHARES

Each share entitles the bearer to one vote at the Annual General Meeting. The voting right may be subject to legal restrictions, such as Section 136 (1) of the German Stock Corporation Act (AktG). The company is not aware of any other restrictions affecting voting rights or the transfer of shares, such as those arising from agreements between individual shareholders.

III. HOLDINGS OF MORE THAN 10% OF THE VOTING RIGHTS

At the time of reporting, the company had not received any notifications of shareholdings exceeding 10% of the voting rights.

IV. SHARES EQUIPPED WITH SPECIAL RIGHTS CONFERRING POWERS OF CONTROL

There are no shares with special rights conferring powers of control.

V. EMPLOYEES WITH EQUITY INTERESTS

Employees who hold SAF-HOLLAND shares exercise their rights of control arising from shares directly in the same way as other shareholders in accordance with statutory provisions and the Articles of Association.

VI. STATUTORY PROVISIONS AND REQUIREMENTS OF THE ARTICLES OF ASSOCIATION ON THE APPOINTMENT AND DISMISSAL OF MEMBERS OF THE MANAGEMENT BOARD AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The requirements for the appointment and dismissal of members of the Management Board as well as for any amendments to the Articles of Association are governed by the respective provisions of the applicable European and German laws, including the SE Regulation and the German Stock Corporation Act (AktG), as well as the Articles of Association.

The appointment and dismissal of members of the Management Board is governed by Art. 9 para. 1 lit. c) ii) SE Regulation in conjunction with Section 84 of the German Stock Corporation Act (AktG). The Management Board consists of at least two people; the Supervisory Board may set a higher number of members for the Management Board (Article 8 (1) of the Articles of Association). The members of the Management Board are appointed by the Supervisory Board for a maximum period of five years; reappointments are permitted (Article 8 (3) of the Articles of Association). The Supervisory Board may appoint a Chairman or Spokesman of the Management Board and a Deputy Chairman or Deputy Spokesman (Article 8 (2) sentence 2 of the Articles of Association). If a required member of the Management Board has not been appointed, a court appointment may be made in urgent cases in keeping with Article 9 (1) lit. c) ii) SE Regulation in conjunction with Section 85 of the German Stock Corporation Act (AktG).

Amendments to the Articles of Association are governed by Article 59 SE Regulation, Section 179 of the German Stock Corporation Act (AktG) and the Articles of Association. According to Article 21 (3) sentence 2 of the Articles of Association, unless mandatory statutory provisions stipulate otherwise, resolutions to amend the Articles of Association must be adopted by a two thirds majority of the valid votes cast at the Annual General Meeting or, if at least half of the share capital is represented, by a simple majority of the valid votes cast at the Annual General Meeting. Where statutory provisions require the majority of the share capital in addition to the majority of the votes cast for resolutions of a General Meeting, the simple majority of the share capital represented in the vote is sufficient, to the extent permitted by law. The Supervisory Board is authorized to make amendments to the Articles of Association that only concern their wording (Section 179 (1) sentence 2 of the German Stock Corporation Act (AktG) and Article 13 (3) of the Articles of Association).

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VII. AUTHORIZATION OF THE MANAGEMENT BOARD TO ISSUE AND REPURCHASE SHARES

AUTHORIZED CAPITAL

The Management Board is authorized by resolution of the Annual General Meeting of June 11, 2024, with the consent of the Supervisory Board, to increase the share capital in the period until the end of June 10, 2029, once or several times, in partial amounts of up to a total of EUR 9,078,860.00 by issuing new no-par value bearer shares against cash and/or non-cash contributions (Authorized Capital 2024/I).

New shares are to be offered, in principle, to the company's shareholders for subscription; they may also be underwritten by one or more credit institution(s) or companies as defined by Article 5 of the SE Regulation in conjunction with Section 186 (5) sentence 1 of the German Stock Corporation Act (AktG) with the obligation to offer them to the shareholders for subscription ("indirect subscription rights").

However, the Management Board is authorized, subject to the approval of the Supervisory Board, to exclude shareholders' subscription rights for one or more capital increases under Authorized Capital 2024/I

a) insofar as this is necessary to offset peak amounts;

b) insofar as it is necessary to grant the holders and/or creditors of convertible bonds, bonds with warrants, and/or income bonds (or combinations of these instruments) (hereinafter collectively referred to as "bonds") that are equipped with conversion or option rights or conversion or option obligations and that have been or will be issued by the company or a Group company, an exchange or to grant a right to exchange or subscribe to new bearer shares in the company to the extent that they would have been entitled to after exercising the conversion and/or option rights or after fulfilling the conversion and/or option obligations, or to the extent that the company exercises an option to grant shares in the company instead of payment of the due cash amount in whole or in part;

c) to issue shares against contributions in kind, in particular – but without limitation to this – in the context of company mergers or for the purpose of acquiring (including indirectly) companies, businesses, parts of companies, interests in companies or other assets, including claims against the company or its Group companies, or to service bonds issued against contributions in kind;

d) for the issuance of shares in exchange for cash contributions, provided that the issuing price of the new shares is not significantly lower than the stock exchange price of the already listed shares of the company within the meaning of Sections 203 (1) and (2), 186 (3) sentence 4 of the German Stock Corporation Act (AktG) and the pro-rata amount of the share capital attributable to the new shares issued under exclusion of subscription rights in accordance with Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) does not exceed a total of 10% of the share capital of the company, either at the time of coming into effect or – if this amount is lower – at the time of utilization of Authorized Capital 2024/I. The proportionate amount of the share capital attributable to shares (i) issued or sold during the term of Authorized Capital 2024/I in direct or analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) and (ii) issued or to be issued to service bonds with conversion or option rights or conversion or option obligations are issued or are to be issued, provided that these bonds are issued in corresponding application of Section 186 (3) sentence 4 of the German Stock Corporation Act during the term of Authorized Capital 2024/I, excluding shareholders' subscription rights.

According to this authorization, shares may only be issued under the exclusion of shareholders' subscription rights as part of Authorized Capital 2024/I if the total of the new shares, together with shares that are issued or transferred by the company during the term of Authorized Capital 2024/I under another authorization excluding shareholders' subscription rights or that are to be issued on the basis of a convertible bond and/or warrant bond issued during the term of Authorized Capital 2024/I on the basis of the utilization of another authorization under exclusion of subscription rights, a notional interest in the share capital of the company totaling no more than 10% of the share capital of the company is attributable, both at the time this authorization becomes effective and – if this amount is lower – at the time this authorization is exercised.

The Management Board is authorized, with the approval of the Supervisory Board, to determine additional terms regarding the share rights and the details of the execution of the capital increase.

In fiscal year 2025, the Management Board did not exercise the authorization to increase the capital from Authorized Capital 2024/I.

CONTINGENT CAPITAL

The Management Board is also authorized by resolution of the Annual General Meeting on June 11, 2024, with the consent of the Supervisory Board, to issue bearer or registered convertible bonds, bonds with warrants and/or participating bonds (or combinations of these instruments) (collectively referred to as "bonds"), with or without a term limitation to the bearer or the account of the company or a third party as issuer, up to a total nominal amount of EUR 350,000,000.00, dated or undated, on one or several occasions up to and including June 10, 2029, and to grant the bearers or creditors of bonds conversion or option rights to subscribe to up to 9,078,860 no-par-value bearer shares in the company with a notional interest in the share capital of up to EUR 9,078,860.00, as specified in the terms and conditions of the bonds, and/or to establish obligations in the terms and conditions of the bonds to convert the respective bond into such shares. The bonds may be issued in exchange for cash or contributions in kind.

The shareholders shall, in principle, have a subscription right to the bonds. The subscription right may also be granted indirectly by the bonds being underwritten by one or several credit or securities institution(s) or other companies within the meaning of Section 186 (5) sentence 1 of the German Stock Corporation Act (AktG) with the obligation to offer them to the shareholders for subscription. If bonds are issued by a Group company, the company must ensure that the statutory subscription rights for shareholders of the company are granted in accordance with the above.

Nevertheless, the Management Board is authorized, with the consent of the Supervisory Board, to exclude the shareholders' subscription right to the bonds:

a) for fractional amounts arising as a result of the subscription ratio;

b) insofar as it is necessary to grant the holders of previously issued conversion or option rights to shares in the company or the creditors of convertible bonds with conversion obligations a subscription right to the extent to which they would be entitled as shareholders after exercising these conversion or option rights or after fulfillment of the conversion obligations;

c) to the extent that bonds with conversion and/or option rights or conversion obligations are to be issued against cash contributions and the issue price is not significantly lower than the theoretical market value of the bonds with conversion and/or option rights or conversion obligations determined in accordance with recognized actuarial methods. Nevertheless, this authorization to exclude subscription rights applies only to the extent that the shares issued to service the conversion and option rights or to fulfill the conversion obligation do not in total represent more than 10% of the share capital, either at the time of entry into force or – should this be lower – at the time of exercise of the authorization ("maximum amount"). The maximum amount is to be reduced by the portion of the share capital attributable to new or previously acquired treasury shares that are issued or sold during the term of this authorization under the simplified exclusion of subscription rights in accordance with or pursuant to Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG), as well as the portion of the share capital attributable to shares that can or must be subscribed for on the basis of option and/or conversion rights or obligations that are issued during the term of this authorization under exclusion of subscription rights in analogous application of Section 186, Paragraph 3, sentence 4 of the German Stock Corporation Act;

d) insofar as bonds are issued in return for contributions in kind (in particular, of companies, parts of companies or interests in companies or other assets, including receivables), provided that the value of the contribution in kind is commensurate with the market value of the bonds.

Insofar as profit-sharing bonds without conversion rights, option rights or conversion obligations are issued, the Management Board is authorized, with the consent of the Supervisory Board, to exclude the shareholders' subscription rights altogether if these profit-sharing bonds have bond-like features, i.e. if they do not establish any membership rights in the company, do not grant any participation in liquidation proceeds and the amount of interest is not calculated on the basis of the amount of net profit, the balance sheet profit or the dividend. Furthermore, in this case, the interest and the issue price of the participating bonds must correspond to the current market conditions for comparable borrowings at the time of issue.

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The Management Board has voluntarily declared that, on the basis of the above authorization, it will only issue bonds excluding shareholders' subscription rights if the total number of new shares to be issued on the basis of such bonds, together with shares that are issued or transferred by the company during the term of this authorization under another authorization excluding subscription rights or that are to be issued on the basis of a bond issued during the term of this authorization bond issued on the basis of the utilization of another authorization under exclusion of subscription rights, does not exceed a total of 10% of the share capital, either at the time this authorization takes effect or – if this value is lower – at the time this authorization is exercised.

The Annual General Meeting on June 11, 2024, created Contingent Capital 2024/I of up to EUR 9,078,860.00 for the purpose of granting no-par bearer shares to the holders or creditors of bonds issued on the basis of the authorization resolution of the Annual General Meeting on June 11, 2024.

In fiscal year 2025, the Management Board did not utilize the authorization to execute a capital increase from Authorized Capital 2024/I.

PURCHASE OF TREASURY SHARES

SAF-HOLLAND SE is permitted to repurchase treasury shares only after obtaining prior authorization from the Annual General Meeting or in the rare cases expressly governed by the German Stock Corporation Act. The Annual General Meeting passed the following resolutions on June 10, 2021:

a) The company shall be authorized until June 9, 2026, to purchase treasury shares up to a total of 10% of the share capital existing at the time the resolution is adopted or – if lower – at the time the authorization is exercised, subject to the statutory limits. Together with other treasury shares acquired by the company and held by or attributable to the company, the treasury shares purchased on the basis of this authorization may at no time exceed 10% of the company's share capital existing at the time the resolution is adopted or – if lower – at the time the authorization is exercised. Purchases for the purpose of trading in treasury shares are not permitted.

The authorization may be exercised in whole or in part, once or several times, in pursuit of one or more purposes by the company or also by its Group companies or by third parties for its or their own account.

At the discretion of the Management Board, treasury shares may be purchased on the stock exchange or by means of a public purchase offer to all shareholders or a public invitation to tender an offer for sale. In the event of a purchase via the stock exchange, the consideration paid per share (excluding incidental acquisition costs) may not be more than 10% higher or 20% lower than the average closing price of the company's shares of the same class in Xetra trading (or a comparable successor system) on the last five trading days of the Frankfurt Stock Exchange prior to entering into the obligation to purchase. In the case of a public offer to purchase or a public invitation to tender an offer to sell, the purchase price offered or the limits of the purchase price range per share (excluding incidental acquisition costs) may not be more than 10% higher or 20% lower than the average closing price of the company's shares of the same class in Xetra trading (or a comparable successor system) on the last five trading days of the Frankfurt Stock Exchange prior to the date of publication of the offer or the public invitation to tender an offer to sell. If there are significant deviations in the relevant price after publication of a purchase offer or the public invitation to tender an offer to sell, the offer or the invitation to tender an offer may be adjusted. In this case, the relevant price shall be determined on the basis of the closing price for shares of the company of the same class in Xetra trading (or a comparable successor system) on the last day of trading on the Frankfurt Stock Exchange prior to publication of the adjustment; the 10% limit for exceeding or the 20% limit for falling short shall be applied to this amount. The volume of the offer or invitation to tender an offer may be limited. If the total acceptance of the offer or the offers tendered by the shareholders in response to an invitation to tender an offer exceed or exceeds this volume, the purchase or acceptance must take place by partially excluding any tender rights of the shareholders in proportion to the shares offered in each case. Preferential purchase or preferential acceptance of smaller numbers of up to 100 shares of the company offered for purchase per shareholder of the company may be provided for with the partial exclusion of possible tender rights of shareholders. The offer to purchase or the invitation to tender a sales offer may include additional terms and conditions.

b) The Management Board is authorized to utilize the company shares purchased on the basis of this authorization for all legally permissible purposes, including, but not limited to, the following purposes:

aa) The purchased treasury shares may also be sold in a manner other than via the stock exchange or by means of an offer to all shareholders if the shares are sold for cash at a price that is not significantly lower than the stock market price of company shares of the same class at the time of the sale. The relevant stock market price for the purposes of the above provision shall be the average closing price of the company's shares of the same class in Xetra trading (or a comparable successor system) on the last five trading days of the Frankfurt Stock Exchange prior to entering into the obligation to sell the shares. The subscription rights of shareholders are excluded. However, this authorization shall only apply on the condition that the shares sold subject to the exclusion of subscription rights in accordance with Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) may not exceed a total of 10% of the share capital, either at the time this authorization becomes effective or at the time it is exercised ("maximum limit"). Shares issued from authorized capital during the term of this authorization in accordance with Sections 203 (2), 186 (3) sentence 4 of the German Stock Corporation Act (AktG), excluding subscription rights, shall be included in this maximum limit. Furthermore, this maximum limit shall include those shares which have been or may still be issued to service convertible bonds and/or bonds with options, profit participation rights and/or income bonds (or combinations of these instruments), provided that the underlying bonds were issued during the term of this authorization excluding subscription rights on the basis of an authorization to issue convertible bonds and/or bonds with options, profit participation rights and/or income bonds (or combinations of these instruments) applying Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) accordingly. Such offsetting shall not apply if authorizations to issue new shares from authorized capital with the possibility to exclude subscription rights pursuant to Section 203 (2) and Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) or to issue convertible bonds and/or bonds with options, profit participation rights and/or income bonds (or combinations of these instruments) are granted again by the Annual General Meeting applying Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) by analogy, after the exercise of such authorizations which led to the offsetting.

bb) The purchased treasury shares may also be sold in a way other than via the stock exchange or by means of an offer to all shareholders, insofar as this is done in return for non-cash contributions by third parties, including, but not limited to, in connection with the acquisition of companies, businesses, parts of companies or interests in companies, or other assets or claims to the acquisition of assets eligible for a contribution in kind, including claims against the company or its Group companies, or in order to fulfill conversion rights or obligations of holders or creditors of convertible bonds and/or bonds with options, profit participation rights and/or income bonds (or combinations of these instruments) issued by the company or by Group companies. The subscription rights of shareholders are excluded in each case.

cc) The purchased treasury shares may be canceled in whole or in part without any further resolution by the Annual General Meeting. They may also be retired in a simplified procedure without a capital reduction by adjusting the notional interest of the remaining no-par value shares in the company's share capital. Such cancellation of share capital may be limited to a portion of the shares purchased. If the cancellation is affected by simplified procedure, the Management Board is authorized to adjust the number of no-par value shares in the Articles of Association.

c) The authorizations under lit. b) also cover the use of shares in the company purchased on the basis of Section 71d sentence 5 of the German Stock Corporation Act (AktG).

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d) The authorizations under lit. b) may be exercised once or several times, in whole or in part, individually or jointly; the authorizations under lit. b), aa) and bb) may also be exercised by dependent companies or companies in which the company holds the majority ownership or by third parties acting for their account or for the account of the company.

e) The Supervisory Board may determine that measures of the Management Board based on this resolution of the Annual General Meeting may only be taken with its consent.

In fiscal year 2025, the Management Board exercised its authorization to acquire treasury shares as part of the 2025 share buyback program. Under the 2025 share buyback program, between November 21, 2025, and June 9, 2026, and subject to the granting of a new authorization to acquire and use treasury shares by the 2026 Annual General Meeting, up to December 31, 2026, a total of up to 2,269,715 of the company's own shares (corresponding to up to 5% of the company's share capital) may be repurchased at a total purchase price (excluding incidental acquisition costs) of up to EUR 40 million. A total of 366,453 shares were acquired under this program by December 31, 2025.

VIII. SIGNIFICANT COMPANY AGREEMENTS CONTINGENT UPON A CHANGE OF CONTROL

The company has issued one promissory note in each of the years 2020, 2022, 2023 and 2024 with volumes of EUR 250 million, EUR 176 million, EUR 105 million and EUR 100 million respectively and two promissory note loans in 2025 with volumes of EUR 20 million and EUR 330 million (of which EUR 35 million with a value date of June 2026), which become due at various times, depending on the terms of their individual tranches. Tranches totaling EUR 20 million are still outstanding for the promissory note loan taken out in 2020, tranches totaling EUR 53.5 million are still outstanding for the promissory note loan from 2022, and tranches totaling EUR 51.5 million are still outstanding for the promissory note loan from 2023. In the event of a change of control, the contractual terms and conditions for all promissory note loans stipulate that each lender may, within a certain period of time after receiving notification of the change of control, call due its portion of the respective loan in full and demand repayment at the nominal amount plus any accrued interest and all other amounts owed under the respective promissory note loan (e.g. compensation for interest lost due to early repayment). Repayment is due immediately, in the case of the promissory note loans from 2024 and 2025 within 30 bank working days of receipt of the notification of the change of control by the paying agent.

The current syndicated loan agreement for up to EUR 550 million from 2022 (divided into Term Loan A with EUR 150 million (completely repaid), Term Loan B with EUR 150 million (remaining amount EUR 83.1 million) and the drawn and undrawn revolving lines totaling EUR 250 million also contains an agreement in the event of a change of control. In this case, the company must notify the agent under the syndicate agreement of the event immediately after the change of control. After the change of control has taken place, each lender has the right, at its discretion, to refuse to draw on the credit lines provided by it under the syndicated loan agreement and to terminate all credit lines granted by it and to demand payment of all amounts owed under the respective loan agreement plus accrued interest via the agent with a notice period of 10 days, provided that it notifies the agent of this within a period of 30 days.

Under two loan agreements dated June 13, 2016, SAF-HOLLAND SE, together with SAF-HOLLAND Inc., is acting as a guarantor to IKB Deutsche Industriebank AG, with SAF-HOLLAND GmbH as the borrower. The loans of EUR 25 million and EUR 10 million are to be repaid no later than June 26, 2026. In the event of a change of control, the contractual conditions of the respective loans stipulate that the bank may call the loan due in full within a period of 15 days from receipt of the change of control notification and demand immediate repayment of the loan plus any accrued interest and all other amounts owed (such as compensation for interest lost due to early repayment).

In 2021, SAF-HOLLAND GmbH took out an additional loan of EUR 10 million from Oldenburgische Landesbank AG. SAF-HOLLAND SE is also a guarantor for this loan. In the event of a change of control, Section 12 of the loan agreement allows for a prolongation of the contract to the mutual satisfaction of both parties in good time.

SAF-HOLLAND GmbH took out an additional loan of EUR 15 million from TARGOBANK AG in 2025. SAF-HOLLAND SE is also one of the guarantors for this loan. In the event of a change of control, this agreement provides for a right of termination without notice under Section 15.

Beyond the above, the company is not party to any other important agreements that take effect, change or terminate upon the company's change of control following a takeover bid.

In the event of a change of control, each member of the Management Board has a one-time right to resign from office by giving three months' notice to the end of the respective month and to terminate the employment contract on that same date. This special right of termination exists solely within one month of the date on which the Management Board member becomes aware that a change of control has actually occurred. In the event of premature termination of the employment contract due to a change of control, there is no entitlement to severance pay.

IX. COMPENSATION AGREEMENTS IN THE EVENT OF A TAKEOVER BID

No agreements exist between the company and the members of the Management Board that would provide for compensation arrangements for the members of the Management Board if, in the event of a takeover bid, the employment relationship is terminated without due cause or because of a takeover bid.

There are agreements however between the company and individual employees in corresponding departments that provide for compensation agreements for the employees in the event of a takeover bid if the employment relationship in the respective position ends, under certain conditions, indirectly due to a takeover. According to the company's assessment, these agreements are of minor financial significance for the company and include an extension of the statutory notice period by an additional three months and/or the assurance of a severance payment in the amount of an average gross monthly salary per year of employment.

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SUBSEQUENT EVENTS

PROMISSORY NOTE LOAN SUCCESSFULLY PLACED

On January 15, 2026, SAF-HOLLAND SE successfully completed a promissory note transaction with a volume of EUR 100 million through its subsidiary SAF-HOLLAND GmbH. The promissory note loan has variable interest rates and a term of 5 years. Payment was made with a value date of January 22, 2026. The proceeds from the issue were used, among other purposes, to make an early repayment of EUR 83 million on the term loans taken out in August 2022 (original volume EUR 300 million) that were used to finance the acquisition of Haldex AB.

GEOPOLITICAL DEVELOPMENTS

After the end of the reporting period, there were several legal and geopolitical developments that the Management Board assessed with regard to their possible impact on the Group.

The United States Supreme Court ruled that the International Emergency Economic Powers Act (IEEPA) does not provide a sufficient legal basis for imposing additional import duties. As a result, all additional tariffs based on the IEEPA, including reciprocal tariffs, were declared unlawful and lose their legal effect with immediate effect.

The ruling essentially means that affected importers may be able to claim refunds for IEEPA-based import duties already paid. However, the court did not comment on the scope, procedure, or deadlines for possible refunds. At the time of preparing the consolidated financial statements, there are therefore significant uncertainties regarding the enforceability, amount, and timing of potential refunds. The decision represents an adjusting event after the reporting period after the reporting period; accordingly, no adjustments were made to the assets or liabilities reported in the balance sheet. In addition, there are currently no sufficient grounds for recognizing an asset or recording a contingent asset. The Group is evaluating possible reimbursement claims and is continuously monitoring further legal and regulatory developments.

In addition, the Management Board is continuously analyzing the resulting geopolitical and economic developments from the Iran conflict that began in February and their possible impact on the Group. At the time of preparing the consolidated financial statements, there are no indications of any significant impact on the Group's net assets, financial position, and results of operations. Unless the conflict escalates significantly or continues for a longer period of time, the Management Board does not currently expect any significant negative impact on the Group.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in EUR thousand	Notes	Q1–Q4/2025	Q1–Q4/2024
Sales	(5.1)	1,734,364	1,876,747
Cost of sales	(5.2)	–1,347,194	–1,459,019
Gross profit		**387,170**	**417,728**
Other income	(5.3.1)	4,255	4,449
Selling expenses	(5.3.2)	–111,789	–110,052
Administrative expenses	(5.3.3)	–117,253	–111,945
Research and development expenses	(5.3.4)	–33,914	–39,001
Operating result		**128,469**	**161,179**
Share of net profit of investments accounted for using the equity method	(6.4)	448	270
Earnings before interest and taxes		**128,917**	**161,449**
Financial income	(5.3.5)	13,716	19,219
Financial expenses	(5.3.5)	–64,337	–60,567
Financial result	**(5.3.5)**	**–50,621**	**–41,348**
Result before income tax		**78,296**	**120,101**
Income tax	(5.4)	–27,347	–41,874
Result for the period		**50,949**	**78,227**
Attributable to:			
Equity holders of the parent		50,949	77,349
Shares of non-controlling interests		–	878
Other comprehensive income			
Remeasurements of defined benefit plans	(6.9)	4,069	8,436
Income tax effects on items recognized in other comprehensive income	(6.9)	–741	–2,045
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	(6.9)	–32,831	5,274
Other comprehensive income		**–29,503**	**11,665**
Comprehensive income for the period		**21,446**	**89,892**
Attributable to:			
Equity holders of the parent		21,216	88,913
Shares of non-controlling interests		230	979
Basic earnings per share/ diluted earnings per share in EUR	**(7.2)**	**1.12**	**1.70**

CONSOLIDATED BALANCE SHEET

in EUR thousand	Notes	12/31/2025	12/31/2024
Assets			
Non-current assets		**823,740**	**854,619**
Goodwill	(6.1)	130,425	137,925
Other intangible assets	(6.1)	276,802	302,371
Property, plant and equipment	(6.2)	355,820	358,567
Investments accounted for using the equity method	(6.4)	11,481	13,024
Financial assets	(6.5)	8,755	7,288
Other non-current assets	(6.5)	24,466	26,191
Deferred tax assets	(5.4)	15,991	9,253
Current assets		**839,571**	**857,250**
Inventories	(6.6)	260,426	291,469
Trade receivables	(6.7)	203,609	184,975
Income tax receivables		6,256	6,757
Other current assets	(6.5)	57,812	62,869
Financial assets	(6.5)	16,969	10,450
Cash and cash equivalents	(6.8)	294,499	300,730
Balance sheet total		**1,663,311**	**1,711,869**

in EUR thousand	Notes	12/31/2025	12/31/2024
Equity and liabilities			
Total equity	(6.9)	**491,954**	**527,100**
Equity attributable to equity holders of the parent		**491,954**	**523,463**
Subscribed share capital		45,394	45,394
Share premium		224,104	224,104
Treasury shares		–5,336	–
Retained earnings		263,309	259,749
Accumulated other comprehensive income		–35,517	–5,784
Shares of non-controlling interests		–	3,637
Non-current liabilities		**828,240**	**673,022**
Pensions and other similar benefits	(6.10)	38,411	42,713
Other provisions	(6.11)	14,970	17,755
Interest bearing loans and bonds	(6.12)	631,614	479,070
Lease liabilities	(6.3)	92,557	72,841
Other liabilities	(6.14)	428	417
Deferred tax liabilities	(5.4)	50,260	60,226
Current liabilities		**343,117**	**511,747**
Other provisions	(6.11)	19,092	23,436
Interest bearing loans and bonds	(6.12)	57,038	205,010
Lease liabilities	(6.3)	18,574	17,284
Trade payables	(6.13)	173,181	185,381
Income tax liabilities		8,090	13,138
Other financial liabilities	(6.14)	17,713	16,283
Other liabilities	(6.14)	49,429	51,215
Balance sheet total		**1,663,311**	**1,711,869**

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in EUR thousand								Q1–Q4/2025
	Attributable to equity holders of the parent							
	Subscribed share capital	Share premium	Retained earnings	Accumulated other comprehensive income	Treasury shares	Total amount	Shares of non-controlling interests	Total equity (Note.6.9)
As of 01/01/2025	**45,394**	**224,104**	**259,749**	**–5,784**	**–**	**523,463**	**3,637**	**527,100**
Result for the period	–	–	50,949	–	–	50,949	–	50,949
Other comprehensive income	–	–	–	–29,733	–	–29,733	230	–29,503
Comprehensive income for the period	**–**	**–**	**50,949**	**–29,733**	**–**	**21,216**	**230**	**21,446**
Dividend	–	–	–38,585	–	–	–38,585	–	–38,585
Transactions with non-controlling interests	–	–	–8,804	–	–	–8,804	–3,867	–12,671
Acquisition of treasury shares	–	–	–	–	–5,336	–5,336	–	–5,336
As of 12/31/2025	**45,394**	**224,104**	**263,309**	**–35,517**	**–5,336**	**491,954**	**–**	**491,954**

in EUR thousand							Q1–Q4/2024
	Attributable to equity holders of the parent						
	Subscribed share capital	Share premium	Retained earnings	Accumulated other comprehensive income	Total amount	Shares of non-controlling interests	Total equity (Note.6.9)
As of 01/01/2024	**45,394**	**224,104**	**220,896**	**–17,348**	**473,046**	**2,923**	**475,969**
Result for the period	–	–	77,349	–	77,349	878	78,227
Other comprehensive income	–	–	–	11,564	11,564	101	11,665
Comprehensive income for the period	**–**	**–**	**77,349**	**11,564**	**88,913**	**979**	**89,892**
Dividend	–	–	–38,585	–	–38,585	–	–38,585
Share-based payment	–	–	89	–	89	–	89
Transactions with non-controlling interests	–	–	–	–	–	–265	–265
As of 12/31/2024	**45,394**	**224,104**	**259,749**	**–5,784**	**523,463**	**3,637**	**527,100**

CONSOLIDATED STATEMENT OF CASH FLOWS

	in EUR thousand	Notes	Q1–Q4/2025	Q1–Q4/2024
	Cash flow from operating activities			
	Result before income tax		**78,296**	**120,101**
–	Financial income	(5.3.5)	–13,716	–19,219
+	Financial expenses	(5.3.5)	64,337	60,567
+/–	Share of net profit of investments accounted for using the equity method	(6.4)	–448	–270
+/–	Other non-cash transactions	(7.3)	218	–3,154
+	Amortization and depreciation of intangible assets and property, plant and equipment	(5.3.7)	90,884	89,001
+	Impairment of property, plant and equipment and other intangible assets	(5.3.7)	1,868	1,955
+	Allowance of current assets	(6.6/6.7)	7,090	10,812
+/–	Change in other provisions and pensions		–7,306	–5,044
+/–	Change in other assets		244	–21,149
+/–	Change in other liabilities		2,718	–18,770
+/–	Loss/Gain on disposal of property, plant and equipment		151	–271
+	Dividends from investments accounted for using the equity method	(6.4)	709	578
	Cash flow before change of net working capital		**225,045**	**215,137**
+/–	Change in inventories		9,719	32,155
+/–	Change in trade receivables[1]		–25,628	54,743
+/–	Change in trade payables		–3,956	–57,363
	Change of net working capital		**–19,865**	**29,535**
	Cash flow from operating activities before income tax paid		**205,180**	**244,672**
–	Income tax paid	(5.4)	–44,857	–44,020
	Net cash flow from operating activities		**160,323**	**200,652**
	Cash flow from investing activities			
–	Purchase of property, plant and equipment	(6.2)	–41,297	–48,505
–	Purchase of intangible assets	(6.1)	–10,662	–8,940
+	Proceeds from sales of property, plant and equipment		2,727	3,306
–	Purchase of other financial assets		–2,837	–6,529
–	Payments for Acquisition of subsidiaries net of cash	(3)	–	–39,810
+	Interest received		5,153	3,054
	Net cash flow from investing activities		**–46,916**	**–97,424**
	Cash flow from financing activities			
–	Dividend payments to shareholders of SAF-HOLLAND SE	(6.9)	–38,585	–38,585
+	Proceeds from the increase in long-term other loans.	(6.12)	255,000	100,000
–	Acquisition of treasury shares	(6.9)	–5,336	–
–	Payments of interests of leasing liabilities		–6,296	–4,622
–	Repayments of current and non-current financial liabilities	(6.12)	–190,112	–68,000
+/–	Proceeds and payments from hedging instruments	(7.1)	156	–365
–	Payments for lease liabilities	(7.1)	–18,093	–16,794
–	Interest paid		–26,410	–33,866
+	Proceeds from the drawdown of credit facilities[2]	(6.12)	77,531	70,000
–	Repayment of borrowings under the credit facilities[2]	(6.12)	–140,000	–56,306
+/–	Transactions with non-controlling interests	(6.9)	–12,671	–265
–	Paid transaction costs		–1,127	–240
	Net cash flow from financing activities		**–105,943**	**–49,043**
	Net increase/decrease in cash and cash equivalents		**7,464**	**54,185**
+/–	Effect of changes in exchange rates on cash and cash equivalents		–13,695	269
	Cash and cash equivalents at the beginning of the period	(6.8)	**300,730**	**246,276**
	Cash and cash equivalents at the end of the period	(6.8)	**294,499**	**300,730**

[1] As of Dezember 31, 2025 and 2024, trade receivables were sold as part of a factoring agreement (see section 6.7 in the notes to the consolidated financial statements).

[2] The utilization of the credit facility was changed to a gross presentation, as the requirements of IAS 7.22(b) are no longer considered to be met. For better comparability, the prior-year figures were adjusted accordingly.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year January 1 through December 31, 2025.

1. CORPORATE INFORMATION

SAF-HOLLAND SE, headquartered at Hauptstraße 26, Bessenbach, is the ultimate parent company of the SAF-HOLLAND Group. The company is registered in the Commercial Register of the District Court of Aschaffenburg under the registration number HRB 15646.

The SAF-HOLLAND Group is one of the world's leading manufacturers of chassis-related systems and components, primarily for trailers, trucks and buses. The product range includes, among other products, axle and suspension systems for trailers, as well as fifth wheels and coupling systems for trucks, trailers and semi-trailers, and braking and EBS systems.

The company's shares are listed in the SDAX of the Frankfurt Stock Exchange.

The Consolidated Financial Statements of SAF-HOLLAND SE were compiled by the Management Board on March 12, 2026, and are scheduled for publication by the Management Board after being reviewed and approved by the Supervisory Board on March 13, 2026.

The financial statements, the Consolidated Financial Statements and the Combined Management Report of SAF-HOLLAND SE for fiscal year 2025 will be published in the Federal Gazette. The financial statements of SAF-HOLLAND SE for 2025 and the Consolidated Financial Statements and Combined Management Report can be downloaded from https://corporate.safholland.com/de/investor-relations.

2. ACCOUNTING AND VALUATION PRINCIPLES

2.1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The Consolidated Financial Statements of SAF-HOLLAND SE were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union and applicable as of the reporting date.

The Consolidated Financial Statements are prepared using the historical cost principle, except for equity instruments and derivative financial instruments, which are measured at fair value.

The balance sheet presents current and non-current assets and current and non-current liabilities. The Consolidated Statement of Comprehensive Income is prepared according to the cost of sales method. Certain items in the Consolidated Statement of Comprehensive Income and the balance sheet are aggregated. They are disclosed separately in the Notes to the Consolidated Financial Statements.

The Consolidated Financial Statements are prepared in euros. Unless stated otherwise, all amounts are presented in euro thousands (EUR thousand). Due to rounding, individual figures may not add up precisely to the totals provided.

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In preparing the Consolidated Financial Statements, the management has made assumptions and estimates that affect the reported amounts of assets, liabilities, income, expenses and contingent liabilities as of the reporting date. Due to the currently unpredictable consequences of the Ukraine and Middle East conflicts and other political and economic uncertainties – such as the trade policy of the new US administration – estimates and discretionary decisions are subject to increased uncertainty. This applies in particular to the assumptions regarding the future development of cash flows made during the impairment testing of goodwill. The actual figures may in some cases differ from these assumptions and estimates, which could have an impact on the recognition and measurement of assets and liabilities – and goodwill in particular. However, the sensitivity analyses conducted during the impairment testing of goodwill revealed that there are no indications of impairment for any of the three regions: EMEA, Americas and APAC. Reference is made to the comments on the assumptions and sensitivity analyses in Note 6.1.

Any changes in assumptions and estimates are recognized in profit and loss as soon as they become known. The following section details the key forward-looking assumptions as well as other main sources of estimation uncertainty as of the reporting date that pose a significant risk that a material adjustment to the carrying amounts of assets and liabilities may be necessary within the subsequent fiscal year.

Impairment of goodwill and intangible assets with indefinite useful lives
The Group tests goodwill and other intangible assets with indefinite useful lives for impairment at least once a year and when there is an indication of impairment.

Assumptions are based on the information available at the time, particularly the expected business developments, current conditions and realistic assessments of the future development of the global and industry specific environment. The key assumptions underlying the company's planning are based on projected unit volumes for the truck and trailer markets published by market research companies and planning discussions with the Group's main customers. Although management believes that the assumptions used to calculate the recoverable amount are reliable, any unforeseen changes in these assumptions could lead to an impairment charge that could adversely affect the Group's asset, financial and earnings position. The basic assumption to determine the recoverable amount for the various cash-generating units and intangible assets with indefinite useful lives, including a sensitivity analysis, are discussed in more detail in Note 6.1. As of December 31, 2025, the carrying amount of goodwill was EUR 130.4 million (previous year: EUR 137.9 million), and that of intangible assets with indefinite useful lives amounted to EUR 61.8 million (previous year: EUR 62.4 million).

Measurement of property, plant and equipment and intangible assets with finite useful lives
Measurement of property, plant and equipment and intangible assets with finite useful lives requires the use of estimates for determining the fair value at the acquisition date, particularly for assets acquired in a business combination. Furthermore, the expected useful lives of these assets must be determined. The determination of the fair values of the assets and the useful life as well as the impairment tests in the event of indications of impairment are based on management's judgment. As of December 31, 2025, the carrying amount of obligations was EUR 355.8 million (previous year: EUR 358.6 million), and that of intangible assets with a defined useful life amounted to EUR 215.0 million (previous year: EUR 239.9 million). Further details are provided in Notes 6.1 and 6.2.

Equity instruments measured at fair value through other comprehensive income
If the fair value of the recognized financial assets and financial liabilities cannot be determined by reference to listed prices on active markets, it is measured using valuation techniques, including the discounted cash flow method, among others. The input factors for this model are taken from observable market data when possible. If these are not available, fair value measurement relies heavily on management's judgement. Changes to assumptions made could affect the recognized fair values of financial and equity instruments. Reference is made to Note 7.1 for more information.

Income taxes
Tax items are determined taking the local tax laws and relevant administrative opinions into account. Due to their complexity, tax positions are subject to the risk that the taxpayer and the tax authorities interpret tax matters differently. Different interpretations of existing or new tax legislation introduced by tax reforms or other law-making procedures can lead to back-taxes for past years (transfer prices, for instance). Such matters are considered by the management when they make their estimate.

At each reporting date, the Group assesses whether the realization of future tax benefits is probable enough to recognize deferred tax assets. Among other tasks, this requires management to assess the tax benefits arising from the available tax strategies and future taxable income and to take any other positive or negative factors into account. In order to make this assessment, the projected taxable income is estimated based on the company's planning. The reported amount of deferred tax assets could decline if the projected taxable income is lower than expected, or if changes in current tax legislation restrict the timing or scope of future tax benefits.

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Deferred tax assets are recognized for all unused tax loss carryforwards to the extent that it is probable that there will be taxable profits against which the losses can be utilized. Deferred tax assets for all unused interest carryforwards are recognized to the extent that it is probable that they can be used in the future to reduce taxable income. As of December 31, 2025, the carrying amount of deferred tax assets recognized on unused loss carryforwards came to EUR 20.2 million (previous year: EUR 21.3 million). Tax loss carryforwards for which no deferred tax assets were recognized; amounted to EUR 62.8 million (previous year: EUR 57.9 million). In addition, as of December 31, 2025, the carrying amount of deferred tax assets recognized on interest carryforwards was EUR 3.6 million (previous year: EUR 0.0 million). Further details are provided in Note 5.4.

Leasing liabilities

According to IFRS 16, the terms of leases are based on the non-cancellable term of the lease and an assessment of any options to extend or terminate the lease. The decision on the lease terms and the discount rate used has an influence on the amount at which right-of-use assets and lease liabilities are recognized.

Pension and similar commitments

The costs of defined benefit plans and post-employment medical benefits are determined on the basis of actuarial calculations. The actuarial valuation is based on assumptions regarding discount rates, future wage and salary increases, mortality rates, future pension increases and expected fluctuations as well as trends in healthcare costs. All assumptions are reviewed on the reporting date. Management derives the appropriate discount rates based on the interest rates on corporate bonds in the respective currency that have at least an AA rating. Bonds with higher default risks or offering much higher or lower returns (statistical outliers) compared to other bonds in the same risk category are not considered. The bonds are adjusted to the expected term of the defined benefit obligations through extrapolation. Mortality rates are based on publicly available mortality tables for the respective country. Future wage, salary and pension increases are based on expected future inflation rates for a given country and the structure of the defined benefit plan.

Due to the long-term nature of pension plans, such estimates are subject to significant uncertainty. As of December 31, 2025, the carrying amount of pensions and other similar obligations was EUR 38.4 million (previous year: EUR 42.7 million). Further details, including a sensitivity analysis, are provided in Note 6.10.

Other provisions

The recognition and measurement of other provisions are based on estimates of the probability of the future outflows of benefits based on past experience and the circumstances known as of the reporting date. As a result, the actual outflow of benefits may differ from the amount recognized under other provisions.

As of December 31, 2025, other provisions amounted to EUR 34.1 million (previous year: EUR 41.2 million). Further details are provided in Note 6.11.

Guarantees and warranties

The provision for guarantees and warranties is recognized on the basis of past experience considering the circumstances on the reporting date for the products in circulation. For this reason, the actual cash outflows could differ from the amount set aside in the provision for guarantees and warranties. The provision for guarantees and warranties is included in other provisions and amounts to EUR 11.3 million as of the reporting date (previous year: EUR 20.5 million). Further details are provided in Note 6.11.

Variable remuneration
The Group initially recognizes the cost of Share Units (appreciation rights) granted to members of the Management Board and certain managers at the fair value of the appreciation rights at the grant date and subsequently measures them on each reporting date as well as on the settlement date. Estimating the fair value of variable payments requires the selection of an appropriate valuation model depending on the terms and conditions of the agreements. This model includes a variety of inputs for which assumptions must be made to estimate the fair value. The main inputs are the expected life of the option, the volatility of the share price and the expected dividend yield. The life of the option is based on the remaining period of the performance share unit plans. As of December 31, 2025, the carrying amount of obligations was EUR 4.7 million (previous year: EUR 5.1 million). Further details are provided in Note 6.11.

Derivative financial instruments
If the fair value of financial assets and financial liabilities recognized in the balance sheet cannot be derived from an active market, it is determined by using valuation models. The input factors for this model are taken from observable market data when possible. If this is not possible, the determination of fair values represents a discretionary decision to a certain extent. This judgement considers parameters such as liquidity risk, credit risk and volatility. Changes in the assumptions about these factors could affect the recognized fair value of financial instruments. As of December 31, 2025, the carrying amount of derivative financial instruments was EUR 0.1 million (previous year: EUR 0.2 million). Further details are provided in Note 7.1.

Climate-related aspects
The Group constantly reviews the extent to which climate-related risks and opportunities have a material impact on its asset, financial and earnings position. In particular, it takes physical risks and transitional risks associated with regulatory changes, technological developments and market changes into account.

As part of this assessment, climate-related aspects were included in the significant judgements and estimates, in particular with regard to:

- Impairment testing of goodwill and other non-current assets,
- the determination of useful lives and residual values of property, plant and equipment,
- the valuation of provisions, and
- the estimation of future cash flows.

Based on the information available in fiscal year 2025, there were no significant adjustments to the reported values as a result of climate-related issues. Nevertheless, climate-related risks and regulatory developments may affect assumptions and estimates in the future.

The Group will continue to closely monitor the further development of regulatory requirements, particularly in connection with sustainability reporting in accordance with IFRS S1 and IFRS S2, and regularly evaluate their impact on financial reporting.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidation principles
The Consolidated Financial Statements consist of the financial statements of SAF-HOLLAND SE and its subsidiaries as of December 31 of each year. The financial statements of the consolidated subsidiaries, associates and joint ventures are prepared for the same reporting date as the parent company and apply uniform accounting and measurement policies.

All receivables and payables, sales and income, expenses and unrealized gains and losses from intercompany transactions are eliminated in full during consolidation.

Subsidiaries are fully consolidated from the date of acquisition, i.e., from the date on which the company obtains control. SAF-HOLLAND SE controls an investee when it has direct or indirect power over the investee, is exposed to the variable returns from its involvement with the company and has the ability to affect the variable returns through its power over the investee. An entity is no longer consolidated when a control relationship with the parent company no longer exists.

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Business combinations

Business combinations are accounted for using the acquisition method. Under this method, the cost of an acquisition represents the total consideration transferred measured at fair value on the acquisition date. For each business combination, the acquirer measures the non-controlling interest in the acquired company either at fair value or the proportionate share of the acquired company's identifiable net assets measured at fair value. Acquisition costs related to a business combination are expensed as incurred. The contingent consideration agreed is recognized at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration, which represents an asset or liability, are recognized in profit and loss. If the contingent consideration is classified as equity, it will not be remeasured. The subsequent settlement is accounted for within equity. In a business combination achieved in stages, the acquirer's previously held interest in the acquired company is first remeasured at its fair value on the acquisition date and any resulting gain or loss is recognized in profit and loss.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the parent company loses control over a subsidiary, it will:

- derecognize the assets (including goodwill) and liabilities of the subsidiary,
- derecognize the carrying amount of any non-controlling interest in the former subsidiary,
- derecognize cumulative translation differences recognized in equity,
- recognize the fair value of the consideration received,
- recognize the fair value of any investment retained,
- recognize any gains and losses in profit and loss,
- reclassify the parent company's share of other comprehensive income components to profit and loss or retained earnings, depending on the specific circumstances.

Shares in associates and joint ventures

Investments in associates and joint ventures are accounted for in the Consolidated Financial Statements using the equity method.

An associate is an entity over which the Group can exercise considerable influence by participating in the entity's financial and operating policy decisions but cannot exert control or joint control over those decision processes. Considerable influence is generally assumed when the Group holds between 20% and 50% of the voting rights.

A joint venture is a joint arrangement in which the parties have joint control over the arrangement and rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control via an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations for determining whether considerable influence or joint control exists are similar to those for determining control over the subsidiaries. Investments in associates and joint ventures are no longer included in the Consolidated Financial Statements using the equity method when the Group no longer exercises considerable influence or participates in the joint control over decision processes. Profits and losses from transactions between the Group and the associated company or joint venture are eliminated in proportion to the share in the associate or joint venture.

The complete list of the Group's shareholdings is provided in Note 7.6.

Foreign currency translation

The Consolidated Financial Statements are presented in euros, which is the Group's functional and reporting currency. Each entity in the Group determines its own functional currency, and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions are initially translated into the functional currency at the spot rate on the day of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the reporting day's closing rate. All exchange differences are recognized in profit and loss. Non-monetary items measured at historical cost in a foreign currency are translated at the rate prevailing on the date of the transaction. Any goodwill arising from the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising from the acquisition of this foreign operation are accounted for as assets and liabilities of the foreign operation and translated at the reporting day's closing rate. As of the reporting date, the assets and liabilities of foreign operations are translated into euros at the closing rate. Income and expenses are translated at the weighted average exchange rate for the fiscal year. The exchange differences arising from translation are recognized in equity. On disposal of a foreign operation, the accumulated amount recognized in equity relating to that particular foreign operation is recognized in profit and loss. Exchange differences from foreign currency loans that are part of a net investment in a foreign operation are recognized directly in equity until disposal of the net investment, at which time they are recognized in profit and loss.

In fiscal year 2025, none of the functional currencies used within the Group were considered as that of a hyperinflationary economy in the sense of IAS 29 (Financial Reporting in Hyperinflationary Economies).

The most important functional currencies of foreign operations are listed in the following table:

	Closing rate		Average rate	
	12/31/2025	12/31/2024	Q1–Q4/2025	Q1–Q4/2024
Australian Dollar	0.56978	0.59804	0.57139	0.60990
Brazilian Real	0.15366	0.15501	0.15852	0.17228
Chinese Renminbi	0.12143	0.13156	0.12337	0.12865
Indian Rupee	0.00946	0.01123	0.01019	0.01105
Canadian Dollar	0.62098	0.66750	0.63445	0.67502
Polish Zloty	0.23672	0.23416	0.23597	0.23238
Swedish Krona	0.09254	0.08720	0.09040	0.08749
US-Dollar	0.85012	0.96010	0.88695	0.92450

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Goodwill
Goodwill acquired in a business combination is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated as of the acquisition date to each of the Group's cash-generating units that are expected to benefit from the synergy effects of the combination, irrespective of whether other assets or liabilities of the acquired company are allocated to those cash-generating units.

Intangible assets
Intangible assets acquired separately are measured at cost upon their initial recognition.

The acquisition cost of an intangible asset acquired in a business combination is its fair value as of the acquisition date.

Research costs are expensed in the period in which they are incurred. Development costs for internally generated intangible assets are only capitalized as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset to make it available for internal use or sale,
- the intention to complete the intangible asset and its ability to use or sell the asset,
- the recoverability of future economic benefits,
- the availability of resources to complete the asset, and
- the ability to reliably measure the expenditure attributable to the intangible asset during its development.

Following their initial recognition, intangible assets are carried at amortized cost less any accumulated impairment losses.

For capitalized development costs, amortization begins when the development phase has been completed and the asset is available for use.

A distinction is made between intangible assets with finite useful lives and those with indefinite useful lives.

Intangible assets with finite useful lives are amortized over their useful lives and tested for impairment whenever an indication of impairment exists. The useful life and the amortization method used for an intangible asset with a finite useful life are reviewed at the end of each fiscal year at a minimum. Amortization is recognized in the expense category that corresponds to the intangible asset's function within the company.

Intangible assets with indefinite useful lives are not subject to scheduled amortization but rather tested for impairment at least once annually. The useful life of these intangible assets is also examined annually to determine whether the assessment of an indefinite useful life still applies. If this is not the case, the change in the assessment of indefinite to limited useful life is made prospectively.

An indefinite useful life is assumed for brands that were acquired as part of a business combination and that will be continued in the long term and expanded in the future. By contrast, a limited useful life was assumed for acquired intangible assets such as technology and customer relationships or brands that will not be continued in the long term.

The accounting principles applied to the Group's intangible assets can be summarized as follows:

	Customer relationship	Technology	Capitalised development cost	Brand	Service network	Licenses and software
Amortisation method used	Amortised on a straight line basis over the useful life	Amortised on a straight line basis over the useful life	Amortised on a straight line basis over the useful life	No amortisation or linear amortisation within useful life	Amortised on a straight line basis over the useful life	Amortised on a straight line basis over the useful life or over the period of the right
Useful life	15 – 40 Years	8 – 13 Years	8 – 10 Years	Infinite or 10 - 15 Years	20 Years	3 – 10 Years

Gains or losses on the derecognition of intangible assets are determined as the difference between the net realizable value and the carrying amount of the asset and are recognized in profit and loss in the period in which the asset is derecognized.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

The cost of self-constructed property, plant and equipment includes direct material and production costs, any allocable material and production overheads, as well as production-related depreciation. Administrative expenses are capitalized only when there is a direct link to production.

Ongoing maintenance and repairs are expensed immediately.

The costs of replacing components or of overhauling plant and equipment are capitalized only when the recognition criteria are met.

The useful lives and depreciation methods of the assets are reviewed and adjusted prospectively at the end of each fiscal year when appropriate.

Scheduled depreciation is generally based on the following useful lives:

	Buildings	Plant and equipment	Other equipment, office furniture and equipment
Amortisation method used	Amortised on a straight line basis over the useful life	Amortised on a straight line basis over the useful life	Amortised on a straight line basis over the useful life
Useful life	5 – 50 Years	3 – 15 Years	3 – 10 Years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefit is expected from its continued use. Gains or losses on the derecognition of the asset are measured as the difference between the net realizable value and the carrying amount of the asset and are recognized in profit and loss in the period in which the item is derecognized.

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Borrowing costs
Borrowing costs consist of interest and other costs incurred by an entity when assuming liabilities. Borrowing costs directly attributable to the acquisition, construction or production of an asset that requires a substantial period of time to prepare for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they are incurred.

Leases
At the inception of a contract, the Group assesses whether the contract is or contains a lease. For all leases in which the Group acts as lessee, the Group recognizes a right-of-use asset and a corresponding lease liability. This does not apply to short-term leases with a term of 12 months or less or to leases of low-value assets. For these leases, the Group posts the lease payments as rental and lease expenses on a straight-line basis over the lease term.

The Group recognizes rights of use on the commencement date of a lease (i.e. the date on which the underlying leased asset is available for use). Rights of use are measured at cost of purchase less any accumulated depreciation and any accumulated impairment losses, adjusted for any remeasurement of the lease liabilities. The costs of rights of use include the recognized lease liabilities, the initial direct costs incurred and the lease payments made at or before the commencement date, less any lease incentives received. Rights of use are depreciated on a straight-line basis over the shorter of the lease term or the expected useful life of the lease.

The lease liability is measured on the commencement date at the present value of lease payments not yet made at the inception of the lease, discounted using the interest rate implicit in the lease. Where this interest rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments include fixed payments less any lease incentives to be received, variable lease payments linked to an index or (interest) rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option if it is reasonably certain that the Group will actually exercise it, and penalty payments for termination of the lease if the term is measured after taking into account that the Group will exercise the termination option.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and the right of use. Rather, these payments are recognized as an expense in the period in which the triggering event or condition occurs.

After the commencement date, the amount of the lease liability is increased to reflect the higher interest expense and decreased to reflect the lease payments made. In addition, the carrying amount of lease liabilities is remeasured upon any changes in the lease, such as a change in the lease term, changes in lease payments (changes in future lease payments as a result of a change in the index or interest rate used to determine those payments, for instance), or a change in the assessment of a purchase option for the underlying asset.

The Group does not act as a lessor under any lease agreements.

Investments in companies accounted for using the equity method
Under the equity method, investments in associates and joint ventures are recognized on the balance sheet at cost plus any changes in the Group's interest in the net assets of the equity investment following its acquisition. The Group's interest in the profit or loss of the associate or joint venture is reported separately in the result for the period. Any changes recognized directly in the equity of the associate or joint venture are recognized by the Group in the amount of its share and reported in accumulated other comprehensive income. Goodwill resulting from the acquisition of an associate or joint venture is included in the carrying amount of the investment in the associates or jointly controlled entities and is neither amortized nor tested separately for impairment. After applying the equity method, the Group determines whether it is necessary to recognize an additional impairment loss on the Group's investments in associates and joint ventures. At each reporting date, the Group determines whether there is any objective evidence indicating that investments in associates or joint ventures are impaired. If evidence exists, the Group calculates the amount of the impairment as the difference between the investment's fair value and carrying amount and recognizes the amount in profit and loss.

Impairment of non-financial assets
An impairment test for goodwill and intangible assets with indefinite useful lives is conducted at least on an annual basis on December 31 of each fiscal year. In addition, an impairment test is carried out whenever there are specific indications of impairment. An impairment test is conducted for other intangible assets with finite useful lives, property, plant and equipment and other non-financial assets only if there are specific indications of impairment.

Impairment is recognized in profit and loss if the recoverable amount of the asset or cash-generating unit is lower than the carrying amount. The recoverable amount must be determined for each individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing the value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market expectations of the time value of money and the risk specific to the asset. In determining fair value less costs to sell, an appropriate valuation model based on discounted future cash flows is used. To ensure the objectivity of the results, these calculations are corroborated by valuation multiples, quoted prices for shares in publicly traded companies or other available fair value indicators.

If the reason for impairment recognized in previous years no longer exists, the carrying amount of the asset (the cash-generating unit) with the exception of goodwill, is increased to the amount of the new estimate of the recoverable amount. The increase in the carrying amount is limited to the value that would have been determined had no impairment loss been recognized for the asset (the cash-generating unit) in previous years. Such a reversal is recognized through profit and loss.

Financial instruments
Financial instruments
A financial instrument is a contract that creates a financial asset at one entity and a financial liability or equity instrument at another entity.

Financial assets – initial recognition and measurement
Upon initial recognition, financial assets are classified for subsequent measurement either as at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss.

The classification of financial assets upon first-time recognition depends on the characteristics of the contractual cash flows of the financial assets and the Group's business model for managing its financial assets. With the exception of trade receivables, the Group measures a financial asset at its fair value and, in the case of a financial asset that is not measured at fair value through profit or loss, plus transaction costs. Trade receivables are measured at the transaction price determined in accordance with IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or at fair value through other comprehensive income, the cash flows may only consist of payments of principal and interest (solely payments of principal and interest – SPPI) on the outstanding principal amount.

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Subsequent measurement
For subsequent measurement, financial assets are classified into four categories:

- Financial assets measured at amortized cost (debt instruments),
- Financial assets measured at fair value through other comprehensive income with the reclassification of accumulated gains and losses (debt instruments),
- Financial assets measured at fair value through other comprehensive income without reclassification of accumulated gains and losses upon derecognition (equity instruments),
- Financial assets measured at fair value through profit or loss.

Financial assets measured at amortized cost
This category is the most significant for the Consolidated Financial Statements. The Group measures financial assets at amortized cost when the following two conditions are met:

- The financial asset is held as part of a business model whereby the objective is to hold financial assets for collection of the contractual cash flows, and
- the contractual terms of the financial asset give rise to cash flows at fixed dates that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortized cost are measured in subsequent periods using the effective interest method and should be tested for impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. The Group's financial assets measured at amortized cost include trade receivables.

Financial assets measured at fair value through other comprehensive income
The Group measures financial assets at fair value through other comprehensive income when the following two conditions are met:

- The financial asset is held as part of a business model whereby the objective is collection of contractual cash flows and the sale of financial assets, and
- the contractual terms of the financial asset give rise to cash flows at fixed dates that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value through other comprehensive income (equity instruments)
Upon initial recognition, the Group may irrevocably choose to classify its equity instruments as equity instruments at fair value through other comprehensive income if they meet the definition of equity in accordance with IAS 32 and are not held for trading. The classification is done individually for each instrument.

Gains and losses on these financial assets are never reclassified to the income statement. Dividends are recognized in the income statement as other income if there is a legal claim to payment unless the dividends recover part of the acquisition cost of the financial asset. In this case, profits are recognized in other comprehensive income. Equity instruments measured at fair value through other comprehensive income are not tested for impairment.

Financial assets measured at fair value through profit or loss
The group of financial assets measured at fair value through profit or loss includes financial assets held for trading that were designated as measured at fair value through profit or loss upon initial recognition and financial assets that must be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of sale or repurchase in the near future. Derivatives, including separately recognized embedded derivatives, are also classified as held for trading except for derivatives designated as hedging instruments that are effective as such. Financial assets with cash flows that are not solely repayments and interest payments are classified as at fair value through profit or loss, regardless of the business model, and measured accordingly.

Financial assets measured at fair value through profit or loss are recognized in the balance sheet at fair value, with changes in fair value being netted in the income statement.

This category includes mainly derivative financial instruments, such as currency forwards and interest rate swaps, that the Group has concluded to hedge transactions and not designated as cash flow hedges.

Derecognition

A financial asset (or part of a financial asset or part of a group of similar financial assets) is derecognized (removed from the consolidated balance sheet) if one of the following conditions is met:

- The contractual rights to receive cash flows from the financial asset have expired.
- The Group has transferred its contractual rights to receive cash flows from the financial asset to third parties or has assumed a contractual obligation to pay the cash flow immediately to a third party under a transfer agreement and thereby either (a) transferred substantially all of the risks and rewards of ownership of the financial asset or (b) neither transferred nor retained substantially all of the risks and rewards of ownership of the financial asset but instead transferred control over the asset.

When the Group transfers its contractual rights to receive cash flows from an asset or enters into a transfer agreement, it assesses whether and to what extent the opportunities and risks associated with ownership remain with it. If it does not transfer or retain substantially all of the opportunities and risks that are related to the ownership of the asset nor transfers control over the asset, it will continue to recognize the transferred asset to the extent of its continuing involvement. In this case, the Group also recognizes a related liability. The transferred asset and the related liability are measured in such a way that the rights and obligations that the Group has retained are taken into account.

If the continuing involvement formally guarantees the transferred asset, then the extent of the continuing involvement is the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Group may have to repay.

Impairment of financial assets

The Group recognizes impairment for expected credit losses (ECL) for all debt instruments that are not measured at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows that are contractually payable and the total cash flows that the Group expects to receive, discounted using an approximate value of the original effective interest rate. The expected cash flows include cash flows from the sale of the collateral held or other credit guarantees that are an integral part of the terms of the contract. Expected credit losses are recognized in two steps. For financial instruments whose default risk has not significantly increased since their initial recognition, a risk provision is recognized at the amount of the expected credit losses that are based on a default event within the next twelve months (12-month ECL). For financial instruments whose default risk has increased significantly since their initial recognition, an entity must recognize a risk provision in the amount of the credit losses expected over the remaining term, regardless of when the default event occurs (total term ECL).

For trade receivables and contract assets, the Group applies the simplified approach in accordance with IFRS 9 to measure the expected credit losses; accordingly, the expected credit losses over the term are used for all trade receivables.

The Group assumes default on a financial asset when internal or external information indicates that the Group is unlikely to fully receive the outstanding contractual amounts. A financial asset is impaired if there are no reasonable expectations that the contractual cash flows will be realized.

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Financial liabilities – initial recognition and measurement
Financial liabilities are classified upon first-time recognition as financial liabilities measured at fair value through profit or loss, as loans, as liabilities or as derivatives that have been designated as hedging instruments and are effective as such. All financial liabilities are initially measured at fair value upon first-time recognition and, in the case of loans and liabilities, less directly attributable transaction costs. The Group's financial liabilities include trade payables and other liabilities, loans, including overdrafts and derivative financial instruments.

Subsequent measurement
The subsequent measurement of financial liabilities depends on their classification:

Financial liabilities measured at fair value through profit or loss
Financial liabilities measured at fair value through profit or loss include financial liabilities held for trading and other financial liabilities that are initially recognized at fair value through profit or loss.

Financial liabilities are classified as held for trading when entered into for the purpose of repurchasing in the near future. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships in accordance with IFRS 9. Separately recognized embedded derivatives are also classified as held for trading with the exception of derivatives that have been designated as hedging instruments and that are effective as such.

Gains and losses on financial liabilities held for trading are recognized in profit or loss.

The classification of financial liabilities measured at fair value through profit or loss takes place at the time of initial recognition, provided the criteria in accordance with IFRS 9 are met. The Group has not classified any financial liabilities measured at fair value through profit or loss.

Loans
After initial recognition, interest-bearing loans are measured at amortized cost using the effective interest method.

Interest-bearing loans usually fall into this category. Further information is provided in Note 6.12.

Derecognition
A financial liability is derecognized when the underlying obligation is met, cancelled or extinguished.

Measurement of fair value
Fair value is the price that would be received to sell an asset or be paid to transfer a liability in an orderly transaction between market participants on the measurement date. Fair value measurement is based on the assumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

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

The fair value of an asset or liability is measured using the assumptions market participants would use when pricing the asset or liability, assuming market participants act in their own best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate an economic benefit with the asset's highest and best use or by selling it to another market participant who would make the highest and best use of the asset.

The Group uses valuation techniques appropriate for the respective circumstances and for which sufficient data is available to measure fair value while maximizing the use of relevant observable input factors and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the following fair value hierarchy based on the lowest level of input that is significant for the fair value measurement as a whole:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level of input that is significant for the fair value measurement is directly or indirectly observable in the market

Level 3: Valuation techniques for which the lowest level of input that is significant for the fair value measurement is unobservable in the market.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether reclassifications have occurred between levels in the hierarchy by reassessing their categorization (based on the lowest level of input parameters that is significant for the fair value measurement as a whole) at the end of each reporting period.

An analysis of the fair value of financial instruments and further details on the method used to measure them are provided in Note 7.1.

Derivative financial instruments

Derivative financial instruments are measured at fair value both on the date on which a derivative contract is entered into and in subsequent periods. Derivative financial instruments are recognized as assets when the fair value is positive and as liabilities when the fair value is negative.

The Group uses derivative financial instruments such as forward exchange contracts, interest rate swaps and caps to hedge risk positions arising from currency and interest rate fluctuations. The hedges cover financial risk from recognized underlying transactions, in the case of interest rate swaps and caps from future interest rate risks and, in the case of currency risks, also risks from pending delivery and service transactions.

The fair value of derivatives corresponds to the present value of estimated future cash flows. The fair value of forward exchange contracts is determined using the mean spot exchange rate prevailing on the reporting date taking the forward premiums and discounts for the residual term of each contract into account and compared with the contracted forward exchange rate. Interest rate swaps are measured at fair value by discounting estimated future cash flows using interest rates with matching maturities.

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Any measurement gain or loss is recognized immediately in profit and loss unless the derivative is designated as a hedging instrument under hedge accounting and is effective. A derivative that has not been designated as a hedging instrument must be classified as held for trading.

At the inception of the hedge relationship, the Group determines the hedge relationship and strategy under the risk management objective. Depending on the type of hedge relationship, the Group classifies the individual hedging instruments either as fair value hedges, cash flow hedges or hedges of a net investment in a foreign operation. When entering into hedges and at regular intervals during their terms, the Group also reviews in each new reporting period whether the hedging instrument designated in the hedge is highly effective in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

In accordance with IAS 32.23, put options to shares that do not have any controlling interests attached are measured upon initial recognition at the present value of the estimated repurchase price and presented under other financial liabilities. As IAS 32 does not set any guidance on how put options with an indefinite date of exercise should be measured, the earliest possible date of exercise has been assumed to measure the other financial liabilities.

Inventories

Inventories are measured at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated necessary selling expenses.

Costs incurred in bringing inventories to their present location and current condition are accounted for as follows:

Raw materials and supplies	– cost of purchase on a weighted average cost basis
Finished goods and work in progress	– direct material and labor costs, an appropriate proportion of manufacturing overheads based on normal operating capacity (but excluding borrowing costs) as well as production-related conveyance and administrative costs

Cash and cash equivalents

The balance sheet item cash and cash equivalents consists of cash on hand, cash at banks and short-term deposits with an original maturity of less than three months.

Other provisions

A provision is recognized when the Group has a present obligation (legal or constructive) resulting from a past event when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation's amount can be made. If the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is relatively certain. The expense for forming a provision is recognized in profit or loss net of any reimbursement. If the interest effect resulting from discounting is material, provisions are discounted at a pre-tax interest rate that reflects the risks specific to the liability. If discounting is used, the increase in the provision due to the passage of time is recognized as a financial expense.

Variable remuneration

Members of the Management Board and certain managers of the Group receive variable payments in the form of Share Units (share appreciation rights) in return for services rendered; these share appreciation rights can only be settled in cash (cash-settled payment transactions). The cost of cash-settled payment transactions is measured initially at fair value at the grant date using a "Monte Carlo" simulation. The fair value is expensed over the period recognizing a corresponding liability until the vesting date. The liability is remeasured at each reporting date and at the settlement date. Changes in the fair value are assigned to the costs of the functional areas. No cost is recognized for appreciation rights that do not vest. If the conditions for a transaction with cash settlement are changed, these changes are considered within the scope of the remeasurement on the respective reporting date. If a cash-settled payment transaction is cancelled, the relevant liability is derecognized through profit and loss.

Pensions and similar commitments

Defined benefit pension plans and similar obligations

The obligations resulting from defined benefit plans are determined separately for each plan using the projected unit credit method. The remeasurement of defined benefit plans includes actuarial gains and losses, returns on plan assets (provided they are not included in net interest expense) as well as effects from the upper limitation of asset values (the "asset ceiling"). The Group recognizes the remeasurement of defined benefit plans in other comprehensive income. All other expenses under defined benefit plans are immediately recognized in the result for the period.

Past service cost is recognized immediately in profit and loss.

The amount recognized as a defined benefit asset or liability comprises the present value of the defined benefit obligation less the fair value of plan assets from which the obligations are to be settled directly. The value of any asset is limited to the present value of any economic benefits available in the form of plan refunds or reductions in future contributions to the plan. Insofar as payment obligations in connection with fund assets exist as a result of minimum funding requirements for benefits already earned, this can also lead to the recognition of an additional provision if the economic benefit of a financing surplus is limited for the company when taking the minimum funding requirements yet to be paid into account.

The effects of closure or curtailing plans are recognized in the result for the period in which the curtailment or closure takes place.

In the North American subgroup, existing obligations for the payment of post-employment medical benefits are classified as pensions and other post-employment obligations due to their pension-like nature.

Defined contribution pension plans

The Group's obligations under defined contribution plans are recognized in profit and loss within operating profit. The Group has no further payment obligations once the contributions have been paid.

Other benefits after termination of the employment relationship

The Group grants its employees in Germany the option of concluding phased retirement agreements. The so-called block model is used for these agreements. Obligations of the phased retirement model are accounted for as non-current employee benefits.

Other long-term employee benefits

The Group grants anniversary benefits to a number of employees for their length of service. The corresponding obligations are calculated using the projected unit credit method.

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Taxes

Actual income taxes

Actual income tax assets and liabilities for the current and previous periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The calculation of the amount is based on the tax rates and tax legislation applicable on the reporting date.

Deferred taxes

Deferred tax assets and liabilities are generally recognized for temporary differences between the carrying amount in the balance sheet and the tax base as well as for tax loss carryforwards and interest carryforwards, with the following exceptions:

- deferred tax liabilities from the initial recognition of goodwill and deferred tax assets and liabilities from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the profit and loss according to IFRS nor the taxable profit and loss; and
- deferred taxes from temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, which are not to be recognized if the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the near future.

Deferred income tax assets are recognized only if it is probable that sufficient taxable profit will be available to allow the deductible temporary difference to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled. The tax rates and tax laws used to calculate the amount are those that are applicable on the reporting date. Deferred income tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets against current income tax liabilities, and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred income taxes relating to items recognized directly in equity are recognized in other comprehensive income rather than in profit and loss.

Sales

Sales are recognized when the control over the goods or services is transferred to the customer. Sales are recognized in the amount of consideration that the Group is expected to receive in exchange for these goods or services. The Group has basically come to the conclusion that it acts as the principal in its sales transactions, as it usually retains control over the goods or services before they pass to the customer. Revenue arising from the sale of goods and merchandise in the OEM and Aftermarket segments is recognized at a point in time, namely when control over the asset passes to the customer, i.e. the good is delivered to the customer and no outstanding performance obligation remains that could affect acceptance of the goods by the customer. Delivery occurs when the goods are handed over to the customer in accordance with the respective incoterms arranged with the customer, the risk of loss or damage has passed to the customer and the customer has either accepted the goods in accordance with the sales contract or the criteria for acceptance have been met or the Group has objective evidence that all of the acceptance criteria have been met. The usual payment terms are 30 to 120 days from delivery. The Group examines whether the contract contains other commitments that represent separate performance obligations to which part of the transaction price must be allocated.

When determining the transaction price for deliveries made, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration and any consideration payable to customers. If consideration under a contract contains a variable component, the Group determines the amount of the consideration it is entitled to in exchange for the transfer of the goods to the customer. Variable consideration is estimated at the contract's inception and may only be included in the transaction price if it is highly probable that there will be no significant reversal in the cumulative sales recognized once the uncertainty associated with the variable consideration no longer exists. Some contracts for the sale of goods and merchandise give customers a volume discount. These volume discounts result in variable consideration.

The Group generally offers the warranties required by law to remedy any defects that existed at the time of sale. Such assurance-type warranties are recognized as warranty provisions.

As part of a further business model, SAF-HOLLAND delivers complete telematics solutions through its subsidiary Axscend Ltd. that include not only the software but also the hardware and installation service. As part of this business model, the Group is generating revenues in a mid single-digit million range. The telematics software is used as software as a service (SaaS), i.e. the granting of a right to use software functions in a cloud-based infrastructure hosted by a third-party provider, whereby this third-party provider has been commissioned by Axscend Ltd.

The Group therefore considers the sale of hardware and installation services, as well as the provision of telematics software, to be separate performance obligations, since the customer could theoretically benefit from them by purchasing the other elements elsewhere. Proceeds from the provision of telematics software are recognized over the period in which the services were provided. Since the use of the telematics software is generally granted for a certain period of time, the proceeds are recognized in proportion to the time elapsed and thus in installments over this period. By contrast, proceeds from the sale of hardware and proceeds from installation services are generally recognized at a point in time.

Contract liabilities result primarily from invoices issued prior to the completion of services or payments received prior to revenue recognition. As of the reporting date, contract liabilities amounted to EUR 2.4 million (previous year: EUR 2.7 million) and are included in other liabilities.

In the course of the Haldex acquisition, yet another business model is applied with regard to revenue recognition. In this business model, the Group reconditions the company's products at the end of their respective useful lives and sells these reconditioned products in the aftermarket. These products are those that have a cast-iron housing/core, such as air disc brakes, drum brakes, brake adjusters or slack adjusters. As part of the reconditioning process, these products are cleaned and wear parts are replaced. To encourage customers to return these old products for reconditioning, the customer is granted a right of return. If the product can be reconditioned, the customer receives a credit note upon return, the amount of which depends on the condition of the returned product. The customer can only deduct the credit when purchasing new products. As this consideration is not fixed when the contract is concluded, the right of return results in a variable consideration. Based on the Group's past experience, an other liability is recognized at the time of the original sale in the amount of the expected reimbursements. At the same time, the Group recognizes an other asset by adjusting the cost of sales for its right to recover products from the customer upon settlement of the refund liability. No revenue is recognized in the amount of the expected refund.

The Group makes use of the practical expedients provided by IFRS 15. Disclosures regarding performance obligations not yet satisfied at the reporting date are omitted because the outstanding performance obligations are part of a contract with an original term of up to twelve months.

Government grants

Government grants are recognized when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Expense-related grants are recognized as income over the same period as the corresponding expenses. Where the grant relates to an asset, it is recognized as deferred income and recognized as income in equal amounts over the expected useful life of the related asset.

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2.4 CHANGES IN ACCOUNTING AND VALUATION STANDARDS

Amendments to IAS 21: Lack of exchangeability

The amendments require an entity to use a consistent approach in assessing whether a currency is non-convertible and, if so, in determining the exchange rate to be used and the disclosures to be provided. The amendment is effective for fiscal years beginning on or after January 1, 2025.

These changes had no impact on the Consolidated Financial Statements.

2.5 PUBLISHED BUT NOT YET MANDATORY STANDARDS

The following new or amended standards and interpretations, which are relevant for the business operations of the Group, have already been adopted by the International Accounting Standards Board (IASB) but are not yet mandatory in the current reporting period or have not yet been endorsed by the European Union. The Group has decided to forego early adoption of the following standards that have already been adopted. They will be applied at the latest in the year in which they first become mandatory.

IFRS 18: Presentation and Disclosure in Financial Statements

In April 2024, the IASB published the new standard IFRS 18 "Presentation and Disclosure in Financial Statements," which replaces IAS 1. IFRS 18 is mandatory for fiscal years beginning on or after January 1, 2027; earlier application is permitted. The Group has decided not to apply IFRS 18 early.

The new standard introduces the following significant new requirements:

- Companies will be required to categorize all income and expenses in the income statement into five categories: operating, investing, financing, income taxes and discontinued operations. Companies will also be required to present a redefined "operating profit" subtotal. The net profit or loss for the period will not change.
- Certain company-specific key performance indicators (so-called management-defined performance measures, MPMs) will be required to be explained in a separate note disclosure in the future.
- The standard contains enhanced guidelines on grouping information within the financial statements.
- In addition, all companies will be required to use profit or loss as the starting point for the statement of cash flows when presenting cash flow from operating activities using the indirect method.

The Group is currently analyzing the impact of the new standard on its Consolidated Financial Statements. It is not yet possible to make a final assessment of the quantitative and qualitative effects on future Consolidated Financial Statements. The Group currently expects the new standard to have an impact on the presentation of the income statement in particular, without any significant changes to the recognition and measurement principles. The future requirement to allocate income and expense items to the new categories in the income statement may have an impact on operating profit. This applies in particular to the future reporting of currency translation effects from intra-Group loan and dividend liabilities, which are currently reported in the financial result.

The IASB is currently discussing how currency translation effects from intra-group monetary items should be classified in the profit and loss account. According to one view ("View I") published in the Staff Paper of September 2025, these currency effects should be allocated to operating profit, as the underlying income and expenses are not reported in the Consolidated Financial Statements due to consolidation effects. According to an alternative view ("View II"), the currency effects would be allocated to the category to which the underlying income or expenses would have been allocated prior to consolidation, for example, the financing or investment category.

Whether the alternative view (View II) can be applied in the future and what specific effects this will have for the Group is currently still the subject of ongoing analysis and further developments in standard setting and interpretation.

3. SCOPE OF CONSOLIDATION

The Consolidated Financial Statements comprise the financial statements of SAF-HOLLAND SE and all domestic and foreign companies in which SAF-HOLLAND SE directly or indirectly exercises control.

The scope of consolidation has changed as follows compared to the Consolidated Financial Statements as of December 31, 2024:

ACQUISITIONS AND OTHER CHANGES TO THE CONSOLIDATION GROUP IN FISCAL YEAR 2025

BUSINESS ACQUISITIONS

No companies were acquired in fiscal year 2025.

OTHER CHANGES

Effective April 11, 2025, York Transport (India) Pty. Ltd. acquired the remaining 40% of the shares in Haldex ANAND India Pty Ltd. from the ANAND Group for a purchase price of EUR 12.7 million. Following the acquisition, the company was renamed to Haldex India Pvt Ltd.

Following the acquisitions made in the previous year, structural adjustments were made within the Group in fiscal year 2025. BFA Service S.r.l. was merged with Assali Stefen S.r.l. with effect from October 1, 2025. In addition, Softec S.r.l. was merged with Tecma S.r.l. with effect from January 1, 2025, as part of a downward merger.

Furthermore, in fiscal year 2025, the companies YTE Special Products PTE LTD., Singapore, CorpCo Ltd., China, SAF-HOLLAND (Xiamen) Co., Ltd., China, and SAF (Xiamen) Axle Co. Ltd., China, were deconsolidated in the course of their liquidation. The deconsolidation had no impact on the Group's asset, financial or earnings position.

In addition, the joint venture FAST was terminated and wound up with effect from April 25, 2025. The deconsolidation of the joint venture resulted in a contribution to earnings of EUR 0.4 million, which was recognized in the income statement for fiscal year 2025. The joint venture was included in the Consolidated Financial Statements in the previous year using the equity method.

ACQUISITIONS AND OTHER CHANGES TO THE SCOPE OF CONSOLIDATION IN FISCAL YEAR 2024

BUSINESS ACQUISITIONS

Acquisition of IMS Group B.V. and IMS Group Steering Systems B.V.

On January 2, 2024, SAF-HOLLAND GmbH acquired 100% of the shares in its Dutch distribution partner, IMS Group B.V., and the distribution specialist for special axles, IMS Group Steering Systems B.V., both companies based in Barneveld, Netherlands, in a single transaction. Due to its majority voting rights, SAF-HOLLAND GmbH gained control of IMS Group B.V. and IMS Group Steering Systems B.V. at the time of acquisition.

The initial consolidation of both companies was carried out in accordance with IFRS 3 using the purchase method.

The purchase price for both companies amounted to EUR 10.5 million in cash and was paid on January 2, 2024. Of the total purchase price, EUR 10.3 million was attributable to IMS Group B.V. and EUR 0.2 million to IMS Group Steering Systems B.V.

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The following table shows the preliminary purchase price allocation and the amounts of the main groups of acquired assets and assumed liabilities at the time of acquisition:

in EUR thousand	Fair value as of acquisition date
Other intangible assets	5,659
Property, plant and equipment	607
Inventories	6,365
Trade receivables	7,358
Other assets	239
Cash and cash equivalents	425
Deferred tax assets	198
	20,851
Other provisions	124
Trade payables	3,767
Lease liabilities	599
Other liabilities	3,818
Deferred tax	1,392
	9,700
Total of identified net assets	**11,151**
Goodwill from the acquisition	–696
Consideration transferred	**10,455**

The negative goodwill of EUR -0.7 million was reversed through profit or loss and reported under other income. For the calculation of adjusted EBIT, the income from the reversal of negative goodwill was adjusted and reported under restructuring and transaction costs. The main reason for the acquisition price for IMS Group B.V. and IMS Group Steering Systems B.V. being below market value was that the distribution agreement between IMS Group B.V. and SAF-HOLLAND GmbH was due to expire in the foreseeable future and it was considered unlikely that this agreement would be renewed.

The gross amount of trade receivables at the time of initial consolidation was EUR 7.4 million.

The cash outflow resulting from the acquisition of the company is as follows:

In EUR thousand	
Cash outflow	10,455
Cash acquired	425
Actual cash outflow	**10,030**

IMS Group B.V. and IMS Group Steering Systems B.V. have been assigned to the EMEA region.

In the period between the completion of the transaction on January 2 and December 31, 2024, the two acquired companies contributed net sales of EUR 19.3 million and, before taking into account the effects of the purchase price allocation and integration costs on earnings, a net result before taxes of EUR 1.7 million to the Group's earnings.

ACQUISITION OF SOFTEC S.R.L AND TECMA S.R.L

Effective April 2, 2024, SAF-HOLLAND GmbH acquired 100% of the shares in Softec S.r.l., based in Verona, Italy. Softec is a holding company that exclusively holds 100% of the shares in the operating company Tecma S.r.l., based in Verona, Italy. Tecma S.r.l. specializes in the development and manufacture of customized axle systems and chassis for special vehicles and heavy-duty applications. The aim of this transaction is to expand the product portfolio in the field of applications for special-purpose vehicles. Due to its majority of voting rights, SAF-HOLLAND GmbH has gained control of Softec S.r.l. directly and indirectly via Tecma S.r.l.

The initial consolidation of both companies was carried out in accordance with IFRS 3 using the purchase method.

The purchase price was EUR 7.2 million in cash and was paid on April 2, 2024.

The following table shows the purchase price allocation and the amounts recognized at the acquisition date for the main groups of assets acquired and liabilities assumed:

in EUR thousand	Fair value as of acquisition date
Other intangible assets	4,819
Property, plant and equipment	2,603
Inventories	5,150
Trade receivables	3,598
Other assets	583
Financial assets	70
Deferred tax assets	321
Cash and cash equivalents	1,081
	18,225
Other provisions	49
Pension liabilities	552
Bank liabilities	6,586
Trade payables	3,053
Lease liabilities	1,449
Other liabilities	2,377
Deferred tax	1,342
	15,408
Total of identified net assets	**2,817**
Goodwill from the acquisition	4,394
Consideration transferred	**7,210**

Goodwill of EUR 4.4 million comprises non-separable intangible assets, such as sales synergies resulting mainly from the expansion of the product portfolio and cost synergies, particularly in the area of purchasing.

The gross amount of trade receivables at the time of initial consolidation was EUR 3.8 million.

The cash outflow resulting from the acquisition of the company is as follows:

in EUR thousand	
Cash outflow	7,210
Cash acquired	1,081
Actual cash outflow	**6,129**

Softec S.r.l. and Tecma S.r.l. have been assigned to the EMEA region.

In the period between the closing of the transaction on April 2 and December 31, 2024, Tecma S.r.l. contributed sales of EUR 11.9 million and, before taking into account the effects of purchase price allocation and integration costs on earnings, earnings before taxes of EUR 0.3 million to Group earnings.

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ACQUISITION OF ASSALI STEFEN S.R.L. AND BFA SERVICE S.R.L.

Effective July 31, 2024, SAF-HOLLAND GmbH acquired 100% of the shares in Assali Stefen S.r.l. and BFA Service S.r.l., both based in Verona, Italy, in a single transaction. Assali Stefen S.r.l. specializes in the development and manufacture of chassis-related components for trailers and semi-trailers, as well as other special applications. BFA Service S.r.l. is a distribution specialist for spare parts for special applications. The aim of this transaction is to expand the product portfolio for standard and special applications. SAF-HOLLAND GmbH has gained control of both companies due to its majority voting rights.

The initial consolidation of both companies was carried out in accordance with IFRS 3 using the purchase method.

The purchase price for both companies amounted to EUR 27.7 million. Of this, a preliminary purchase price of EUR 26.4 million was paid in cash on July 31, 2024. In the course of determining the final purchase price, EUR 1.3 million was also paid to the former owners in February 2025. Of the total purchase price, EUR 16.3 million was attributable to Assali Stefen S.r.l. and EUR 11.4 million to BFA Service S.r.l.

The following table shows the preliminary purchase price allocation and the amounts of the main groups of acquired assets and assumed liabilities at the time of acquisition:

in EUR thousand	Fair value as of acquisition date
Other intangible assets	7,147
Property, plant and equipment	3,877
Inventories	11,021
Trade receivables	9,604
Other assets	977
Financial assets	1,912
Cash and cash equivalents	2,768
	37,306
Other provisions	306
Pension liabilities	1,103
Bank liabilities	731
Trade payables	3,967
Lease liabilities	2,430
Other liabilities	1,710
Deferred tax	2,090
	12,337
Total of identified net assets	**24,969**
Goodwill from the acquisition	2,774
Consideration transferred	**27,743**

The goodwill of EUR 2.8 million comprises non-separable intangible assets, such as sales synergies from the expansion of the product portfolio and cost synergies in the area of purchasing.

The gross amount of trade receivables came to EUR 9.8 million on the acquisition date.

in EUR thousand	
Cash outflow	26,418
Cash acquired	2,768
Actual cash outflow	**23,650**

In the period between the completion of the transaction on July 1 and December 31, 2024, Assali Stefen S.r.l. and BFA Services S.r.l. contributed sales of EUR 13.7 million and, before taking into account the effects of the purchase price allocation and integration costs on earnings, earnings before taxes of EUR 0.1 million to the consolidated result.

Transaction costs incurred in connection with the acquisitions totaled EUR 0.6 million. Transaction costs were recognized in administrative expenses in the income statement.

If the acquisitions had been included in the Consolidated Financial Statements since January 1, revenue and earnings before taxes in 2024 would have amounted to EUR 1,903.6 million and EUR 122.4 million, respectively.

OTHER CHANGES

Following the acquisition of IMS Group B.V. and IMS Group Steering Systems B.V., the companies were renamed SAF-HOLLAND Benelux B.V. and SAF-HOLLAND Steering B.V.

Haldex Wien GmbH, Austria, SAF-HOLLAND Thailand Ltd., Thailand, and SAF-HOLLAND Hong Kong Ltd., China, were deconsolidated upon their liquidation on May 10, 2024, June 18, 2024, and December 15, 2024, respectively.

The deconsolidation had no impact on the asset, financial or earnings position.

Furthermore, as part of the ongoing integration of the Haldex Group, the shareholdings in Haldex Sp.z.o.o., Poland, Haldex Italia S.R.L., Italy, and Haldex Espana S.A., Spain, were sold within the Group and subsequently merged into the respective SAF-HOLLAND national company. The merger of Haldex Sp.z.o.o. into SAF-HOLLAND Polska Sp. z.o.o. was completed on September 20, 2024. The merger of Haldex Italia S.R.L. into SAF-HOLLAND Italia S.R.L. became effective upon entry in the commercial register on September 3, 2024. On November 8, 2024, Haldex Espana S.A. was merged into SAF-HOLLAND Espana S.L.U.

In addition, the following companies based in Sweden - Haldex I Halmstad AB, Haldex Traction Holding II AB, Haldex Financial Services Holding AB, Haldex Holding AB, and Haldex Financial Services AB - were merged into Haldex AB, Sweden, in an upward merger effective December 10, 2024.

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4. SEGMENT INFORMATION

Company management and Group reporting are segmented into the EMEA, Americas, and APAC segments. The three regions cover both the original equipment business as well as the aftermarket business.

Management monitors the regions' operating results separately for the purpose of making decisions on resource allocation and performance assessment. The development of the regions is assessed on the basis of the adjusted operating result (adjusted EBIT). The determination of the operating result (EBIT) can deviate to a certain extent from the Consolidated Financial Statements because special effects such as depreciation and amortization of property, plant and equipment and intangible assets due to the purchase price allocation (PPA), reversals and impairments as well as restructuring and transaction expenses and valuation effects from option valuations as well as other one-off effects such as the expenses in connection with the reorganization of the American plant network, expenses for severance payments as part of cost-saving programs, or post-merger integration are not taken into account (see table below). Group financing (including finance expenses and finance income) and income taxes are managed on a Group basis and not allocated to the individual regions. Transfer prices between the regions are determined under normal market conditions for transactions with third parties.

The reconciliation of the operating result to adjusted EBIT is as follows:

in EUR thousand	Q1–Q4/2025	Q1–Q4/2024
Result for the period	**50,949**	**78,227**
Income tax	27,347	41,874
EBT	**78,296**	**120,101**
Net financial result	50,621	41,348
EBIT	**128,917**	**161,449**
Additional depreciation and amortization from PPA	22,335	23,414
Step-up purchase price allocations from the inventory valuation of acquisitions	–	347
Restructuring and transaction expenses	12,787	5,240
Adjusted EBIT	**164,039**	**190,450**

Segment information for the period January 1 through December 31:

in EUR thousand	EMEA[1]		Americas[2]		APAC[3]		Total	
	Q1–Q4/2025	Q1–Q4/2024	Q1–Q4/2025	Q1–Q4/2024	Q1–Q4/2025	Q1–Q4/2024	Q1–Q4/2025	Q1–Q4/2024
Sales[4]	884,256	882,764	649,139	747,335	200,969	246,648	1,734,364	1,876,747
Cost of sales	–687,725	–694,129	–503,421	–571,501	–156,048	–193,389	–1,347,194	–1,459,019
Gross profit	**196,531**	**188,635**	**145,718**	**175,834**	**44,921**	**53,259**	**387,170**	**417,728**
Gross profit margin in %	22.2%	21.4%	22.4%	23.5%	22.4%	21.6%	22.3%	22.3%
Selling and administrative expenses, research and development expenses, other income and expenses, impairment goodwill, share of net profit of investments accounted for using the equity method	–143,602	–126,076	–93,421	–102,381	–21,230	–27,822	–258,253	–256,279
Adjustments	19,347	14,584	17,718	10,900	–1,943	3,517	35,122	29,001
Adjusted EBIT	**72,276**	**77,143**	**70,015**	**84,353**	**21,748**	**28,954**	**164,039**	**190,450**
Adjusted EBIT margin in %	8.2%	8.7%	10.8%	11.3%	10.8%	11.7%	9.5%	10.1%
Amortization and depreciation of intangible assets and property, plant and equipment (without PPA)	35,335	35,010	26,476	26,511	5,258	6,021	67,069	67,542
in % of sales	4.0%	4.0%	4.1%	3.5%	2.6%	2.4%	3.9%	3.6%
Adjusted EBITDA	**107,611**	**112,153**	**96,491**	**110,864**	**27,006**	**34,975**	**231,108**	**257,992**
Adjusted EBITDA margin in %	12.2%	12.7%	14.9%	14.8%	13.4%	14.2%	13.3%	13.7%
Purchase of property, plant and equipment and intangible assets	21,695	26,882	26,209	28,473	4,055	2,090	51,959	57,445
In % of sales	2.5%	3.0%	4.0%	3.8%	2.0%	0.8%	3.0%	3.1%

[1] Includes Europe, the Middle East and Africa.

[2] Includes Canada, the United States, Central and South America.

[3] Includes Asia/Pacific, India and China.

[4] The reported revenues includes only external sales. The following revenues were generated between the regions: EMEA EUR 23.3 million (previous year: EUR 23.7 million), Americas EUR 7.9 million (previous year: EUR 10.7 million), and APAC EUR 29.1 million (previous year: EUR 34.6 million).

Finance income and expenses are not allocated to the business segments as the underlying financial instruments are controlled at the Group level.

Business in the EMEA region includes the manufacture and sale of axles, brakes, EBS and suspension systems for trailers and semi-trailers as well as fifth wheels for heavy trucks. In this region, the Group also provides spare parts for the trailer and commercial vehicle industry.

In the Americas region, the Group manufactures and sells key components for the semi-trailer, trailer, truck, bus and recreational vehicle industries. In this region, the Group provides axle, brake, ABS and suspension systems, slack adjusters, fifth wheels, kingpins and landing legs as well as coupling devices. In the Americas region, the Group also provides spare parts for the trailer and commercial vehicle industry.

The focus of business activities in the APAC region lies on the manufacture and sale of axle, brake, EBS/ABS and suspension systems for buses, trailers and semi-trailers. The Group also offers spare parts for the trailer and commercial vehicle industry in this region.

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The following table shows the breakdown of non-current assets by geographical region:

in EUR thousand	12/31/2025	12/31/2024
Non-current assets		
Americas[1]	352,263	368,595
EMEA[2]	386,054	398,361
APAC	60,677	71,122
Total	**798,994**	**838,078**

[1] Of this amount, non-current assets attributable to the entities domiciled in the United States amount to EUR 336.5 million. (prior year: EUR 344.5 million; including EUR 178.4 million of intangible assets and goodwill recognized as part of the purchase price allocation; prior year: EUR 206.5 million)

[2] Of this amount, non-current assets attributable to the entities domiciled in Germany total EUR 159.1 million (prior year: EUR 164.0 million; including EUR 75.3 of intangible assets and goodwill recognized as part of the purchase price allocation, prior year: EUR 77.3 million), and those attributable to the entities domiciled in Sweden amount to EUR 113.8 million (prior year: EUR 112.6 million; including EUR 52.7 million of intangible assets and goodwill recognized as part of the purchase price allocation, prior year: EUR 51.8 million)

Non-current assets include goodwill, intangible assets, property, plant and equipment, investments accounted for using the equity method and other non-current assets.

5. NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

5.1 SALES

Sales declined by 7.6% compared to the previous year. The decline in sales is primarily attributable to the weaker market environment in the original equipment manufacturing (OEM) business in the EMEA, Americas, and APAC regions. Organic growth — i.e. excluding the impact of currency and acquisition effects — was –6.5%.

Acquisition effects in the amount of EUR 23.9 million had a positive impact on sales. These relate to the first-time full-year consolidation of Tecma and Assali, which were acquired in 2024.

The following table presents the breakdown of sales by business unit that the Group has generated from contracts with customers:

in EUR thousand	Q1–Q4/2025	Q1–Q4/2024
Trailer	834,310	915,626
Truck	211,044	249,176
Aftermarket	689,010	711,945
Total	1,734,364	1,876,747

The distribution of sales by business segment continued to shifted in favor of the less cyclical spare parts business (aftermarket) in the past fiscal year. Due to weaker global demand in the original equipment business, the share of sales from the original equipment business declined from 62.1% in 2024 to 60.3% in 2025. The share of the aftermarket business increased accordingly from 37.9% to 39.7%.

The performance obligation is met through the delivery of axle, brake, EBS/ABS and suspensions systems, fifth wheel couplings, kingpins, landing gear, trailer couplings, slack adjusters (OEM products) and spare parts. Payment terms are usually 30 to 120 days following delivery.

In both the reporting year and the previous year, no one customer reached a share of 10% of the Group's total sales.

SAF-HOLLAND generated external sales of EUR 216.0 million through its companies based in Germany (previous year: EUR 224.6 million). The Group generated external sales of EUR 471.5 million through its companies based in the United States (previous year: EUR 539.6 million).

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5.2 COST OF SALES

The cost of sales is composed as follows:

in EUR thousand	Q1–Q4/2025	Q1–Q4/2024
Cost of materials	972,768	1,088,195
Transport and import costs	96,122	92,406
Personnel expenses	171,747	174,661
Amortization and depreciation of intangible assets and property, plant and equipment	55,752	54,157
Utility expenses	12,896	14,218
Expenses related to rent and leasing	2,474	4,507
Temporary employee expenses	6,709	6,321
Repair and maintenance expenses	13,862	16,638
FX-valuation	–329	–3,120
Legal and consulting expenses	1,630	1,392
Travel expenses	2,272	2,176
Warranty expenses	750	3,010
Insurance	1,686	2,450
Loss from disposal PPE	316	148
Restructuring and transaction expenses[1]	5,431	834
Other	3,108	1,026
Total	**1,347,194**	**1,459,019**

[1] Includes impairment of property, plant and equipment in the amount of EUR 1.9 million (prior year: 0.4 million) and depreciation of of property, plant and equipment in the amount of EUR 1.2 million (prior year: 0.0 million) as well as expenses for rent and leasing of EUR 0.04 million (prior year: EUR 0.0 million).

As a result of the global decline in sales, cost of sales in fiscal year 2025 declined by 7.7% to EUR 1,347.2 million. The higher share of sales generated by the aftermarket business led to an improvement in the cost of materials ratio of 1.9 percentage points (from 58.0% to 56.1%). The cost of sales was impacted in particular by increased transport and import costs due to higher customs duties on imports into the US, as well as higher restructuring and transaction costs in the wake of capacity adjustments resulting from the current market situation and the reorganization of the US plant network.

In fiscal year 2025, cost of sales included production costs of EUR 1.2 billion (previous year: EUR 1.4 billion).

5.3 OTHER INCOME AND EXPENSES

5.3.1 Other income

Other operating income breaks down as follows:

in EUR thousand	Q1–Q4/2025	Q1–Q4/2024
Gain from disposal of property, plant and equipment	298	598
Income from employee leasing	1,169	724
Income from export grants	576	713
Insurance income	355	–
Restructuring and transaction income	34	692
Other	1,823	1,722
Total	**4,255**	**4,449**

The restructuring and transaction income of the prior year primarily includes the release of the negative goodwill from the acquisition of IMS Group B.V.

5.3.2 Selling expenses

The following table presents a breakdown of selling expenses:

In EUR thousand	Q1–Q4/2025	Q1–Q4/2024
Personnel expenses	54,609	55,412
Expenses for advertising and sales promotion	10,145	12,018
Amortization and depreciation of intangible assets and property, plant and equipment	21,643	22,105
Expenses related to rent and leasing	854	1,574
Expenses for distribution	5,677	5,346
Temporary employee expenses	783	412
Trade receivable allowance and write-off	927	924
Storage expenses	629	676
Commissions	1,817	2,180
Insurance	1,694	1,500
Legal and consulting expenses	2,412	2,475
FX-valuation	3,916	192
Repair and maintenance expenses	492	578
Property Costs	768	686
Restructuring and transaction expenses[1]	2,018	203
Other	3,405	3,771
Total	**111,789**	**110,052**

[1] Includes impairment of property, plant and equipment in the amount of EUR 0.3 million (previous Year EUR 0.0 million)

Selling expenses rose by 1.6% year-on-year to EUR 111.8 million in fiscal year 2025, which was only slightly above the previous year's level (previous year: EUR 110.1 million). Despite significantly higher foreign currency effects and higher restructuring and transaction costs as a result of group-wide job cuts, distribution costs remained stable. This is primarily attributable to efficiency measures and lower marketing and trade fair expenses. The higher marketing and trade fair expenses in the previous year resulted in particular from participation in the biennial IAA in 2024.

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5.3.3 General administrative expenses

The following table shows the general administrative expenses:

in EUR thousand	Q1–Q4/2025	Q1–Q4/2024
Personnel expenses	48,141	45,848
Temporary employee expenses	774	1,211
Licenses, software and hardware	18,310	19,272
Expense for office and operating supplies	1,757	1,769
Amortization and depreciation of intangible assets and property, plant and equipment	7,097	7,528
Legal and consulting expenses	18,411	16,790
Insurance	3,978	4,581
Travel expenses	2,472	2,404
FX-valuation	698	–107
Repair and maintenance expenses	1,139	1,570
Property Costs	1,788	1,698
Bank fees	905	515
IT and telecommunications	1,569	1,397
Expenses related to rent and leasing	564	–371
Property and miscellaneous taxes (excluding income taxes)	1,170	1,747
Restructuring and transaction expenses	5,352	4,445
Other	3,128	1,648
Total	**117,253**	**111,945**

General administrative expenses amounted to EUR 117.3 million in fiscal year 2025, up 4.7% on the previous year (previous year: EUR 111.9 million). The increase is mainly attributable to higher personnel costs and higher consulting expenses, which arose in connection with the S/4HANA implementation project "Phoenix," as well as post-merger integration measures. Higher negative currency effects also had a negative impact on cost development.

5.3.4 Research and development expenses

Research and development expenses breakdown as follows:

in EUR thousand	Q1–Q4/2025	Q1–Q4/2024
Personnel expenses	20,269	20,872
Amortization and depreciation of intangible assets and property, plant and equipment	4,911	5,611
Expenses related to rent and leasing	287	190
Testing expenses	1,835	3,317
Service costs	123	320
Impairment of R&D projects	–	1,555
License	1,225	1,459
Travel expenses	642	844
Repair and maintenance expenses	579	711
Property Costs	841	869
Restructuring and transaction expenses	461	13
Legal and consulting expenses	1,883	2,218
Other	858	1,022
Total	**33,914**	**39,001**

Research and development expenses amounted to EUR 33.9 million in fiscal year 2025, down from the previous year (EUR 39.0 million). The year-on-year decline is attributable to efficiency measures and the optimization of development projects. On the other hand, R&D expenses in the previous year were additionally burdened by an impairment of two development projects totaling EUR 1.6 million. Development costs of EUR 6.0 million were capitalized in the fiscal year (previous year: EUR 6.0 million).

5.3.5 Financial result

Financial income breaks down as follows:

In EUR thousand	Q1–Q4/2025	Q1–Q4/2024
Unrealized foreign exchange gains on foreign currency loans and from receivables/liabilities from dividends	4,646	12,891
Realized foreign exchange gains on foreign currency loans and from receivables/liabilities from dividends	657	2,107
Finance income due to derivatives	121	331
Finance income from plan assets	2,508	419
Interest income	5,153	3,052
Other	631	419
Total	**13,716**	**19,219**

Financial expenses were comprised as follows:

In EUR thousand	Q1–Q4/2025	Q1–Q4/2024
Interest expenses due to interest bearing loans and bonds	–28,415	–34,598
Amortization of transaction costs	–1,273	–1,796
Finance expenses due to pensions and other similar benefits	–2,948	–1,439
Finance expenses due to factoring	–1,698	–934
Finance expenses due to derivatives	–422	–838
Realized foreign exchange losses on foreign currency loans and from receivables/liabilities from dividends	–829	–1,959
Unrealized foreign exchange losses on foreign currency loans and from receivables/liabilities from dividends	–20,635	–12,932
Finance expenses due to leasing	–6,296	–4,622
Other	–1,821	–1,449
Total	**–64,337**	**–60,567**

The amortization of transaction costs of EUR –1.3 million (previous year: EUR –1.8 million) relate to contract signing fees for financing, which were recognized as an expense for the period over the term of the respective.

Unrealized exchange rate gains and losses from foreign currency loans and dividends mainly result from the valuation of intercompany foreign currency loans at the closing rate. Realized exchange rate gains primarily include transaction effects from the repayment of intercompany loans.

Financial expenses in connection with derivative financial instruments in the past fiscal year mainly include the effect of measuring foreign currency derivatives and interest rate swaps at fair value at the end of the year.

Further explanations can be found in Notes 6.12 and 7.1.

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5.3.6 Employee benefit expenses

Expenses for employee benefits consist of the following:

in EUR thousand	Q1–Q4/2025	Q1–Q4/2024
Wages and salaries[1]	–248,935	–249,786
Social insurance contributions	–44,826	–44,734
Pension expenses	–1,000	–613
Termination benefits[2]	–5,240	–1,660
Total	**–300,001**	**–296,793**

[1] EUR 0.7 million of the expenses for wages and salaries are reported under restructuring and transaction costs.

[2] EUR 4.6 million (previous year: EUR 1.4 million) of the expenses arising from the termination of employment are reported under restructuring and transaction costs.

Social insurance contributions include expenses from defined contribution benefit plans of 6.1 million (previous year: EUR 6.5 million).

5.3.7 Depreciation, amortization and impairments

Depreciation, amortization and impairment by function:

in EUR thousand	Depreciation of property, plant, and equipment		Amortisation of intangible assets		Total	
	Q1–Q4/2025	Q1–Q4/2024	Q1–Q4/2025	Q1–Q4/2024	Q1–Q4/2025	Q1–Q4/2024
Cost of sales	–52,369[1]	–48,863	–4,587	–4,894	–56,956[1]	–53,757
Selling expenses	–6,503[2]	–5,867	–15,417	–16,238	–21,920[2]	–22,105
Administrative expenses	–5,010	–4,628	–2,087	–2,900	–7,097	–7,528
Research and development expenses	–2,980	–3,320	–1,931	–2,291	–4,911	–5,611
Impairment of R&D projects	–	–	–	–1,555	–	–1,555
Impairment of tangible assets	–1,868[3]	–400	–	–	–1,868[3]	–400
Total	**–68,730**	**–63,078**	**–24,022**	**–27,878**	**–92,752**	**–90,956**

[1] Depreciation of property, plant and equipment amounting to EUR 1.2 million (prior year: EUR 0.0 million) is recognized within restructuring and transaction costs

[2] Depreciation of property, plant and equipment amounting to EUR 0,3 million (prior year: EUR 0.0 million) is recognized within restructuring and transaction costs

[3] Included in the restructuring and transaction costs.

Depreciation and amortization of property, plant, and equipment and intangible assets before impairment losses totaled EUR 90.9 million in fiscal year 2025 (previous year: EUR 89.0 million), slightly above the previous year's level. The increase is mainly due to higher depreciation on right-of-use assets as a result of new leasing agreements. These relate in particular to the lease of the new plant in Rowlett, USA.

5.4 INCOME TAXES

The main components of income taxes are:

in EUR thousand	Q1–Q4/2025	Q1–Q4/2024
Current income taxes incl. non-creditable foreign withholding tax	–40,412	–47,817
Deferred income taxes	13,065	5,943
Income tax reported in the result for the period	**–27,347**	**–41,874**

In addition, deferred taxes of EUR –2.6 million (previous year: EUR –2.0 million) were recognized in other comprehensive income in fiscal year 2025.

Effective tax rate for the Group for the fiscal year ending December 31, 2025, is 34.93% (previous year: 34.86%). The following table shows the reconciliation between the reported and expected income taxes for the Group, applying the Group tax rate of 25.69% (previous year: 25.50%). The Group tax rate is derived from the weighted tax rates of the EMEA, Americas and APAC regions based on EBIT. The average weighted tax rate of the Group companies in each of these regions was applied (25.09% for EMEA, 26.68% for the Americas and 24.50% for APAC).

The expected income tax expenses (current and deferred) based on the Group tax rate of 25.69% differ from the reported income tax expenses as follows:

in EUR thousand	12/31/2025	12/31/2024
Result before income tax	**78,296**	**120,101**
Income taxes based on the Group tax rate of 25.69% (prior year: 25.50%)	−20,112	−30,626
Unused interest carry-forwards	−3,102	−6,607
Unused tax loss carry-forwards (including valuation allowance)	−2,730	−4,190
Use of previously not recognised tax loss carry-forwards	112	4,402
Non-deductible operating expenses	−5,833	−3,498
Tax-Exempt Income	3,459	1,909
Differences in tax rates	−353	−633
Income taxes resulting from previous year	−181	−771
Tax effects from currency fluctuations	135	619
Other	284	−333
Non-creditable foreign withholding tax	−1,721	−2,146
Effects from changes in tax legislation	2,695	–
Income taxes at an effective tax rate of 34.93% (prior year: 34.86%)	**−27,347**	**−41,874**

The development of deferred income taxes in the position unrecognized loss carryforwards (including valuation allowance) is characterized by the expiry of tax loss carryforwards in countries with time-limited loss carryforwards and by expected future taxable income that can be offset against the loss carryforwards.

Loss carryforwards that had not been utilized to date were utilized to a limited extent in 2025 and recognized as deferred tax assets accordingly. In 2025, loss carryforwards of Haldex Brake Products UK, Ltd., for which no deferred tax assets had been recognized to date, were utilized by offsetting them against positive taxable income of Axscend Ltd. UK.

The increase in tax-exempt income in the Group tax reconciliation for 2025 compared to 2024 is mainly attributable to tax-exempt income at the Brazilian subsidiary SAF-HOLLAND do Brazil amounting to EUR 1.577 thousand. This represents a one-off effect resulting from differences between the accounting treatment of foreign exchange differences on foreign-currency positions and the tax treatment of these foreign exchange differences.

The increase in non-deductible operating expenses in the Group tax reconciliation for 2025 compared to 2024 is mainly due to a one-off effect arising from a debt waiver declared by the German entity SAF-HOLLAND GmbH in favor of the Chinese group company SAF-HOLLAND Yangzhou.

The disclosed effects from changes in tax laws primarily relate to the statutory step-by-step reduction of the German corporate income tax rate enacted in 2025, which was taken into account when measuring deferred taxes. The measurement of deferred taxes is based on the tax rates expected to apply at the time the underlying temporary differences reverse.

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The development of deferred income taxes as of the reporting date was as follows:

in EUR thousand	12/31/2025	12/31/2024
Inventories	6,670	6,798
Pensions and other similar benefits	5,241	3,030
Lease liabilities	20,155	16,359
Other financial liabilities	12	135
Other provisions	3,005	4,820
Tax loss carry-forwards	20,187	21,269
Interest carry-forwards	3,564	–
Other	8,628	7,610
Deferred income tax assets	**67,462**	**60,021**
Intangible assets	–64,467	–70,998
Property, plant and equipment	–12,555	–13,649
Right-of-use assets	–19,384	–15,729
Investments accounted for using the equity method	–	–504
Other assets	–1,740	–980
Interest bearing loans and bonds	–1,099	–4,739
Other	–2,485	–4,396
Deferred income tax liabilities	**–101,730**	**–110,995**

As of the reporting date, deferred tax assets and liabilities of EUR 51.5 million (previous year: EUR 50.8 million) were netted if the conditions for offsetting were met. The balance sheet thus shows deferred tax assets of EUR 16.0 million (previous year: EUR 9.3 million) and deferred tax liabilities of EUR 50.3 million (previous year: EUR 60.2 million).

The Group has tax loss carryforwards of EUR 146.0 million (previous year: EUR 155.0 million). These loss carryforwards are available for a limited or unlimited period of time in various Group companies so that they can be offset against future taxable income at the respective company or other Group companies. Due to insufficient taxable income or offsetting opportunities in the individual companies or other Group companies no deferred tax assets were recognized on tax loss carryforwards amounting to EUR 62.8 million (previous year: EUR 57.9 million).

The usability of the unrecognized tax loss carryforwards expires as follows:

in EUR thousand	12/31/2025	12/31/2024
Expiry date		
Infinite or 10 - 20 years	51,700	36,229
Within 5 years	11,134	21,640
Total	**62,834**	**57,869**

Tax losses carried forward by SAF-Holland Yangzhou, China, amounting to EUR 3.3 million expired in 2025. No deferred tax assets had been recognized on these loss carryforwards in the past.

In addition to tax loss carryforwards, the Group has interest carryforwards of EUR 60.2 million (previous year: EUR 46.2 million), which are available without limit to SAF-Holland SE and can be deducted for tax purposes in the future. These interest carryforwards result from the interest barrier rule in Germany.

Furthermore, no deferred taxes were recognized on taxable temporary differences of EUR -85.2 million (previous year: EUR -101.5 million) in connection with shares in companies.

The SAF-HOLLAND Group is based in Germany with its parent company SAF-HOLLAND SE. With the law of December 21, 2023 (published in the Federal Law Gazette on December 27, 2023), Germany has implemented global minimum taxation (known as the Pillar 2 model) into German law.

The Group falls within the scope of the OECD model regulations on minimum taxation under the Pillar 2 model and has come to the conclusion that the global minimum tax (Pillar 2 tax) payable under national legislation implementing the global minimum taxation rules is an income tax within the scope of IAS 12.

The Pillar 2 legislation was adopted in Germany by law on December 21, 2023 (promulgated in the Federal Law Gazette on December 27, 2023) and came into force on January 1, 2024.

Under the provisions of the law, which came into force on January 1, 2024, the parent company of the Group, SAF-HOLLAND SE, must pay an additional tax in Germany on the profits of its subsidiaries that are taxed at an effective tax rate of less than 15%. The effective tax rate is determined taking the special provisions of the Pillar 2 legislation into account.

According to the Group's calculations and analyses as of December 31, 2025, an additional tax (known as a top-up tax) may be levied on the earnings of a Group subsidiary. Local Qualified Domestic Minimum Top-Up Tax (QDMTT) in the amount of EUR 0.3 million was taken into account for the Group companies.

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6. NOTES TO THE CONSOLIDATED BALANCE SHEET

6.1 GOODWILL AND INTANGIBLE ASSETS

in EUR thousand	Customer relationship	Technology	Development costs	Brand	Service network	Licenses and software	Other intangible assets	Goodwill
Historical costs								
As of 01/01/2024	**248,917**	**56,121**	**56,354**	**63,831**	**3,494**	**50,048**	**478,765**	**165,807**
Additions from initial consolidation	16,827	437	34	–	–	327	17,625	7,168
Additions	–	–	6,007	–	–	2,933	8,940	–
Disposal	–	–	191	–	–	292	483	–
Transfer	–	–	–1,202	–	–	–1,146	–2,348	–
Foreign currency translation	8,720	402	368	149	–	1,369	11,008	2,714
As of 12/31/2024	**274,464**	**56,960**	**61,370**	**63,980**	**3,494**	**53,239**	**513,507**	**175,689**
Additions	2,963	–	5,995	–	–	1,704	10,662	–
Disposal	–	–	–	–	–	54	54	–
Transfer	–	–	–689	–	–	132	–557	–
Foreign currency translation	–17,673	–957	–1,268	–662	–	–3,035	–23,595	–8,686
As of 12/31/2025	**259,754**	**56,003**	**65,408**	**63,318**	**3,494**	**51,986**	**499,963**	**167,003**
Accumulated amortisation								
As of 01/01/2024	**81,042**	**27,783**	**24,781**	**1,502**	**3,103**	**42,198**	**180,409**	**36,968**
Impairment	–	–	1,555	–	–	–	1,555	–
Additions	16,164	3,164	4,416	109	175	2,295	26,323	–
Disposal	–	–	243	–	–	285	528	–
Transfer	–	–1	–1,267	–	–	–351	–1,619	–
Foreign currency translation	2,602	575	729	–72	–	1,162	4,996	796
As of 12/31/2024	**99,808**	**31,521**	**29,971**	**1,539**	**3,278**	**45,019**	**211,136**	**37,764**
Additions	15,656	2,875	3,453	63	173	1,802	24,022	–
Disposal	–	–	–	–	–	86	86	–
Transfer	–	–	–718	–	–	–	–718	–
Foreign currency translation	–5,978	–1,087	–1,455	–42	–	–2,631	–11,193	–1,186
As of 12/31/2025	**109,486**	**33,309**	**31,251**	**1,560**	**3,451**	**44,104**	**223,161**	**36,578**
Carrying amount 12/31/2024	**174,656**	**25,439**	**31,399**	**62,441**	**216**	**8,220**	**302,371**	**137,925**
Carrying amount 12/31/2025	**150,268**	**22,694**	**34,157**	**61,758**	**43**	**7,882**	**276,802**	**130,425**

The carrying amount of capitalized development expenses as of December 31, 2025, includes capitalized development expenses of EUR 19.8 million (previous year: EUR 13.9 million) attributable to ongoing research and development projects that have not yet been completed.

In the previous year, two development projects were discontinued due to a change in resource allocation. The development costs capitalized during the development phase for these projects were written down by EUR 1.6 million. The write-down expense was allocated to the EMEA region in the amount of EUR 0.7 million and to the Americas region in the amount of EUR 0.9 million.

Intangible assets with finite useful lives that are significant to the Group are presented in the following table:

	2025		2024	
	Carrying amount in EUR thousand	Useful life in years	Carrying amount in EUR thousand	Useful life in years
Customer relationship "OEM"	19,642	20	20,624	21
Customer relationship "5th-Wheel"	8,496	13	9,150	14
Customer relationship "Americas"	73,528	12	79,655	13
Customer relationship "EMEA"	8,156	12	8,836	13
Customer relationship "APAC"	7,967	12	8,631	13

Impairment test for goodwill and intangible assets with indefinite useful lives

The Group has carried out its annual impairment tests of recognize goodwill and intangible assets with indefinite useful lives as of December 31.

For the purpose of impairment testing, the goodwill and brands originating from business combinations, which have an indefinite useful life, were allocated to the "EMEA," "Americas" and "APAC" cash-generating units, which also constitute the reportable segments. The allocation of the brands "SAF," "Holland," "York," "V.ORLANDI" and "HALDEX" to the cash generating units was done on the basis of the primary geographical use of these brands. The impairment test of the "SAF," "V.ORLANDI" and "HALDEX" brands was performed on the basis of the EMEA cash generating unit and the impairment test of the "Holland" brand was performed on the basis of the Americas cash-generating unit. The impairment test of the "York" brand was performed on the basis of the APAC cash-generating unit.

The recoverable amount of a cash-generating unit is determined on the basis of the value in use.

A discounted cash flow method was used to calculate the recoverable amount. A detailed five-year plan based on past experience, current operating earnings, management's best estimate of future development and market assumptions served as the basis for calculating cash flows. The value contribution as of 2030 is supplemented by the perpetual annuity. The basis for the calculation of the perpetual annuity is the assumed long term sustainably achievable result given the market environment's cyclical nature.

To calculate the discount rates, a weighted average cost of capital (WACC) method was applied. This method considers yields on government bonds at the beginning of the budget period as a risk-free interest rate. As in the previous year, a growth rate deduction of 1.0% was applied for the perpetual annuity.

The following table presents the discount factors before taxes as of December 31, 2025, that are applied during the impairment tests for goodwill and intangible assets with indefinite useful lives:

	Discount rate before tax	
	12/31/2025	12/31/2024
Americas	12.10%	14.26%
EMEA	12.20%	12.85%
APAC	13.78%	15.11%

In addition, specific peer group information for beta factors and leverage is taken into account.

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The carrying amounts are as follows:

in EUR thousand	Americas		EMEA		APAC		Total	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Goodwill	60,265	68,095	58,980	57,994	11,180	11,836	130,425	137,925
Brand	11,810	13,388	47,111	45,851	2,837	3,202	61,758	62,441

In addition, the Group owns other brands that are being amortized over their intended useful lives on the basis of the brand strategy pursued.

An average growth rate of 9.2% was used for the five-year planning of the Americas cash-generating unit. A continued weak market development in the truck and trailer segment is assumed for 2026; a noticeable market recovery is expected from 2027 onwards. Besides the general economic recovery, the planned growth is mainly due to increased market penetration in the truck and trailer air disc brake market in North America, further strengthening our role as a trailer system supplier, and capacity expansions in Brazil to strengthen our market position in South America.

An average growth rate of 4.9% is expected for the five-year planning period of the EMEA cash-generating unit. The forecast is based on a moderate recovery in European markets from 2026 onwards, reflecting rising demand for trailers, trucks and buses as a result of economic growth and increasing freight volumes. In addition, the company's strategic initiatives in the area of disc brakes for heavy-duty trucks, the further penetration of telematics solutions, and the diversification into segments such as off-highway and agriculture, are expected to have a positive impact on growth. Furthermore, downstream growth in the aftermarket business and additional growth impetus from regulatory changes, such as VECTO, are expected.

At 14.9%, the APAC cash-generating unit continues to record the highest average revenue growth rate among the regions. The comparatively high growth rate results from expected catch-up investments in the Chinese market following the decline in truck and trailer production in previous years, as well as from increasing transport volumes in the wake of growth in online commerce in India. In addition, growth is supported by new regulatory requirements that are advantageous for SAF-HOLLAND: In China, trucks will be required to be equipped with disc brakes in the future, which will significantly increase demand for the corresponding components. Further growth momentum is coming from infrastructure projects by the Indian government.

Within the scope of a sensitivity analysis either an increase in the average cost of capital (after taxes) of 150 basis points, a decline of future cash flows (after taxes) of 10% or a one percent reduction in the long- term growth rate was assumed for the cash-generating units to which material goodwill and intangible assets with indefinite useful lives were allocated. Based on this method, SAF-HOLLAND determined that there was no need for impairment at any of the cash-generating units.

6.2 PROPERTY, PLANT AND EQUIPMENT

In EUR thousand	Land and buildings	Plant and equipment	Other equipment, office furniture and equipment	Right-of-use assets	Advance payments	Assets under construction	Total
Historical costs							
As of 01/01/2024	**113,833**	**297,604**	**64,796**	**116,041**	**742**	**33,008**	**626,024**
Additions from initial consolidation	361	2,167	82	4,477	–	–	7,087
Additions	1,558	6,638	1,740	26,056	1,089	37,480	74,561
Disposal	2,604	20,215	3,470	6,244	–	460	32,993
Transfer	5,155	16,968	6,552	–	–228	–28,009	438
Foreign currency translation	890	3,114	75	13	–203	814	4,703
12/31/2024	**119,193**	**306,276**	**69,775**	**140,343**	**1,400**	**42,833**	**679,820**
Additions	496	5,366	1,709	45,038	228	33,498	86,335
Disposal	873	13,653	7,107	6,822	–	951	29,406
Transfer	5,760	16,128	6,206	–	–1,363	–26,962	–231
Foreign currency translation	–5,068	–14,142	–2,368	–5,195	19	–3,132	–29,886
12/31/2025	**119,508**	**299,975**	**68,215**	**173,364**	**284**	**45,286**	**706,632**
Accumulated depreciation							
As of 01/01/2024	**43,263**	**160,347**	**33,759**	**44,244**	**–**	**–**	**281,613**
Impairment	–	400	–	–	–	–	400
Additions	4,479	28,765	10,750	18,684	–	–	62,678
Disposal	1,278	17,988	3,008	4,443	–	–	26,717
Transfer	163	–454	–	–	–	–	–291
Foreign currency translation	513	2,470	412	175	–	–	3,570
12/31/2024	**47,140**	**173,540**	**41,913**	**58,660**	**–**	**–**	**321,253**
Impairment	1,277	591	–	–	–	–	1,868
Additions	4,681	30,374	9,123	22,684	–	–	66,862
Disposal	436	12,558	6,682	5,525	–	–	25,201
Transfer	–1	–60	–9	–	–	–	–70
Foreign currency translation	–2,216	–8,817	–1,578	–1,289	–	–	–13,900
12/31/2025	**50,445**	**183,070**	**42,767**	**74,530**	**–**	**–**	**350,812**
Carrying amount 12/31/2024	72,053	132,736	27,862	81,683	1,400	42,833	358,567
Carrying amount 12/31/2025	69,063	116,905	25,448	98,834	284	45,286	355,820

Impairment losses on property, plant, and equipment in accordance with IAS 36 amounting to EUR 1.9 million resulted from the closure of a plant in the US as part of the reorganization of the American plant network. The impairment loss on machinery in the amount of EUR 0.6 million resulted from the advanced age and technical condition of the equipment. Due to the lack of economic usability, the carrying amount exceeded the recoverable amount. The scrap value was consistently recognized as the recoverable amount. The resulting impairment loss was recognized in profit or loss. An impairment loss of EUR 1.3 million was recognized for the building in question. The impairment loss is based on the location quality and the structural condition, which have led to a permanent reduction in marketability. The recoverable amount was determined on the basis of the net selling price less selling costs.

In the previous year, due to the discontinuation of a production line in China (APAC region), an impairment loss on property, plant and equipment in accordance with IAS 36 in the amount of EUR 0.4 million was recognized in profit or loss. The recoverable amount was based on the expected net disposal value less costs to sell, which was derived from market data.

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6.3 LEASES

The following items relating to leases are reported in the balance sheet:

in EUR thousand	Land and buildings	Plant and equipment	Other equipment, office furniture and equipment	Total
Historical costs				
As of 01/01/2024	**100,886**	**355**	**14,800**	**116,041**
Additions from initial consolidation	3,450	711	316	4,477
Additions	19,113	85	6,858	26,056
Disposal	5,221	–	1,023	6,244
Foreign currency translation	–227	–	240	13
12/31/2024	**118,001**	**1,151**	**21,191**	**140,343**
Additions	37,537	69	7,432	45,038
Disposal	5,255	118	1,449	6,822
Transfer	–45	–	45	–
Foreign currency translation	–4,350	–5	–840	–5,195
12/31/2025	**145,888**	**1,097**	**26,379**	**173,364**
Accumulated depreciation				
As of 01/01/2024	**35,068**	**211**	**8,965**	**44,244**
Additions	14,963	278	3,443	18,684
Disposal	3,685	–	758	4,443
Foreign currency translation	27	–	148	175
12/31/2024	**46,373**	**489**	**11,798**	**58,660**
Additions	17,595	349	4,740	22,684
Disposal	4,145	118	1,262	5,525
Transfer	–41	–	41	–
Foreign currency translation	–891	1	–399	–1,289
12/31/2025	**58,891**	**721**	**14,918**	**74,530**
Carrying amount 12/31/2024	**71,628**	**662**	**9,393**	**81,683**
Carrying amount 12/31/2025	**86,997**	**376**	**11,461**	**98,834**

The Group has entered into various lease agreements for office, warehouse and production buildings as well as for technical equipment, machinery, vehicles and operating and office equipment that it uses in its operations. The leases for buildings generally have terms ranging between 5 and 15 years. The terms of the leases for technical equipment and machinery as well as vehicles and operating and other equipment generally range between 3 and 5 years. A series of real estate lease agreements of the Group include extension and termination options. Such terms and conditions are used to provide the Group with the greatest possible flexibility with regard to the leased assets. The majority of the existing options to extend or terminate the leases can only be exercised by the Group and not by the respective lessor.

Payments for short-term leases of technical equipment and machinery and vehicles, as well as leases of low-value assets are expensed through profit or loss on a straight-line basis. Short-term leases are those that have a residual lease term of twelve months or less. Low-value assets consist of IT equipment and smaller items of office furniture.

As of December 31, 2025, the carrying amount of right-of-use assets recorded an increase of EUR 17.2 million compared to the previous year. The increase was primarily due to the conclusion of a long-term lease agreement for a new plant in Rowlett, Texas.

Total additions amounted to EUR 45.0 million (previous year: EUR 26.1 million, see section 2.5 in the Notes to the Consolidated Financial Statements). The age structure of lease liabilities breaks down as follows:

Aging of lease liabilities 2025

in EUR thousand	Remaining term of up to 1 year	Remaining term of up to 2 years	Remaining term of up to 3 years	Remaining term of up to 4 years	Remaining term of up to 5 years	Remaining term of more than 5 years	Total
Land and buildings	13,730	8,793	7,959	7,453	5,313	55,676	98,924
Plant and equipment	187	103	106	38	1	–	435
Vehicles	4,376	2,866	2,043	1,460	480	96	11,321
Other equipment, office furniture and equipment	281	113	30	21	6	–	451
Total	**18,574**	**11,875**	**10,138**	**8,972**	**5,800**	**55,772**	**111,131**

Aging of lease liabilities 2024

in EUR thousand	Remaining term of up to 1 year	Remaining term of up to 2 years	Remaining term of up to 3 years	Remaining term of up to 4 years	Remaining term of up to 5 years	Remaining term of more than 5 years	Total
Land and buildings	13,500	10,609	9,272	7,059	5,110	33,853	79,403
Plant and equipment	536	357	185	103	56	551	1,788
Vehicles	2,930	2,240	1,791	856	457	26	8,300
Other equipment, office furniture and equipment	318	198	101	17	–	–	634
Total	**17,284**	**13,404**	**11,349**	**8,035**	**5,623**	**34,430**	**90,125**

This had the following impact on the Consolidated Statement of Comprehensive Income:

Consolidated Statement of Comprehensive Income

in EUR thousand	12/31/2025	12/31/2024
Depreciation of right of use assets	–22,684	–18,684
Interest expenses	–6,296	–4,622
Expenses related to short-term leases	–3,912	–6,065
Expenses related to low-value leases	–310	–206

Total lease payments in 2025 amounted to EUR 28.6 million (previous year: EUR 27.7 million). Of this amount, EUR 4.2 million related to short-term and low-value leases.

The Group does not act as a lessor.

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6.4 INVESTMENTS IN COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

The following companies are investments in companies accounted for using the equity method:

	Country of incorporation	% Equity interest
Associates		
Castmetal FWI S.A.	Luxembourg	34.09
Joint ventures		
SAF-HOLLAND Nippon, Ltd.	Japan	50.0

Details about the Group's associates are presented in the following table:

Name of the associate	Castmetal FWI S.A.
Nature of relationship with the Group	Supplier of components in cast steel
Principal place of business	Luxembourg
Ownership interest	34.09%

The summarized financial information regarding Castmetal FWI S.A. is shown below. It corresponds to the amounts in the financial statements of the associated company prepared in accordance with IFRS (adjusted for the purposes of accounting according to the equity method at the Group).

		Castmetal FWI S.A.
in EUR thousand	**12/31/2025**	**12/31/2024**
Current assets	27,108	31,817
Non-current assets	11,562	12,935
Current liabilities	–10,597	–10,828
Non-current liabilities	–2,041	–5,391
Sales	43,832	54,477
Net profit of the financial year from continuing operations	–216	2,905
Total comprehensive income	**–216**	**2,905**
Group's share in total comprehensive income	–74	990
Other equity holders	–142	1,915

The following is a reconciliation between the reported summarized financial information and the carrying amount of the investment in Castmetal FWI S.A. as shown in the Consolidated Financial Statements:

in EUR thousand	**12/31/2025**	**12/31/2024**
Net assets of the associate	26,032	28,533
Equity interest of the Group	34.09%	34.09%
Other adjustments	1,638	859
Carrying amount of the investment in Castmetal FWI S.A.	10,512	10,586

The reconciliation item "other adjustments" resulted primarily from the disclosure of hidden reserves in the context of the acquisition of the investment and its amortization.

No dividend (previous year: EUR 0.6 million) was distributed by Castmetal FWI S.A. in the past fiscal year.

The share in the joint venture SAF-HOLLAND Nippon, Ltd. is not a significant joint venture in itself. The financial information relating to this joint venture is presented below:

in EUR thousand	12/31/2025	12/31/2024
Group's share in profit or loss	81	–720
Group's share in total comprehensive income	81	–720
Aggregate carrying amount of Group's share in this company	**969**	**2,438**

SAF-HOLLAND Nippon, Ltd. distributed a dividend of EUR 0.01 million (previous year: EUR 0.01 million) in the past fiscal year.

During the fiscal year, the contractual joint venture agreement relating to Shaanxi Fast Haldex Brake Products Co. Ltd., a joint venture between the FAST Group and Haldex AB, was terminated by mutual agreement. When the termination took effect, there was no longer any joint management within the meaning of IFRS 11.

In connection with the termination of joint management, a capital reduction was carried out in accordance with the shareholding ratios. The proportionate net assets attributable to the Group were transferred to the Group in the amount of EUR 1.9 million.

The consideration consisted of a cash inflow of EUR 0.7 million and the transfer of fixed assets with a fair value of EUR 1.2 million. The acquired assets were recognized in the balance sheet at their fair value at the time control was obtained.

With the discontinuation of joint management, the application of the equity method in accordance with IAS 28.22 was discontinued. The consideration received – consisting of cash and non-cash assets – was compared with the carrying amount of the investment. The resulting income of EUR 0.4 million was recognized in the Consolidated Financial Statements under income from companies accounted for using the equity method. For the calculation of adjusted EBIT, the income from the settlement of the joint venture was adjusted and reported under restructuring and transaction costs.

6.5 OTHER ASSETS

in EUR thousand	12/31/2025	12/31/2024
Other long-term investments	6,239	6,471
Deposits within the framework of factoring	7,499	3,839
Other short-term investments	7,629	3,871
Receivables from suppliers	1,687	1,768
Loans and interest receivables	875	817
Derivaties with a positive market value	97	314
Receivables from related parties	973	336
Other assets	725	322
Other financial assets	**25,724**	**17,738**
thereof non-current	8,755	7,288
thereof current	16,969	10,450
Tax refund claims (sales and other taxes)	31,017	27,414
Defined benefit assets	18,431	19,521
Advance payment	15,129	13,134
Assets from right of return	4,222	5,059
Insurance premiums	4,007	3,626
Other assets	9,472	20,306
Other non-financial assets	**82,278**	**89,060**
thereof non-current	24,466	26,191
thereof current	57,812	62,869

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Other long-term financial investments mainly comprise loans to customers secured by pledges. As of 31 December 2025, these receivables were written down by EUR 0.2 million (previous year: EUR 0.3 million).

The increase in other short-term financial investments compared to the previous year is mainly attributable to the investment of surplus liquidity in short-term corporate debt securities with fixed maturities and a contractual right to repayment.

6.6 INVENTORIES

in EUR thousand	12/31/2025	12/31/2024
Raw materials	129,203	139,018
Semi finished goods	51,344	50,991
Finished and trading goods	62,576	80,735
Goods in transit	17,303	20,725
Total	**260,426**	**291,469**

The amount of impairment losses on inventories recognized as an expense totals EUR 5.6 million (previous year: EUR 9.4 million) and is recognized in cost of sales. Impairment losses on inventories are recognized in a separate allowance account and offset against the gross value of inventories.

in EUR thousand	Allowance account
As of 01/01/2024	**21,844**
Additions	13,154
Utilised	3,389
Release	3,788
Foreign currency translation	216
As of 12/31/2024	**28,037**
Additions	9,093
Utilised	5,282
Release	3,454
Foreign currency translation	–1,572
As of 12/31/2025	**26,822**

6.7 TRADE RECEIVABLES

Trade receivables are non-interest bearing and are generally due within 30-120 days.

in EUR thousand					Thereof: partly impaired on the reporting date and past due in the following periods					
	Gross carrying amount	Impair-ment	Carrying amount	Thereof neither impaired nor past due on the reporting date	Less than 30 days	Between 31 and 60 days	Between 61 and 90 days	Between 91 and 120 days	Between 121 and 360 days	More than 360 days
Trade receivables as of 12/31/2025	209,965	6,356	203,609	173,705	23,594	2,722	871	655	1,750	312
Trade receivables as of 12/31/2024	192,615	7,640	184,975	143,843	29,677	4,888	3,639	991	1,781	156

Impairment of trade receivables is recorded in a separate impairment account and netted against the gross amount of trade receivables.

in EUR thousand	Impairment account
As of 01/01/2024	7,615
Additions	2,872
Utilised	1,463
Release	1,426
Foreign currency translation	42
As of 12/31/2024	7,640
Additions	2,740
Utilised	2,445
Release	1,289
Foreign currency translation	-290
As of 12/31/2025	6,356

Trade receivables that are not impaired and past due show no indications as of the reporting date that the debtors will not meet their payment obligations. The Group has taken out trade credit insurance in Europe and the US to insure against the default risk.

The Group has entered into factoring agreements in Germany, France, Spain and the US for a maximum volume of EUR 30 million and USD 25 million. Under the factoring programs, receivables with a volume of EUR 40.8 million (previous year: EUR 39.4 million) were sold as of the balance sheet date. SAF-HOLLAND continues to manage the receivables sold. Although the Group is not entitled to dispose of the receivables sold in any way other than as part of its debtor/receivables management, the Group retains control over the receivables sold because the buyers do not have the actual ability to resell the receivables acquired. Provided that not all risks and rewards have been transferred to the factor, SAF-HOLLAND continues to recognize the trade receivables sold in the amount of its continuing involvement, i.e., in the amount of the maximum amount for which it remains liable for the late payment risk inherent in the receivables sold and recognizes a corresponding other financial liability. As of the balance sheet date, the continuing involvement amounted to EUR 0.3 million (previous year: 0.3 million). Customer payments received from sold receivables are recognized as liabilities to the factor under other financial liabilities.

6.8 CASH AND CASH EQUIVALENTS

in EUR thousand	12/31/2025	12/31/2024
Cash on hand, cash at banks and checks	284,243	288,080
Short-term deposits	10,256	12,650
Total	294,499	300,730

Cash and cash equivalents include EUR 7.2 million (previous year: EUR 4.5 million), which the Group can only transfer to a limited extent.

Short-term investments consist of highly liquid financial assets that have a residual term of not more than three months and are only exposed to insignificant fluctuations in value.

For further information on the development of cash and cash equivalents, please refer to the Statement of Cash Flows.

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6.9 EQUITY

Share capital

The company's share capital has not changed compared to the previous year and amounted to EUR 45,394,302.00 (previous year: EUR 45,394,302.00) as of the balance sheet date. It is represented by 45,394,302 (previous year: 45,394,302) ordinary shares with a nominal value of EUR 1.00 each and is fully paid up.

Authorized capital

As of the reporting date, existing authorized share capital is as follows:

Articles of Association	Date of resolution/expiration	Euro/number of shares	Subscription rights excluded/ execution of capital increase
Article 5.3	June 11, 2024/valid until June 10, 2029	9,078,860 EUR = 9,078,860 Shares	Capital increases can be conducted, excluding the subscription rights of existing shareholders, under the certain circumstances defined in the articles of association and only to an upper limit of 10% of subscribed share capital

Capital reserve

As of December 31, 2025, the capital reserve amounted to EUR 224.1 million (previous year: EUR 224.1 million).

Retained earnings

Retained earnings include the result for the period attributable to shareholders of SAF-HOLLAND SE of EUR 50.9 million (previous year: EUR 77.3 million).

A dividend of 0.65 EUR per share will be proposed for fiscal year 2025, corresponding to a total dividend distribution of EUR 29.3 million based on the 45,027,849 shares entitled to a dividend. This amounts to a payout ratio of the available net income attributable to equity holders of the parent company of 46.58%, which is thus within the targeted range. Net income available for distribution is defined as net income attributable to shareholders of the parent company, adjusted for unrealized gains and losses on foreign currency loans and dividends from the valuation of intercompany foreign currency loans. The above adjustments are determined taking the deferred tax effect at the Group tax rate into account.

A dividend of EUR 0.85 was paid in the previous year. The total distribution thus amounted to EUR 38.6 million.

Accumulated other changes in equity

in EUR thousand	Before tax amount		Tax income/expense		Net of tax amount	
	Q1–Q4/2025	Q1–Q4/2024	Q1–Q4/2025	Q1–Q4/2024	Q1–Q4/2025	Q1–Q4/2024
Exchange differences on translation of foreign operations	–32,831	5,274	–	–	–32,831	5,274
Remeasurements of defined benefit plans	4,069	8,436	–741	–2,045	3,328	6,391
Total	–28,762	13,710	–741	–2,045	–29,503	11,665

The total amount of exchange differences from the translation of foreign operations included in other comprehensive income amounts to EUR -49.1 million (previous year: EUR –16.2 million).

The total amount after taxes included in other comprehensive income that arises from the remeasurement of defined benefit plans is EUR 8.1 million (previous year: EUR 4.8 million). The deferred tax amount recognized in other comprehensive income in connection with actuarial gains and losses is comparatively small. Deferred taxes are measured using the tax rate that is expected to apply at the time of reversal. Due to the statutory tax rate changes in Germany enacted as part of the Tax Relief Act, a reduced tax rate is applied, which results in a lower deferred tax amount recognized in other comprehensive income.

Reserve for treasury shares

On November 11, 2025, the Management Board of SAF-HOLLAND SE, with the approval of the Supervisory Board, decided to launch a share buyback program ("2025 Share Buyback Program") in accordance with the authorization granted by the Annual General Meeting on June 10, 2021.

Under the Share Buyback Program, a total of up to 2,269,715 treasury shares (corresponding to up to 5% of the share capital) may be repurchased at a maximum total purchase price of EUR 40 million (excluding incidental acquisition costs) in the period from the end of November 2025 to December 31, 2026.

The reserve for treasury shares comprises the acquisition costs of the treasury shares held by SAF-HOLLAND SE. As of December 31, 2025, SAF-HOLLAND SE held 366,453 treasury shares.

6.10 PENSIONS AND OTHER SIMILAR BENEFITS

Germany

The Group has offered defined benefit plans to its employees in Germany in accordance with a supplemental agreement.

Under a supplementary agreement dated January 1, 2007, SAF-HOLLAND GmbH's pension plans were frozen, and no further pension entitlements can be earned. The future pension payments for these plans depend on an employee's length of service.

Future pension payments for the plan of SAF-HOLLAND Verkehrstechnik GmbH depend on the length of service and the individual's income. In February 2011, the company restructured its existing pension plans from a direct pension commitment to an indirect pension commitment in the form of a reinsured employee benefit fund. The conversion did not alter the benefits granted to employees. Pension commitments of the employee benefit fund are covered by a group insurance contract. As these reinsurance claims do not constitute plan assets because the employees' claims are not protected against insolvency, the asset value of the pension liability insurance of EUR 1.0 million (previous year: EUR 1.0 million) is recognized under other non-current assets in accordance with IAS 19.

In the course of the merger of Haldex GmbH into SAF-HOLLAND GmbH, an active pension scheme for company pensions was also transferred. This is based on the company agreement dated August 22, 1991, in conjunction with the pension scheme of Grau GmbH (legal predecessor of Haldex GmbH) dated August 20, 1991, and was adopted and applied accordingly by Haldex. The monthly pension is granted after a waiting period of 5 full years of service and consists of a basic amount of EUR 51.13 plus an increase of EUR 2.20 for each year of service completed after 10 years. The period of service up to retirement age is taken into account for the disability pension. The early retirement pension is granted in the amount of the retirement pension reached by the time of retirement. The surviving dependents' pension amounts to 60% of the pension of the entitled person. In addition, there are two closed pension schemes in which the group of persons only consists of active pension recipients and retired persons with vested entitlements.

There are no legal or regulatory minimum funding requirements in Germany.

United States

SAF-HOLLAND Inc. maintains three pension plans that are closed to new entrants. The benefits paid under the defined benefit pension plans depend on the length of service or, in some cases, the participant's individual income. The investment oversight of the plan assets was delegated to an investment committee. The plan assets are managed by a trustee. The trustee responsible for the management of the assets acts under the instruction of the investment committee. The pension plans comply with the funding requirements of the US Employee Retirement Income Security Act of 1974, as amended. Minimum funding requirements for defined benefit plans are 80% to avoid any performance restrictions.

In addition, SAF-HOLLAND Inc. maintains a plan for post-employment medical benefits. This is granted on a voluntary basis and covers the medical costs of eligible employees for a period of up to three years.

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Canada

SAF-Holland Canada Ltd. operates a defined benefit plan in Canada that is still open to new entrants. Under the terms of Canada's Ontario Pension Benefits Act and the Canadian Revenue Agency, pension plans that are not fully funded and will not be fully funded in the near future have a minimum funding requirement of 85%.

Sweden

In Sweden, Haldex AB has defined benefit plans in accordance with the 1960 collective agreement (ITP). These defined benefit plans are active and new pension entitlements can be acquired. The scope of the pension benefits depends on the participant's length of service and salary. The pension plans are covered by a reinsurance policy.

In addition, there is a defined benefit plan for three former decision makers, which is currently being paid out. The pension plan is partly financed by pension foundations and is covered by reinsurance. The pension plan is closed to new entrants.

United Kingdom

In the United Kingdom, Haldex Ltd. and Haldex Brake Product Ltd. maintain defined benefit plans that are closed to future service-related increases and new entrants.

The financing of the plans is determined by the provisions of the Finance Act of 2004. The defined benefit plans are administered by a trust company whose board of trustees represents the interests of the beneficiaries in accordance with the trust agreement and the law and ensures that the benefits can be paid in the future.

The development of the defined benefit pension plans as of December 31 is as follows:

in EUR thousand	Defined benefit obligation (DBO)		Fair value of plan assets		Effects of asset ceiling		Net defined benefit balance	
		(I)		(II)		(III)		(I – II + III)
	2025	2024	2025	2024	2025	2024	2025	2024
Balance as of the beginning of the period	**124,330**	**135,418**	**103,769**	**104,011**	**2,632**	**1,324**	**23,193**	**32,731**
Additions from initial consolidation	**–**	**1,655**	**–**	**–**	**–**	**–**	**–**	**1,655**
Beginning balance	**124,330**	**137,073**	**103,769**	**104,011**	**2,632**	**1,324**	**23,193**	**34,836**
Current service cost	782	683	–	–	–	–	782	683
Administrative cost	188	124	–	–	–	–	188	124
Past service cost	30	–	–	–	–	–	30	–
Settlement	–	–194	–	–	–	–	–	–194
Interest expenses	5,268	5,626	–	–	118	90	5,386	5,716
Interest income	–	–	4,946	4,696	–	–	–4,946	–4,696
Components of defined benefit costs recognized in the Consolidated Statements of Comprehensive income	**6,268**	**6,239**	**4,946**	**4,696**	**118**	**90**	**1,440**	**1,633**
Actuarial gains/losses	–3,899	–6,072	1,498	3,628	–	–	–5,397	–9,700
Effects of asset ceiling	–	–	–	–	1,328	1,264	1,328	1,264
Remeasurements recognized in the Consolidated Statements of Comprehensive Income	**–3,899**	**–6,072**	**1,498**	**3,628**	**1,328**	**1,264**	**–4,069**	**–8,436**
Employer contributions	–	–	1,646	1,390	–	–	–1,646	–1,390
Benefits paid	–7,511	–8,039	–6,013	–6,560	–	–	–1,498	–1,479
Foreign currency translation effects	–6,103	3,112	–8,882	4,387	–216	–46	2,563	–1,321
Settlement	–166	–7,983	–163	–7,783	–	–	–3	–200
Other reconciling items	**–13,780**	**–12,910**	**–13,412**	**–8,566**	**–216**	**–46**	**–584**	**–4,390**
Balance as of the end of the period	**112,919**	**124,330**	**96,801**	**103,769**	**3,862**	**2,632**	**19,980**	**23,193**
of which provisions for pensions and similar obligations							**38,411**	**42,713**
of which net assets (reported under other non-current assets)							**18,431**	**19,520**
thereof:								
Germany	17,089	19,212	13	13	–	–	17,076	19,199
Sweden	20,309	21,024	3,855	2,843	–	–	16,454	18,181
UK	24,737	26,088	30,471	30,923	–	–	–5,734	–4,835
USA	41,264	47,019	52,309	59,040	–	–	–11,045	–12,021
Canada	4,054	4,982	9,569	10,278	3,862	2,632	–1,653	–2,664
Other countries	3,935	4,113	584	672	–	–	3,351	3,441
Post-employment medical plan	1,531	1,892	–	–	–	–	1,531	1,892
Actual return on plan assets			**6,444**	**8,448**				

The net method of accounting for defined benefit plans of EUR 20.0 million (previous year: EUR 23.2 million) is presented under the provision for pensions and similar obligations in an amount of EUR 38.4 million and in an amount of EUR 18.4 million under other non-current assets. The net interest expense amounted to EUR 0.4 million (previous year: EUR 1.0 million).

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The actuarial gains (–) and losses (+) included in the revaluation resulted from:

in EUR thousand	12/31/2025	12/31/2024
Experience losses/gains related to defined benefit obligation	–1,441	–2,306
Experience losses/gains related to plan assets	–1,498	–3,628
Changes in demographic assumptions	30	–5
Changes in financial assumptions	–2,488	–3,761
Total	**–5,397**	**–9,700**

Actuarial assumptions

The key assumptions used in determining pension and post-employment medical benefit obligations for the Group's pension plans are shown in the following table:

in %	12/31/2025	12/31/2024
Discount rate		
Germany pension plan	4.00	3.20
USA pension plan	5.26	5.53
Canada pension plan	5.00	4.70
Post-employment medical plan	4.93	5.38
Sweden pension plan	3.85	3.50
UK pension plan	5.50	5.45
Future salary increases		
Germany pension plan	0.00/2.00[1]	0.00/2.00[1]
USA pension plan	3.00	3.00
Canada pension plan	–[2]	–[2]
Post-employment medical plan	n. a.	n. a.
Sweden pension plan	2.50	2.50
UK pension plan	2.90	3.10
Future pension increases		
Germany pension plan	2.00	2.00
USA pension plan	–[3]	–[3]
Canada pension plan	–[2]	–[2]
Post-employment medical plan	n.a.	n.a.
Sweden pension plan	3.00	3.00
UK pension plan	2.80	3.00

[1] For the calculation of SAF-HOLLAND GmbH's defined benefit obligations, no salary increases were considered because the amount of the obligation depends on the length of service of the respective employee and the pension plan has been frozen so that no additional entitlements can be earned. The future salary trend for the pension obligations of SAF-HOLLAND Verkehrstechnik GmbH is assessed to be 2.00%.

[2] For the Canadian pension plans, no future salary and pension increases were considered as the pension payments depend on the years of service.

[3] For the pension plans in the USA, no future pension increases were considered as the pension payments remain constant. Therefore, only years of service or salary and wage increases up to retirement were considered in determining the defined employee benefit obligations for these plans.

The mortality tables used were:

Germany	Heubeck Richttafeln 2018G
USA	Pri-2012(BC) mortality table with MP-2021 generational projection
Canada	RP-2014Priv mortality table with MI-2017 generational projection
Sweden	DUS23
UK	102% S3PMA/101% S3PFA_M YoB

Healthcare cost inflation:

in %	12/31/2025	12/31/2024
Initial rate (health care cost trendrate assumed for next year)	8.08	5.00
Ultimate rate (health care cost trend rate assumed to reduce cost)	4.50	5.57
Year of ultimate	2044	2027

Sensitivity analyses

The sensitivity analysis shows the effects of key value-determining assumptions on the amount of the defined benefit obligation. The effects are presented in isolation in each case.

The following changes in assumptions were taken into account for fiscal year 2025: discount rate ±0.75 percentage points, salary trend ±0.50 percentage points, pension trend ±0.50 percentage points.

The following overview shows the resulting changes in the obligation as of 31 December 2025. Comparative figures for salary trends and pension trends are not shown for 2024, as these parameters were not yet included in the sensitivity analysis in the previous year.

in EUR thousand	12/31/2025		12/31/2024	
	Increase	Decrease	Increase	Decrease
Total	**–5,536**	**6,137**	**–10,377**	**11,887**
thereof:				
Discount rate	–9,253	10,391	–10,377	11,887
Salary trend	434	–469	–	–
Pension trend	3,283	–3,785	–	–

A change of 1 percentage point in the assumption of the cost trend for medical care services would have the following effect:

in EUR thousand	12/31/2025		12/31/2024	
	Increase	Decrease	Increase	Decrease
Impact on the total current service cost and interest cost	3	–3	4	–4
Effect on the defined benefit obligation	56	–52	76	–70

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Future cash flows

Future payments of defined benefit obligations are summarized in the following table:

in EUR thousand					2025
	2026	2027-2030	2031-2035	2036 ff.	Total
Germany	1,067	4,360	5,389	18,579	29,395
USA	3,760	14,581	16,329	37,667	72,337
Canada	99	634	1,194	7,766	9,693
Sweden	977	3,597	3,986	11,403	19,963
UK	1,136	6,007	7,637	35,341	50,121
Other countries	430	1,860	2,424	5,950	10,664
Total	**7,469**	**31,039**	**36,959**	**116,706**	**192,173**

					2024
	2025	2026-2029	2030-2034	2035 ff.	Total
Germany	1,045	4,352	5,451	19,610	30,458
USA	4,284	16,776	19,013	45,631	85,704
Canada	146	803	1,420	9,177	11,546
Sweden	938	3,445	3,995	11,993	20,371
UK	1,086	6,445	9,191	43,387	60,109
Other countries	512	1,131	2,528	5,003	9,174
Total	**8,011**	**32,952**	**41,598**	**134,801**	**217,362**

The weighted average duration of pension plans is shown below:

in years	12/31/2025	12/31/2024
Germany	12	13
USA	8	9
Canada	17	19
Sweden	8	9
UK	14	15
Other countries	8	9

The employer contributions to defined benefit plans expected for fiscal year 2026 amount to EUR 1.6 million.

Breakdown of plan assets

The major categories of plan assets as a percentage of the fair value of total plan assets and according to value are as follows:

	As of 12/31/2025		As of 12/31/2024	
	in %	in EUR thousand	in %	in EUR thousand
Equities	10.12	9,796	45.92	47,640
Bonds	56.55	54,741	24.18	25,095
Cash and money market	0.24	235	0.31	326
Real estate	4.11	3,979	2.70	2,802
Insurance	28.98	28,050	26.89	27,906
Total	**100.00**	**96,801**	**100.00**	**103,769**

US pension fund investments are managed through a diversified portfolio of highly liquid institutional investment funds, as governed by the Investment Advisors Act of 1940. The portfolio is invested in various asset classes, including US and global equities, US and global fixed-income investments, as well as real estate.

The shares, bonds, money market and capital market instruments had quoted prices in an active market. The values for insurance contracts represent their fair values for which no quoted prices in an active market exist.

6.11 OTHER PROVISIONS

The main components of other provisions and their development are shown in the following table:

in EUR thousand	Products warranty	Partial retirement	Other longterm employee benefits	Pending litigation	disability and health insurance benefits	Restructuring	Variable compensation	Other	Total
As of 01/01/2024	**27,683**	**394**	**3,716**	**1,653**	**2,084**	**1,061**	**5,062**	**8,740**	**50,393**
Additions from initial consolidation	124	–	–	–	–	–	–	355	479
Additions	8,432	181	370	353	836	1,345	2,280	4,045	17,842
Utilised	7,426	–	–	248	990	877	2,077	5,583	17,201
Release	8,646	–	9	559	468	20	256	603	10,561
Foreign currency translation	337	–	–109	–13	104	31	75	–186	239
12/31/2024	**20,504**	**575**	**3,968**	**1,186**	**1,566**	**1,540**	**5,084**	**6,768**	**41,191**
Additions	3,083	460	1,363	260	697	4,465	580	1,600	12,508
Utilised	2,586	71	49	96	519	862	787	2,699	7,669
Release	8,832	–	–	395	–	18	15	1,402	10,662
Foreign currency translation	–897	–	175	–6	–186	–103	–167	–122	–1,306
12/31/2025	**11,272**	**964**	**5,457**	**949**	**1,558**	**5,022**	**4,695**	**4,145**	**34,062**
Thereof in 2025									
Current	7,509	–	1,180	198	697	5,022	1,413	3,073	19,092
Non-current	3,763	964	4,277	751	861	–	3,282	1,072	14,970
Thereof in 2024									
Current	14,061	–	17	257	615	1,540	1,815	5,131	23,436
Non-current	6,443	575	3,951	929	951	–	3,269	1,637	17,755

Product warranty

Provisions are recognized for expected guarantees and warranty claims on products sold in past periods. The amount of the provision is based on past experience, taking the circumstances on the reporting date into account. Product warranties include free repairs and, at the Group's discretion, the free replacement of components conducted by authorized partner repair shops. The reversal of this provision in the past fiscal year resulted primarily from a change in the assessment of risk for existing guarantee and warranty cases.

Partial retirement

The Group offers a part-time retirement plan to employees in Germany going into early retirement. In Germany, the Group uses what is known as a block model, which divides part-time retirement into two phases. Under such an arrangement, employees generally work full-time during the first half of the transition period and leave the company at the start of the second half. The provision is discounted and recognized at its present value. Part-time retirement commitments are insured against potential insolvency.

Other long-term employee benefits

The provision for other long-term employee benefits includes long-service benefits and deferred compensation.

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Pending litigation
The Group has recognized a provision for pending litigation in accordance with IAS 37, which primarily relates to a legal dispute in connection with an accident at work. The measurement is based on the best possible estimate of the current liability as of the reporting date, taking the information currently available and internal and external legal assessments into account.

Due to the uncertainties associated with the proceedings, the actual outcome, the amount of any potential obligation, and the timing of any cash outflow may differ from the assumptions made. No court decision is currently expected before early 2027.

Disability and health insurance benefits for employees
Provisions relate to obligations arising from occupational disability, health insurance and compensation benefits and are recognized in the amount of claims incurred up to the balance sheet date as well as for cases that have already occurred but have not yet been finally settled. The valuation is carried out in accordance with IAS 37 on the basis of the best possible estimate, taking historical experience into account. Current insurance coverage is taken into account in the amount of the expected, sufficiently certain reimbursements.

The obligations result from labor law, statutory or contractual circumstances and do not constitute insurance contracts within the meaning of IFRS 17.

Restructuring provisions
The restructuring provisions relate to measures to reduce the workforce, particularly in Germany, France, North America, and Sweden. The measures are related to the adjustment of the cost structure to a lower market level and to post-merger integration measures. As of the balance sheet date, the measure has been implemented operationally. The provision mainly comprises severance payments; the resulting payments are expected to be made by the first half of 2026.

Variable compensation
Performance-Share-Unit-Plan (PSU-Plan)
Under the PSU Plan, members of the Management Board and selected executives can receive cash bonuses based on the achievement of certain performance targets. A PSU plan with a four-year term has been offered each year to the scheme's participants since 2013.

The goal of this plan is to sustainably link the interests of the management and executives with the interests of SAF-HOLLAND SE shareholders in a long-term increase in the company's value. The performance share unit plan takes both the company's performance and the share price development for a performance period of four years into account.

Participants receive virtual Share Units at the beginning of the performance period. The number of Share Units at the beginning of the performance period is determined by dividing the allowance value set annually by the Supervisory Board by the average share price in the last two months of the year preceding the allowance. Upon expiration of the performance period, the number of Share Units allowed is adjusted by the multiplication with a target achievement factor. The target achievement factor is the ratio of the company's average performance (adjusted EBIT margin) during the performance period versus the average target value previously set for the performance period.

The amount of the participants' payment entitlement is determined by multiplying the Share Units with the average share price during the last two months of the performance period and the target achievement factor. There is no entitlement to shares of SAF-HOLLAND SE.

Payouts under the performance Share Unit plan are limited to 200% of the target value.

The prerequisite for exercising appreciation rights is the achievement of a defined performance target. The performance target is met if during the entitlement period the Group has achieved an average minimum operating performance measured by the performance indicator "adjusted EBIT."

The total of Share Units granted as of the reporting date amounts to 540,872 and comprises the following:

					Performance Share Unit Plan
	Performance Share Unit Plan 2021-2024	Performance Share Unit Plan 2022-2025	Performance Share Unit Plan 2023-2026	Performance Share Unit Plan 2025-2027	Performance Share Unit Plan 2026-2028
Share Units outstanding at the beginning of the period	114,315	100,865	205,083	152,210	–
Share Units granted during the period	–	6,137	8,427	4,234	161,677
Share Units forfeited during the period	–	16,671	34,134	22,842	24,114
Share Units exercised during the period	114,315	–	–	–	–
Share Units expired during the period	–	–	–	–	–
Share Units outstanding at the end of the period	–	**90,331**	**179,376**	**133,602**	**137,563**
Share Units exercisable at the end of the period	–	90,331	–	–	–

The Share Units granted are classified and accounted for as cash-settled, variable payments. The fair value of the Share Units is remeasured on each reporting date using a Monte-Carlo simulation and in consideration of the conditions under which the Share Units were granted. The measurement of the options granted was based exclusively on the following parameters:

				Performance Share Unit Plan
	Performance Share Unit Plan 2022-2025	Performance Share Unit Plan 2023-2026	Performance Share Unit Plan 2025-2027	Performance Share Unit Plan 2026-2028
Expected remaining contractual life (in years)	0.00	1.00	2.00	3.00
Average share price on measurement date (in EUR)	14.33	14.24	14.09	13.38
Expected volatility	n.a.	24.14%	23.91%	25.49%
Risk free interest rate	–	2.00%	2.12%	2.20%
Dividend return	–	3.98%	3.98%	3.98%

Further information on the measurement parameters is provided in Note 2.2.

The fair value is expensed over the contract term with recognition of a corresponding liability. As of December 31, 2025, provisions for these performance plans amounted to EUR 4.7 million (previous year: EUR 5.1 million). The net expense for the period of EUR 0.4 million (previous year: EUR 0.01 million) has been allocated to the relevant functional areas in the Consolidated Statement of Comprehensive Income.

Other provisions

Other provisions include provisions for customer bonuses and outstanding invoices, as well as provisions for the annual audit and provisions for additional sales and consumption tax claims.

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6.12 INTEREST-BEARING LOANS AND BONDS

in EUR thousand	Non-current		Current		Total	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Interest bearing bank loans	98,173	201,866	–	–	98,173	201,866
Promissory note loan	534,500	233,609	5,500	200,500	540,000	434,109
Financing costs	–1,185	–1,437	–1,107	–1,009	–2,292	–2,446
Accrued interests	–	–	7,474	5,482	7,474	5,482
Other loans	126	45,032	45,171	37	45,297	45,069
Total	**631,614**	**479,070**	**57,038**	**205,010**	**688,652**	**684,080**

In the reporting year 2025, SAF-HOLLAND SE through SAF-HOLLAND GmbH concluded two promissory note loans and one additional bank loan with a total volume of EUR 365 million.

The promissory note loan issued in July 2025 with a total volume of EUR 330 million was paid out in cash in the amount of EUR 220 million; a further EUR 75 million was transferred into the new promissory note loan by offsetting against tranches of promissory note loans issued in 2022 and 2023. The remaining EUR 35 million will be disbursed in June 2026. The promissory note loan comprises tranches with fixed and variable interest rates and terms from three to seven years.

In addition, another promissory note loan in the amount of EUR 20 million with a variable interest rate and a maturity of two years was fully disbursed in May 2025.

In April 2025, a variable interest rate bank loan with a nominal volume of EUR 15 million and a maturity of five years was disbursed.

The proceeds were mainly used to refinance existing financial liabilities. In total, liabilities amounting to EUR 128.5 million were repaid early, of which EUR 75 million was settled by offsetting against new tranches of the promissory note loan issued in July. In addition, due tranches of the promissory note loans issued in 2015, 2020, 2022 and 2023, as well as portions of the revolving credit line, were repaid as scheduled.

With these measures, the Group continues to pursue its goal of smoothing its maturity profile while sustainably reducing average financing costs.

In the previous year, SAF-HOLLAND placed a promissory note loan in the amount of EUR 100 million. The tranches of the promissory note loan had both fixed and variable interest rates with terms of three and five years.

To refinance the acquisition of the Haldex Group, SAF-HOLLAND SE entered into a new credit facility agreement in August 2022 with credit lines totaling EUR 250 million and two annuity loans with a credit volume of EUR 300 million. The annuity loans had terms of three and five years, respectively.

The following table shows the total liquidity calculated as the sum of freely available credit lines valued at the rate as of the reporting date in addition to available cash and cash equivalents:

in EUR thousand				12/31/2025
	Amount drawn valued as at the period-end exchange rate	Agreed credit lines valued as at the period-end exchange rate	Cash and cash equivalents	Total liquidity
Revolving credit line	138	250,000	294,499	544,361
Total	138	250,000	294,499	544,361

in EUR thousand				12/31/2024
	Amount drawn valued as at the period-end exchange rate	Agreed credit lines valued as at the period-end exchange rate	Cash and cash equivalents	Total liquidity
Revolving credit line	62,000	250,000	300,730	488,730
Total	62,000	250,000	300,730	488,730

6.13 TRADE PAYABLES

Trade payables of EUR 173.2 million (previous year: EUR 185.4 million) are non-interest-bearing and are normally settled within two to six months.

6.14 OTHER LIABILITIES

in EUR thousand	12/31/2025	12/31/2024
Liabilities to factor	12,930	11,170
Liabilites to costumers	4,302	3,494
Liabilites from business combination	–	1,324
Derivatives with a negative market value	24	129
Bonuses and sales aid	128	166
Other	329	–
Other financial liabilities	**17,713**	**16,283**
thereof non-current	–	–
thereof current	17,713	16,283
Personnel-related liabilities	18,463	20,948
Liabilites for return goods	8,833	10,905
Other taxes	9,293	2,950
Liabilties from social security	4,150	4,499
Contractual liabilities	2,380	2,656
Liability from pass-through agreements	–	779
Other	6,738	8,895
Other non-financial liabilities	**49,857**	**51,632**
thereof non-current	428	417
thereof current	49,429	51,215

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7. OTHER INFORMATION

7.1 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Carrying amounts, amounts recognized and fair values by measurement category are as follows:

in EUR thousand						12/31/2025
			Amounts recognised in balance sheet according to IFRS 9			
	Measurement category in accordance with IFRS 9	Carrying amount	(Amortised) cost	Fair value recognised in equity	Fair value recognised in profit or loss	Fair value
Assets						
Cash and cash equivalents	FAAC	294,499	294,499	–	–	294,499
Trade receivables	FAAC	203,609	203,609	–	–	203,609
Other financial assets						
Derivatives without a hedging relationship	FAtPL	97	–	–	97	97
Other financial assets	FAAC	25,627	25,627	–	–	25,627
Liabilities						
Trade payables	FLAC	173,181	173,181	–	–	173,181
Interest bearing loans and bonds	FLAC	688,652	688,652	–	–	673,592
Other financial liabilities						
Derivatives without a hedging relationship	FLtPL	24	–	–	24	24
Other financial liabilities	FLAC	17,689	17,689	–	–	17,689
of which aggregated by category in accordance with IFRS 9						
Financial assets measured at amortised cost	FAAC	523,735	523,735	–	–	523,735
Financial liabilities measured at amortised cost	FLAC	879,522	879,522	–	–	864,462
Financial assets at fair value through profit and loss	FAtPL	97	–	–	97	97
Financial Liabilities at fair value through profit and loss	FLtPL	24	–	–	24	24

in EUR thousand						12/31/2024
			Amounts recognised in balance sheet according to IFRS 9			
	Measurement category in accordance with IFRS 9	Carrying amount	(Amortised) cost	Fair value recognised in equity	Fair value recognised in profit or loss	Fair value
Assets						
Cash and cash equivalents	FAAC	300,730	300,730	–	–	300,730
Trade receivables	FAAC	184,975	184,975	–	–	184,975
Other financial assets						
Derivatives without a hedging relationship	FAtPL	314	–	–	314	314
Other financial assets	FAAC	17,424	17,424	–	–	17,424
Liabilities						
Trade payables	FLAC	185,381	185,381	–	–	185,381
Interest bearing loans and bonds	FLAC	684,080	684,080	–	–	669,530
Other financial liabilities						
Derivatives without a hedging relationship	FLtPL	129	–	–	129	129
Other financial liabilities	FLAC	16,154	16,154	–	–	16,154
of which aggregated by category in accordance with IFRS 9						
Financial assets measured at amortised cost	FAAC	503,129	503,129	–	–	503,129
Financial liabilities measured at amortised cost	FLAC	885,615	885,615	–	–	871,065
Financial assets at fair value through profit and loss	FAtPL	314	–	–	314	314
Financial Liabilities at fair value through profit and loss	FLtPL	129	–	–	129	129

The following table shows the financial assets and liabilities measured at fair value allocated to the three fair value hierarchy levels:

in EUR thousand				12/31/2025
Financial assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Other financial Assets	–	25,627	–	25,627
Derivative financial assets	–	97	–	97
Total financial assets	**–**	**25,724**	**–**	**25,724**
Financial liabilities				
Promissory note loan	–	534,739	–	534,739
Interest bearing loans and bonds	–	138,853	–	138,853
Other financial liabilities	–	17,689	–	17,689
Derivative financial liabilities	–	24	–	24
Total financial liabilities	**–**	**691,305**	**–**	**691,305**

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in EUR thousand				12/31/2024
Financial assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Other financial Assets	–	17,424	–	17,424
Derivative financial assets	–	314	–	314
Total financial assets	**–**	**17,738**	**–**	**17,738**
Financial liabilities				
Promissory note loan	–	472,329	–	472,329
Interest bearing loans and bonds	–	197,201	–	197,201
Other financial liabilities	–	16,154	–	16,154
Derivative financial liabilities	–	129	–	129
Total financial liabilities	**–**	**685,813**	**–**	**685,813**

Cash and cash equivalents, trade receivables and trade payables, as well as current, non-derivative financial assets and liabilities, mainly have short remaining maturities. For this reason, their carrying amounts as of the reporting date approximate their fair values.

The Group applies the following methods and assumptions when measuring fair value:

- The fair value of unlisted shares was determined using the discounted cash flow method. These measurements require management to make certain assumptions regarding the input factors used in the model, including cash flow projections and the discount rate.
- Non-current fixed-interest loan receivables are measured by the Group using various parameters such as the interest rates, certain country-specific risk factors and the credit ratings of specific customers.
- The fair values of interest-bearing loans and the promissory note loan are calculated as the present value of the payments associated with the liabilities, based on the applicable yield curve and the specific credit spreads.
- Derivative financial instruments such as interest rate swaps and forward exchange contracts are measured using a valuation technique that uses observable input factors from active markets. The most frequently applied valuation techniques include forward pricing and swap models calculated at net present value.

In the balance sheet as of December 31, 2025, only derivatives in the amount of EUR 0.1 million (previous year: EUR 0.2 million) were measured at fair value.

The fair value of liabilities from interest-bearing loans, the promissory note loan and derivative financial assets and liabilities, was measured based on directly (e.g. prices) or indirectly (e.g. derived from prices) observable input factors. Under IFRS 7, this fair value measurement can therefore be allocated to Level 2 of the measurement hierarchy. The fair value hierarchy levels are described below:

Level 1: Quoted prices in active markets for identical assets or liabilities,

Level 2: Information other than quoted market prices that is observable either directly (e.g. prices) or indirectly (e.g. derived from prices), and

Level 3: Information on assets and liabilities that is not based on observable market data.

Net results breakdown by measurement categories as follows:

in EUR thousand					12/31/2025
		From subsequent measurement			
	From interest	At fair value	Currency translation	Impairment	Net result
Financial assets measured at amortised cost	4,086	–	–	–2,740	1,346
Financial assets at fair value through profit and loss	–	121	–	–	121
Financial liabilities measured at amortised cost	–29,688	–	–16,161	–	–45,849
Financial liabilities held for trading	–	–422	–	–	–422
Total	**–25,602**	**–301**	**–16,161**	**–2,740**	**–44,804**

in EUR thousand					12/31/2024
		From subsequent measurement			
	From interest	At fair value	Currency translation	Impairment	Net result
Financial assets measured at amortised cost	2,409	–	–	–2,872	–463
Financial assets at fair value through profit and loss	–	331	–	–	331
Financial liabilities measured at amortised cost	–36,394	–	107	–	–36,287
Financial liabilities held for trading	–	–838	–	–	–838
Total	**–33,985**	**–507**	**107**	**–2,872**	**–37,257**

The components of the net result are recognized as finance income or finance expenses, except for allowances on trade receivables which are reported under selling expenses.

The interest result from financial liabilities in the category "financial liabilities measured at amortized cost" primarily consists of interest expenses on interest-bearing loans and bonds and the amortization of transaction costs.

Financial risks

As an internationally active Group, SAF-HOLLAND SE is exposed to both business and industry-specific risks. Controlling opportunities and risks in a targeted manner is an integral part of management and decision-making within the Group.

To be adequately prepared for changes in competitive and environmental conditions and to efficiently control the creation of value within the Group, the Management Board has implemented a risk management system that is monitored by the Audit Committee. Risk management processes, required limits and the use of financial instruments to manage risks are defined in the Group's risk management handbook and supplementary guidelines. The risk management system is aimed at identifying and assessing the risks that arise. The risks identified are communicated, managed and monitored in a timely manner.

The Group is exposed mainly to liquidity risk, credit risk, interest rate risk and foreign currency risk. The risk management of the Group has the objective of limiting the risks posed by operating and financing activities. This is primarily done using derivative and non-derivative hedging instruments.

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Liquidity risk

The Group's liquidity risk is the risk that it will be unable to meet current or future payment obligations because of insufficient funds. Limiting and managing liquidity risk are among the management's primary tasks. The Group monitors the current liquidity situation on a daily basis. To manage future liquidity requirements, the Group uses a weekly 3-month forecast and a monthly rolling liquidity plan on a twelve-month basis. The management also continually monitors compliance with the financial covenants laid out in the long-term loan agreement.

The maturity structure of the Group's financial liabilities is as follows:

in EUR thousand				12/31/2025
	Total	Remaining term of up to 1 year	Remaining term of more than 1 year and up to 5 years	Remaining term of more than 5 years
Interest bearing loans and bonds	688,652	57,038	625,614	6,000
Lease liabilities	111,131	18,574	36,785	55,772
Trade payables	173,181	173,181	–	–
Other financial liabilities				
Other financial liabilities	17,689	17,689	–	–
Derivatives without a hedging relationship	24	24	–	–
Financial liabilities	**990,677**	**266,506**	**662,399**	**61,772**

in EUR thousand				12/31/2024
	Total	Remaining term of up to 1 year	Remaining term of more than 1 year and up to 5 years	Remaining term of more than 5 years
Interest bearing loans and bonds	684,080	205,010	465,570	13,500
Lease liabilities	90,125	17,284	38,411	34,430
Trade payables	185,381	185,381	–	–
Other financial liabilities				
Other financial liabilities	16,154	16,154	–	–
Derivatives without a hedging relationship	129	129	–	–
Financial liabilities	**975,869**	**423,958**	**503,981**	**47,930**

The following tables show the contractually agreed (undiscounted) interest and principal payments of the primary financial liabilities and the derivative financial instruments with a negative fair value:

in EUR thousand									12/31/2025
	Cashflows 2026			Cashflows 2027			Cashflows 2028–2032		
	Fixed interest rate	Variable interest rate	Repay-ment	Fixed interest rate	Variable interest rate	Repay-ment	Fixed interest rate	Variable interest rate	Repay-ment
Interest bearing loans and bonds	–3,571	–19,038	–50,671	–3,941	–14,867	–221,625	–4,332	–18,148	–411,174
Lease liabilities	–4,477	–	–18,574	–6,378	–	–11,875	–34,560	–	–80,682
Other financial liabilities									
Derivatives without a hedging relationship	–24	–	–	–	–	–	–	–	–

in EUR thousand									12/31/2024
	Cashflows 2025			Cashflows 2026			Cashflows 2027–2031		
	Fixed interest rate	Variable interest rate	Repay-ment	Fixed interest rate	Variable interest rate	Repay-ment	Fixed interest rate	Variable interest rate	Repay-ment
Interest bearing loans and bonds	–4,103	–17,729	–200,537	–2,598	–13,357	–104,000	–3,567	–17,639	–376,506
Lease liabilities	–5,670	–	–17,284	–4,100	–	–13,404	–20,712	–	–59,437
Other financial liabilities									
Derivatives without a hedging relationship	–129	–	–	–	–	–	–	–	–

All instruments are included that were held as of the reporting date and for which payments were already contractually agreed. Budgeted figures for future new debt are not included. Amounts denominated in foreign currency were translated at the spot rate as of the balance sheet date. Variable interest payments arising from financial instruments were calculated using the most recent interest rates determined ahead of the reporting date. All on-call financial liabilities are allocated to the earliest possible period in the table.

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The following table shows the change in liabilities from financing activities:

		Financial liabilities			Equity			
in EUR thousand	Notes	Interest bearing loans and bonds	Derivatives with a negative market value	Lease liabilities	Retained earnings	Reserve for treasury shares	Shares of non-controlling interests	Total
As of 12/31/2024		684,080	129	90,125	259,749	–	3,637	1,037,720
Change in net cash flow from finance activities								
Dividend payments to shareholders of SAF-HOLLAND SE	(6.9)	–	–	–	–38,585	–	–	–38,585
Proceeds from non-current financial liabilities	(6.12)	255,000	–	–	–	–	–	255,000
Repayments of current and non-current financial liabilities	(6.12)	–190,112	–	–	–	–	–	–190,112
Proceeds from the drawdown of credit facilities	(6.12)	77,531	–	–	–	–	–	77,531
Repayment of borrowings under the credit facilities	(6.12)	–140,000	–	–	–	–	–	–140,000
Paid transaction costs relating to financing agreements		–1,127	–	–	–	–	–	–1,127
Proceeds and payments from hedging instruments		–	156	–	–	–	–	156
Payments for lease liabilities	(6.3)	–	–	–18,093	–	–	–	–18,093
Interest paid (-)/ Interest received (+)		–26,410	–	–6,296	–	–	–	–32,706
Transactions with non-controlling interests	(6.9)	–	–	–	–8,804	–	–3,867	–12,671
Cash outflow for the acquisition of treasury shares		–	–	–	–	–5,336	–	–5,336
Net cash flow from financing activities		**–25,118**	**156**	**–24,389**	**–47,389**	**–5,336**	**–3,867**	**–105,943**
Effects of changes from exchange rates		22	–	–4,641	–	–	–	–4,619
Changes from initial consolidation		–	40	–	–	–	–	40
With regards to liabilities								
Interest expenses	(5.3.5)	28,415	–301	6,296	–	–	–	34,410
Disposals from lease liabilities	(6.3)	–	–	–1,297	–		–	–1,297
Additions to lease liabilities	(6.3)	–	–	45,037	–	–	–	45,037
Other changes		1,253	–	–	–		–	1,253
Total other changes, with regards to liabilities		29,690	–261	45,395	–	–	–	74,824
Total other changes, with regards to equity		–	–	–	50,949	–	230	51,179
As of 12/31/2025		**688,652**	**24**	**111,131**	**263,309**	**–5,336**	**–**	**1,057,780**

		Financial liabilities			Equity		
in EUR thousand	Notes	Interest bearing loans and bonds	Derivatives with a negative market value	Lease liabilities	Retained earnings	Shares of non-controlling interests	Total
As of 01/01/2024		628,668	127	78,171	220,896	2,923	930,785
Change in net cash flow from finance activities							
Dividend payments to shareholders of SAF-HOLLAND SE	(6.9)	–	–	–	–38,585	–	–38,585
Proceeds from non-current financial liabilities	(6.12)	100,000	–	–	–	–	100,000
Repayment of loans	(6.12)	–54,305	–	–	–	–	–54,305
Paid transaction costs relating to financing agreements		–240	–	–	–	–	–240
Proceeds and payments from hedging instruments		–	–365	–	–	–	–365
Payments for lease liabilities	(6.3)	–	–	–16,794	–	–	–16,794
Interest paid (-)/ Interest received (+)		–33,866	–	–4,622	–	–	–38,488
Transactions with non-controlling interests	(6.9)	–	–	–	–	–265	–265
Net cash flow from financing activities		**11,589**	**–365**	**–21,416**	**–38,585**	**–265**	**–49,042**
Effects of changes from exchange rates		112	–3	16	–	–	125
Changes from initial consolidation		7,317	–	4,478	–	–	11,795
With regards to liabilities							
Interest expenses	(5.3.5)	36,394	370	4,622	–	–	41,386
Disposals from lease liabilities	(6.3)	–	–	–1,801	–	–	–1,801
Additions to lease liabilities	(6.3)	–	–	26,055	–	–	26,055
Total other changes, with regards to liabilities		36,394	370	28,876	–	–	65,640
Total other changes, with regards to equity		–	–	–	77,438	979	78,417
As of 12/31/2024		**684,080**	**129**	**90,125**	**259,749**	**3,637**	**1,037,720**

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Credit risk

The Group is exposed to default risk through the possibility that a contracting party may fail to fulfil its commitment with respect to financial instruments. To minimize default risk, the outstanding receivables in all business areas are monitored continuously at the local level by all Group companies. To limit credit risks, the Group as a rule only does business with creditworthy business partners. In doing so, ongoing credit management is implemented that requires potential customers to undergo a credit verification procedure. To manage specific default risks, the Group also takes out commercial credit insurance coverage in Europe and the United States and defines credit limits for each customer.

Any subsequent credit risk that arises is covered by individual and collective impairment on receivables carried on the balance sheet. The expected credit loss is calculated on each reporting date. In addition to the credit ratings of customers, the expected credit loss considers such criteria as country credit ratings as issued by rating agencies, days of sales outstanding and macroeconomic factors.

The measurement reflects the probability-weighted result taking into account interest rate effects and appropriate and dependable information of past events, current circumstances and expected future economic conditions available as of the reporting date. Letters of credit and other forms of credit collateral are considered components of trade receivables and included in the calculation of the need for impairment.

Interest rate risk

The Group is exposed to interest rate risk due to its financing activities. Market-induced interest rate changes, in particular, can have an effect on the interest burden of floating-rate loans and bonds. Changes in interest rates affect interest-related cash flows. To hedge the cash flow risk, the Group holds interest rate swaps to transform certain variable cash flows into fixed cash flows and to hedge the interest rate.

The Group is also exposed to the risk of the carrying amount of financial liabilities changing as a result of interest rate changes. The Group has no plans to measure these financial liabilities at their market price, therefore there is no related economic risk.

The Group is exposed to interest rate risk mainly in the euro zone.

According to IFRS 7, the Group must show relevant interest rate risks using sensitivity analyses. These analyses demonstrate the effects of changes in market interest rates on interest payments, interest income and interest expenses.

If market interest rates on December 31, 2025, had been 100 base points lower (higher), the result would have been EUR 5.3 million (previous year: EUR 3.6 million) higher (lower). All other variables are assumed to be constant.

Foreign currency risk

The international nature of the Group's investing, financing and operating activities exposes the Group to foreign currency risk. The individual subsidiaries predominantly conduct their operating activities and investments in their respective local currency. The Group uses foreign exchange forward contracts to hedge a portion of the remaining transaction risks. The foreign exchange forward contracts are not designated as hedging instruments to hedge cash flows. The period for which the foreign exchange forward contracts are entered into corresponds to the period in which the underlying business transaction is subject to foreign currency risk, which is usually up to a period of twelve months. Financing the Group's companies is conducted primarily by SAF-HOLLAND SE and SAF-HOLLAND GmbH. Loans granted to international Group companies are generally denominated in euros. The translation of intercompany loans as of the reporting date can result in unrealized foreign exchange gains and losses. Unrealized foreign exchange gains and losses as of the reporting date amounted to EUR 4.6 million (previous year: EUR 12.9 million) and EUR -20.6 million (previous year: EUR -12.9 million). Of the unrealized foreign exchange gains EUR 0.0 million (previous year: EUR 0.0 million) and EUR 3.5 million (previous year: EUR 0.0 million) of the unrealized foreign exchange losses were reclassified to other comprehensive income (OCI) as translation effects from the valuation of intercompany foreign currency loans, which are considered part of a net investment in a foreign operation and are therefore recognized directly in equity.

The tables below show the Group's sensitivity to a 5 percent increase or decrease in the euro versus the US dollar, the Swedish krona and the Brazilian real. The sensitivity analysis includes only outstanding monetary items denominated in foreign currencies and adjusts their translation at the end of the period by a five percent change in exchange rates.

	Change in exchange rate USD/EUR	Effect on earnings before taxes	Effect on equity after taxes
2025	5%	85	1,171
	–5%	–85	–1,171
2024	5%	96	910
	–5%	–96	–910

	Change in exchange rate SEK/EUR	Effect on earnings before taxes	Effect on equity after taxes
2025	5%	1,610	–2,129
	–5%	–1,610	2,129
2024	5%	1,610	1,353
	–5%	–1,610	–1,353

	Change in exchange rate BRL/EUR	Effect on earnings before taxes	Effect on equity after taxes
2025	5%	679	2,066
	–5%	–679	–2,066
2024	5%	1,429	1,012
	–5%	–1,429	–1,012

7.2 EARNINGS PER SHARE

		Q1–Q4/2025	Q1–Q4/2024
Result for the period	**in EUR thousand**	**50,949**	**77,349**
Weighted average number of shares outstanding	thousand	45,360	45,394
Basic earnings per share / diluted earnings per shar	**EUR**	**1.12**	**1.70**

Basic earnings per share are calculated by dividing the result for the period attributable to shareholders of SAF-HOLLAND SE by the average number of shares outstanding.

The weighted average number of ordinary shares outstanding decreased in the reporting year due to the share buyback program launched in November 2025. The shares repurchased under the program are held as treasury shares and carry no dividend or voting rights. They were included on a pro rata basis from the respective repurchase date in the calculation of basic and diluted earnings per share.

The calculation of the weighted average number of shares outstanding is shown in the table below:

Weighted average number of shares outstanding

	Nominal value (EUR)	Number	Days	Weighted average number
01/01/2025 - 11/20/2025	1.00	45,394,302	320	14,526,176,640
11/21/2025 - 11/30/2025	1.00	45,286,990	9	407,582,910
12/01/2025 - 12/31/2025	1.00	45,027,849	31	1,395,863,319
Total			360	**16,329,622,869**
Average		45,360,064		

As at the balance sheet date, the Group does not hold any debt securities that could have a dilutive effect on earnings per share.

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7.3 CASH FLOW STATEMENT

The statement of cash flows was prepared in accordance with IAS 7 and is divided into cash flows from operating, investing and financing activities.

The cash flow from operating activities was calculated using the indirect method. By contrast, the cash flow from investing activities was calculated using the direct method. Cash flows from investing activities are used to generate income over the long-term, generally for more than one year. Cash flows from financing activities were also calculated using the direct method and include cash flows from transactions with shareholders and the issue and repayment of financial liabilities.

Other non-cash transactions include value adjustments of unrealized exchange gains and losses as of the reporting date.

7.4 CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

Legal disputes

In the reporting year and as of the reporting date, there were no material legal disputes that could potentially have a significant impact on the Group's asset, financial or earnings position.

Minimum lease payments from leases

The Group's other financial obligations mainly consist of the minimum lease payments arising from leases of EUR 0.8 million (previous year: EUR 0.4 million).

Capital obligations

As of the balance sheet date, there were contractual obligations of EUR 5.1 million (previous year: EUR 4.3 million) for capital expenditure (nominal values) on property, plant and equipment.

7.5 NUMBER OF EMPLOYEES

The average number of employees broken down by region was as follows in the reporting period:

Average number of employees by region

	12/31/2025	12/31/2024
EMEA	2,324	2,291
Americas	2,097	2,112
APAC	1,190	1,092
Total	**5,612**	**5,495**
thereof industrial employees	2,914	2,942
thereof salaried employees	2,010	1,993
thereof temporary workers	688	560

7.6 RELATED PARTY DISCLOSURES

The Consolidated Financial Statements include the financial statements of SAF-HOLLAND SE and the following subsidiaries, associates and joint ventures:

Subsidaries	Country of incorporation	% Equity interest
SAF-HOLLAND GmbH	Germany	100.0
SAF-HOLLAND Polska Sp. Z o.o.	Poland	100.0
SAF-HOLLAND France S.A.S.	France	100.0
SAF-HOLLAND Czechia spol.s.r.o.	Czechia	100.0
SAF-HOLLAND España S.L.U.	Spain	100.0
SAF-HOLLAND Italia Srl unipersonale	Italy	100.0
SAF-HOLLAND Romania SRL	Romania	100.0
SAF-HOLLAND do BRA Ltda.	Brazil	100.0
SAF-HOLLAND South Africa (Pty) Ltd.	South Africa	100.0
SAF-HOLLAND RUS OOO	Russia	100.0
SAF-HOLLAND Middle East FZE	VAE	100.0
SAF-HOLLAND Otomotiv Sanayi ve Ticaret Limited Sirketi	Turkey	100.0
SAF-HOLLAND Sverige AB	Sweden	100.0
SAF-HOLLAND Suomi OY	Finland	100.0
Assali Stefen Srl	Italy	100.0
Tecma Srl	Italy	100.0
SAF-HOLLAND Benelux B.V	Netherlands	100.0
SAF-HOLLAND Steering B.V	Netherlands	100.0
SAF-HOLLAND Inc.	USA	100.0
SAF-HOLLAND Canada Ltd.	Canada	100.0
SAF-HOLLAND (Aust.) Pty. Ltd.	Australia	100.0
SAF-HOLLAND (Malaysia) SDN BHD	Malaysia	100.0
SAF-HOLLAND Verkehrstechnik GmbH	Germany	100.0
SAF-HOLLAND International de México S. de R.L. de C.V.	Mexico	100.0
SAF-HOLLAND México S.A. de C.V.	Mexico	100.0
SAF-HOLLAND Russland OOO	Russia	100.0
PressureGuard LLC	USA	100.0
V.ORLANDI S.p.A.	Italy	100.0
V. Orlandi Rus LLC	Russia	100.0
York Transport Equipment (Asia) Pte. Ltd.	Singapore	100.0
York Transport Equipment (India) Pty. Ltd.	India	100.0
PT York Engineering Ltd.	Indonesia	100.0
Axscend Group Ltd.	Great Britain	100.0
Axscend Ltd.	Great Britain	100.0
SAF-HOLLAND UK Ltd.	Great Britain	100.0
SAF-HOLLAND (Shanghai) Investment Co.Ltd.	China	100.0
SAF-HOLLAND (Yangzhou) Vehicle Parts Co. Ltd.	China	100.0
Haldex AB	Sweden	100.0
Haldex Grau Ltd.	India	100.0
JSB Hesselman AB	Sweden	100.0
Haldex Ltd.	Great Britain	100.0
Haldex Brake Products Ltd.	Great Britain	100.0
Haldex Brake Products Corp.	USA	100.0
Haldex Acquisition Corp.	USA	100.0
Haldex Products de México S.A. de C.V.	Mexico	100.0
Haldex NV	Belgium	100.0
Haldex Europe SAS	France	100.0
Haldex Hungary Kft	Hungary	100.0
Haldex RU LLC	Russia	100.0

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Subsidaries	Country of incorporation	% Equity interest
Haldex Int. Trading Co. Ltd.	China	100.0
Haldex Hong Kong Co. Ltd.	Hongkong	100.0
Haldex Vehicle Products Co. Ltd.	China	100.0
Haldex India Pvt Ltd.	India	100.0
Haldex Korea Ltd.	South-Korea	100.0
Haldex do Brasil Industria e Comercio Ltda	Brazil	100.0
Haldex Brake Products Pty Ltd.	Australia	100.0

The domestic subsidiary SAF-HOLLAND GmbH has made use of the exemption provisions in accordance with Section 264 (3) of the German Commercial Code (HGB) for fiscal year 2025 and has therefore waived the disclosure of its annual financial statements and, in most cases, the preparation of (HGB) Notes and a Management Report.

Associates and joint ventures	Country of incorporation	% Equity interest
SAF-HOLLAND Nippon Ltd.	Japan	50.0
Castmetal FWI S.A.	Luxembourg	34.1

The table below shows the composition of the Management Board and the Supervisory Board of SAF-HOLLAND SE in the reporting year:

Management Board

Alexander Geis	Chief Executive Officer (CEO)
Frank Lorenz-Dietz	Chief Financial Officer (CFO)

Supervisory Board

Dr. Martin Kleinschmitt	Chairman of the Supervisory Board
Matthias Arleth	Member of the Supervisory Board
Ingrid Jägering	Member of the Supervisory Board (until 05/20/2025)
Carsten Reinhardt	Member of the Supervisory Board
Jurate Keblyte	Member of the Supervisory Board
Dagmar Rehm	Member of the Supervisory Board (since 05/20/2025)
Hans-Werner Kaas	Member of the Supervisory Board (since 07/29/2025)

The terms of office and other positions held by the members of the Supervisory Board and the Management Board can be found in the chapter "Mandates of the Supervisory Board / Management Board" in this Annual Report.

As of December 31, 2025, members of the Management Board directly or indirectly held ordinary shares in the nominal amount of EUR 0.5 million (previous year: EUR 0.5 million) while members of the Supervisory Board directly or indirectly held ordinary shares in the nominal amount of EUR 0.02 million (previous year: EUR 0.02 million).

Transactions with associates / joint ventures:

in EUR thousand	Sales to related parties		Purchases from related parties	
	Q1–Q4/2025	Q1–Q4/2024	Q1–Q4/2025	Q1–Q4/2024
Joint Ventures	3,214	2,813	–	–
Associates	–	–	17,821	21,644
Total	**3,214**	**2,813**	**17,821**	**21,644**

in EUR thousand	Amounts owed by related parties		Amounts owed to related parties	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Joint Ventures	654	433	–	–
Associates	–	–	2,214	1,472
Total	**654**	**433**	**2,214**	**1,472**

The transactions with associates / joint ventures were conducted at arm's length. Outstanding balances as of December 31, 2025, are unsecured, interest-free and paid on time. No guarantees have been provided or received for any receivables or payables from related parties. As of December 31, 2025, and in the previous year, the Group did not record any impairment of receivables for amounts owed by related parties. An evaluation is carried out in each reporting period that examines the financial position of the related parties as well as the markets in which these parties operate.

7.7 REMUNERATION OF THE MANAGEMENT BOARD

7.7.1 Basic principles of Management Board remuneration

Every year, the Supervisory Board reviews the remuneration of each individual member of the Management Board in terms of amount and structure. Resolutions on remuneration are generally prepared by the Remuneration and Nomination Committee.

The remuneration system for the Management Board is geared towards the sustainable and long-term development of the company. The remuneration system also promotes the business strategy and long-term development of the company. In accordance with the recommendation of the GCGC, the Supervisory Board ensures that variable remuneration is structured on a multi-year basis. This means that the long-term variable components exceed the short-term components, generally by a small margin. At the same time, short-term variable remuneration also places sufficient emphasis on annual operating targets, which serve as the basis for the company's future development.

The following criteria applied to the individual components of the Management Board's remuneration in fiscal year 2025:

1. Fixed basic annual salary

The base salary is fixed for the entire year and is granted on a monthly basis. Unlike many other companies, the members of the Management Board do not receive pension benefits from the company for their services. To counterbalance this, the company introduced a remuneration component in fiscal year 2018 that is added to the base salary.

2. Fringe benefits

The taxable fringe benefits granted to the Management Board consist primarily of the use of company cars and the premiums for occupational accident insurance and directors and officers (D&O) insurance. In addition, subsidies towards health and pension insurance are paid in accordance with the provisions of social security law.

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3. Variable short-term remuneration (STI)

The annual bonus is a variable cash payment that is based on the measurable performance of the company over the past fiscal year and the degree to which individual goals are attained. With the help of the individual targets, the individual performance of each Management Board member is taken into account when measuring remuneration. In terms of the company, the three parameters are Group sales, the net working capital ratio and the adjusted EBIT margin. In terms of goal attainment, the lower limit for the bonus is 75% and the upper limit 150%. If the sum of the weighted individual target achievement is below 75% (threshold), then there is no pro rata payout of the bonus. In exceptional cases, the Supervisory Board may set a lower limit of 50%. The amount of the remuneration to be paid is calculated by multiplying the percentage of target achievement with the target bonus. In the year of joining and leaving the company, the Management Board member is entitled to a bonus on a pro rata temporis basis. The short-term incentive is paid out in the following fiscal year.

In addition, non-financial performance goals were set for the CEO and COO for fiscal year 2025 that are oriented towards the sustainability of the company's activities.

4. Variable long-term remuneration (LTI)

The LTI is a variable remuneration component whose objective is the company's long-term appreciation in value, which sustainably links the interests of the company's management and executives with the interests of the shareholders of SAF-HOLLAND SE. The program used is a Performance Share Unit Plan (PSUP) introduced in 2013 that takes both the company's performance and the share price performance into account and stipulates a four-year performance period. For further information, please refer to Note 6.11.

7.7.2 Remuneration of the Management Board

The remuneration of the members of the Management Board in accordance with IFRS is as follows:

in EUR thousand	2025	2024
Short-term benefits due	2,227	2,154
Share-based payment	475	997
Total remuneration according to IFRS	**2,702**	**3,151**

As of the balance sheet date, provisions totaling EUR 2.1 million (previous year: EUR 1.9 million) had been recognized for the stock appreciation rights granted to members of the Management Board that are classified as share-based payments. Of this amount, EUR 0.8 million (previous year: EUR 0.8 million) was recognized as an expense in 2025. The portion of the provision classified as current amounted to EUR 0.7 million (previous year: EUR 0.6 million).

7.8 REMUNERATION OF THE SUPERVISORY BOARD

Remuneration of the members of the Supervisory Board in accordance with IFRS totaling EUR 0.50 million. (previous year: EUR 0.47 million) includes short-term benefits of EUR 0.50 million (previous year: EUR 0.38 million). Performance-related remuneration components are not granted. The Supervisory Board members have voluntarily committed themselves to investing 20% of their remuneration in shares each year, which are subject to a blocking period in accordance with SAF-HOLLAND's specifications. The blocked shares under the share program will only be released upon notification by SAF-HOLLAND. Provisions for members of the Supervisory Board amounted to EUR 0.50 million as of the balance sheet date (previous year: EUR 0.38 million). The share purchase for fiscal year 2025 amounted to EUR 0.067 million (previous year: EUR 0.089 million). In the previous year, the share purchase was accounted for in accordance with IFRS 2. Due to a change in the implementation mechanism, the Supervisory Board remuneration is now paid in full to the members of the Supervisory Board.

7.9 TOTAL REMUNERATION OF THE CORPORATE BODIES IN ACCORDANCE WITH THE GERMAN COMMERCAL CODE (HGB)

The amounts shown below for the remuneration of the Management Board and Supervisory Board of SAF-HOLLAND SE are based on the valuation principles defined in the German Commercial Code (HGB) and may differ from the amounts recognized in the IFRS consolidated financial statements.

The remuneration of the Management Board and the Supervisory Board is as follows:

in EUR thousand	2025	2024
Total remuneration of the executive board	**3,222**	**3,007**
of which non-performance-related	1,526	1,368
of which market value of the share-based remuneration allocated to the Management Board in the financial year at the time of granting	995	853
Remuneration of the Supervisory Board	467	443

The stated market value of the share-based remuneration granted to the Management Board is based on 60,993 virtual shares granted in the financial year (previous year: 60,221).

The remuneration of the members of the Supervisory Board is regulated in Article 16 of the Articles of Association of SAF-HOLLAND SE. It is commensurate with the tasks of the Supervisory Board and the situation of the company.

Under the current remuneration system, the members of the Supervisory Board receive a fixed annual remuneration, which is paid after the end of the financial year, i.e. for fiscal year 2025 in fiscal year in 2026. In addition, a share-based remuneration component is granted.

7.10 CORPORATE GOVERNANCE

The Management Board and Supervisory Board have issued the Declaration of Compliance with the German Corporate Governance Code required by Section 161 of the German Stock Corporation Act (AktG). This can be found on the company's website at https://corporate.safholland.com /de/unternehmen/ueber-uns/corporate-governance.

7.11 CAPITAL MANAGEMENT

The overriding goal of the Group's capital management is to ensure that the Group's ability to repay debt and its financial substance is maintained in the future. The foundation for steering and optimizing the existing financing structure are EBIT, EBITDA and monitoring the development of net working capital and cash flows. Net debt is comprised of interest-bearing loans and bonds as well as lease liabilities less cash and cash equivalents.

in EUR thousand	12/31/2025	12/31/2024
Interest bearing loans and bonds	688,652	684,080
Lease liabilities	111,131	90,125
Cash and cash equivalents	–294,499	–300,730
Net debt	**505,284**	**473,475**
Equity attributable to equity holders of the parent	**491,954**	**523,463**
Equity and net debt	**997,238**	**996,938**

According to a financial covenant under the financing agreement signed in August 2022, the Group is obliged to maintain a certain level of net debt coverage (net debt divided by adjusted consolidated EBITDA).

When calculating the net debt coverage as of the reporting date, it has been assumed that the Haldex Group is included in the Consolidated Financial Statements of SAF-HOLLAND SE. In addition, the EBITDA of the Haldex Group has been considered on a 12-month basis.

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7.12 AUDITOR'S FEES

In fiscal year 2025, the following expenses for services provided by the auditors and their related companies were recognized in expenses:

in EUR thousand	12/31/2025	12/31/2024
Auditing of financial statements	1,994	2,313
Other confirmation services	437	265
Total	2,431	2,578

Of the fees for the audit of the financial statements recognised as expenses in fiscal year 2025, EUR 0.1 million related to the audit of fiscal year 2024.

The auditing firm PricewaterhouseCoopers GmbH has been the appointed auditor of the Consolidated Financial Statements since fiscal year 2020. Mr. Stefan Hartwig has signed the auditor's report on the Consolidated Financial Statements for the fourth time as the responsible auditor. Of the total fee, an amount of EUR 0.7 million (previous year: EUR 0.7 million) is attributable to Wirtschaftsprüfungsgesellschaft PricewaterhouseCoopers GmbH, Germany, of which EUR 0.6 million (previous year: EUR 0.5 million) is for auditing service and EUR 0.3 million (previous year: EUR 0.3 million) for other confirmation services.

7.13 EVENTS AFTER THE BALANCE SHEET DATE

Successful placement of promissory note loan

On January 15, 2026, SAF-HOLLAND SE successfully completed a promissory note transaction with a volume of EUR 100 million through its subsidiary SAF-HOLLAND GmbH. The promissory note loan has variable interest rates and a term of 5 years. Payment was made with a value date of January 22, 2026. The proceeds from the issue were used, among other purposes, to make an early repayment of EUR 83 million on the term loans taken out in August 2022 (original volume EUR 300 million) that were used to finance the acquisition of Haldex AB.

Geopolitical developments

After the end of the reporting period, there were several legal and geopolitical developments that the Management Board assessed with regard to their possible impact on the Group.

The United States Supreme Court ruled that the International Emergency Economic Powers Act (IEEPA) does not provide a sufficient legal basis for imposing additional import duties. As a result, all additional tariffs based on the IEEPA, including reciprocal tariffs, were declared unlawful and lose their legal effect with immediate effect.

The ruling essentially means that affected importers may be able to claim refunds for IEEPA-based import duties already paid. However, the court did not comment on the scope, procedure, or deadlines for possible refunds. At the time of preparing the consolidated financial statements, there are therefore significant uncertainties regarding the enforceability, amount, and timing of potential refunds. The decision represents an adjusting event after the reporting period; accordingly, no adjustments were made to the assets or liabilities reported in the balance sheet. In addition, there are currently no sufficient grounds for recognizing an asset or recording a contingent asset. The Group is evaluating possible reimbursement claims and is continuously monitoring further legal and regulatory developments.

In addition, the Management Board is continuously analyzing the resulting geopolitical and economic developments from the Iran conflict that began in February and their possible impact on the Group. At the time of preparing the consolidated financial statements, there are no indications of any significant impact on the Group's net assets, financial position, and results of operations. Unless the conflict escalates significantly or continues for a longer period of time, the Management Board does not currently expect any significant negative impact on the Group.

No other material events have occurred after the balance sheet date.

Bessenbach, March 12, 2026

Alexander Geis
Chairman of the Management Board
and Chief Executive Officer

Frank Lorenz-Dietz
Member of the Management
Board and Chief Financial Officer

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MANDATES OF THE SUPERVISORY BOARD/MANAGEMENT BOARD

SUPERVISORY BOARD

Dr. Martin Kleinschmitt
- Born in 1960
- Nationality: German
- Chairman of the Supervisory Board
- Member since July 1, 2020
- Elected until the end of the 2028 Annual General Meeting
- Main activity: Partner of Noerr Partnerschaftsgesellschaft mbB[1] (until December 31, 2025); Managing Director of Noerr Consulting GmbH & Co. KG[1]
- Memberships of statutory supervisory boards or comparable domestic or foreign supervisory bodies of commercial enterprises (as of December 31, 2025):
- GRAMMER Aktiengesellschaft[2]: Chairman of the Supervisory Board (until March 31, 2025)
- G&H Bankensoftware AG[1]: Chairman of the Supervisory Board
- Lech Stahlwerke GmbH[1]: Member of the of the Supervisory Board
- SAF-HOLLAND GmbH[3]: Chairman of the Supervisory Board

Matthias Arleth
- Born in 1967
- Nationality: German
- Member since July 1, 2020
- Elected until the end of the 2028 Annual General Meeting
- Main activity: CEO of Lyten Sweden[1]
- Memberships of statutory supervisory boards or comparable domestic or foreign supervisory bodies of commercial enterprises (as of December 31, 2025): none

Ingrid Jägering
- Born in 1966
- Nationality: German
- Vice Chairwoman of the Supervisory Board
- Member since July 1, 2020
- Elected until the end of the 2028 Annual General Meeting
- Retired early at the end of the Annual General Meeting on May 20, 2025
- Main activity: Member of the Management Board and CFO of STIHL AG[1]
- Memberships of statutory supervisory boards or comparable domestic or foreign supervisory bodies of commercial enterprises (as of December 31, 2025):
- Hensoldt AG[2]: Member of the Supervisory Board, Chairwoman of the Examination Board
- Wegmann Unternehmens-Holding GmbH & Co. KG[1]: Chairwoman of the Company Council
- KNDS N.V.[1]: Non-Executive Director
- ZF Friedrichshafen AG[1]: Member of the Supervisory Board
- SAF-HOLLAND GmbH[3]: Member of the Supervisory Board (until May 20, 2025

Hans-Werner Kaas
- Born in 1964
- Nationality: German, US American
- Member since July 29, 2025
- Elected until the end of the 2028 Annual General Meeting
- Main activity: Managing Partner of HWK Advisory LLC[1]
- Memberships in statutory supervisory boards or comparable domestic or foreign supervisory bodies of commercial enterprises (as of December 31, 2025):
- Noble Gas Systems[1]: Chairman of the Board of Directors
- Fernweh Group LLC[1]: Member of the Advisory Board
- eezylife, Inc.[1]: Member of the Board and Advisor

Jurate Keblyte
- Born in 1975
- Nationality: German
- Member since April 3, 2023
- Elected until the end of the 2028 Annual General Meeting
- Main activity: Managing Director and CFO of the Mann+Hummel Group[1] (until January 31, 2026), since February 1, 2026: Independent consultant and supervisory board member
- Memberships of statutory supervisory boards or comparable domestic or foreign supervisory bodies of commercial enterprises (as of December 31, 2025):
- Ottobock SE & Co. KGaA[2]: Member of the Supervisory Board, Chairwoman of the Examination Board
- HAWE Hydraulik SE[1]: Member of the Supervisory Board

[1] Non listed, [2] Listed, [3] Non listed group company

Dagmar Rehm
- Born in 1963
- Nationality: German
- Member since May 20, 2025
- Elected until the end of the 2028 Annual General Meeting
- Main activity: Independent management consultant
- Memberships in statutory supervisory boards or comparable domestic or foreign supervisory bodies of commercial enterprises (as of December 31, 2025):
- Koenig & Bauer AG[2]: Deputy Chairwoman of the Supervisory Board, Chairwoman of the Audit Committee
- Renewable Power Capital Ltd.[1]: Non-Executive Director, Chair of the Audit & Risk Committee
- Rail Capital Europe Investment SAS[1]: Non-Executive Director, Chair of the Audit & Risk Committee
- Power2X B.V.[1]: Non-Executive Director, Chair of the Audit & Risk Committee
- SAF-HOLLAND GmbH[3]: Chairman of the Supervisory Board (from May 20, 2025

Carsten Reinhardt
- Born in 1967
- Nationality: German
- Vice Chairman of the Supervisory Board
- Member since July 1, 2020
- Elected until the end of the 2028 Annual General Meeting
- Main activity: Independent senior consultant
- Memberships of statutory supervisory boards or comparable domestic or foreign supervisory bodies of commercial enterprises (as of December 31, 2025):
- Stoneridge, Inc.[2]: Member of the Board of Directors
- Beinbauer Automotive GmbH & Co. KG[1]: Member of the Advisory Board
- Grundfos Holding A/S[1]: Deputy Chairman of the Board of Directors
- Samson AG[1]: Member of the Supervisory Board
- tmax Holding GmbH[1]: Chairman of the Advisory Board
- WEZAG GmbH & Co. KG[1]: Member of the Advisory Board (until December 4, 2025)

MANAGEMENT BOARD

Alexander Geis
- Born in 1974
- Nationality: German
- Chairman of the Management Board and Chief Executive Officer
- First appointment with effect from July 1, 2020
- Appointed until June 30, 2031
- Memberships of statutory supervisory boards or comparable domestic or foreign supervisory bodies of business enterprises (as of December 31, 2025): none

Frank Lorenz-Dietz
- Born in 1973
- Nationality: German
- Member of the Management Board and Chief Financial Officer
- First appointment with effect from January 1, 2023
- Appointed until December 31, 2028
- Memberships of statutory supervisory boards or comparable domestic or foreign supervisory bodies of business enterprises (as of December 31, 2025): none

[1] Non listed, [2] Listed, [3] Non listed group company

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INDEPENDENT AUDITOR'S REPORT

To SAF-HOLLAND SE, Bessenbach

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

AUDIT OPINIONS

We have audited the consolidated financial statements of SAF-HOLLAND SE, Bessenbach, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2025 and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of SAF-HOLLAND SE, which is combined with the Company's management report, for the financial year from 1 January to 31 December 2025. In accordance with the German legal requirements, we have not audited the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (the IFRS Accounting Standards) as adopted by the EU and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2025, and of its financial performance for the financial year from 1 January to 31 December 2025 and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of 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) point (f) of the EU Audit Regulation, we declare that we have not provided 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 group 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 January to 31 December 2025. 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.

In our view, the matter of most significance in our audit was as follows:

❶ Recoverability of goodwill

Our presentation of this key audit matter has been structured as follows:

① Matter and issue

② Audit approach and findings

③ Reference to further information

Hereinafter we present the key audit matter:

❶ Recoverability of goodwill

① In the Company's consolidated financial statements goodwill amounting in total to € 130,4 million (7.8% of total assets or 26.5% of equity) is reported under the "Goodwill" balance sheet item. Goodwill is tested for impairment by the Company once a year or when there are indications of impairment to determine any possible need for write-downs. The impairment test is carried out at the level of the groups of cash-generating units to which the relevant goodwill is allocated. The carrying amount of the relevant cash-generating units, including goodwill, is compared with the corresponding recoverable amount in the context of the impairment test. The recoverable amount is generally determined using the value in use. The present value of the future cash flows from the respective group of cash-generating units normally serves as the basis of valuation. Present values are calculated using discounted cash flow models. For this purpose, the adopted medium-term business plan of the Group forms the starting point which is extrapolated based on assumptions about long-term rates of growth. Expectations relating to future market developments and assumptions about the development of macroeconomic factors on the business activities of the Group are also taken into account. The discount rate used is the weighted average cost of capital for the respective group of cash-generating units. The impairment test determined that no write-downs were necessary.

The outcome of this valuation is dependent to a large extent on the estimates made by the executive directors with respect to the future cash inflows from the respective group of cash-generating units, the discount rate used, the rate of growth and other assumptions, and is therefore, subject to considerable uncertainty. Against this background and due to the complex nature of the valuation, this matter was of particular significance in the context of our audit.

② As part of our audit, we assessed the methodology used for the purposes of performing the im-pairment test, among other things. After matching the future cash inflows used for the calculation against the adopted medium-term business plan of the Group, we assessed the appropriateness of the calculation, in particular by reconciling it with general and sector-specific market expectations. In this connection, we also evaluated the assessment of the executive directors regarding the effects of the macroeconomic factors on the business activities of the Group and examined how they were taken into account in determining the future cash flows. In the knowledge that even relatively small changes in the discount rate applied can have a material impact on the value of the entity calculated in this way, we focused our testing in particular on the parameters used to determine the discount rate applied, and assessed the calculation model. In order to reflect the uncertainty inherent in the projections, we evaluated the sensitivity analyses performed by the Company. We determined that taking into account the information available, the carrying amounts of the cash-generating units, including the allocated goodwill, were adequately covered by the discounted future cash flows. Overall, the valuation parameters and assumptions used by the executive directors are comprehensible and are also within what we consider to be reasonable ranges.

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③ The Company's disclosures on the "Goodwill" balance sheet item are contained in section 6.1 of the notes to the consolidated financial statements.

OTHER INFORMATION

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the group management report:

- the non-financial statement to comply with §§ 289b to 289e HGB and with §§ 315b to 315c HGB included in section „Non-Financial Statement" of the group management report
- the subsection "Adequacy and effectiveness of the overall risk management and internal control system" of the section "Risk and opportunity report" of the group management report

The other information comprises further

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB
- the remuneration report pursuant to § 162 AktG [Aktiengesetz: German Stock Corporation Act], for which the supervisory board is also responsible
- all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report

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

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

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

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

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

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

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

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

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 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 this group management report.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal control and these arrangements and measures (systems), respectively.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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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, actions taken to eliminate threats or safeguards applied.

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 the 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 GROUP MANAGEMENT REPORT PREPARED FOR PUBLICATION PURPOSES IN ACCORDANCE WITH § 317 ABS. 3A HGB

ASSURANCE OPINION

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file SAF-Holland_SE_KA+LB_ESEF-2025-12-31-1-de.xbri and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 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 group 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 electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2025 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group 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 electronic file identified above.

GRUNDLAGE FÜR DAS PRÜFUNGSURTEIL

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 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 "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

RESPONSIBILITIES 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 including the electronic rendering of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

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

GROUP 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 non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, 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 work 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 electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML renderingÜbrige Angaben gemäß Artikel 10 EU-APrVO

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as group auditor by the annual general meeting on 20 May 2025. We were engaged by the Supervisory Board on 16 October 2025. We have been the group auditor of the SAF-HOLLAND SE, Bessenbach, without interruption since the financial year 2020.

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).

REFERENCE TO AN 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 group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

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GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT
The German Public Auditor responsible for the engagement is Stefan Hartwig.

Frankfurt am Main, March 12, 2026

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Stefan Hartwig
Wirtschaftsprüfer
(German Public Auditor)

Richard Gudd
Wirtschaftsprüfer
(German Public Auditor)

DECLARATION OF LEGAL REPRESENTATIVES

To the best of our knowledge, and in accordance with the applicable financial reporting principles, the consolidated financial statements give a true and fair view of the sales and earnings performance, net assets and cash flows of the Group, and the combined Group's management report includes a fair review of the development and performance of the Group's business and position, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Bessenbach, March 12, 2026

SAF-HOLLAND SE

Alexander Geis
Chairman of the Management Board
and Chief Executive Officer

Frank Lorenz-Dietz
Member of the Managment Board
and Chief Financial Officer

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ADDITIONAL INFORMATION

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FURTHER INFORMATION IN ADDITION TO THE NON-FINANCIAL STATEMENT

COMPREHENSIVE GHG EMISSIONS REPORTING: SCOPE 1, 2 (LOCATION-BASED & MARKET-BASED) AND 3

Total GHG emissions disaggregated by scope 1, 2 and 3

t CO_2eq	2025	2024
Scope 1 GHG emissions		
Gross scope 1 GHG emissions[1]	11,772	11,971
Percentage of scope 1 GHG emissions from regulated emission trading schemes (%)	0	0
Scope 2 GHG emissions		
Gross location-based scope 2 GHG emissions[2]	18,647	20,109
Gross market-based scope 2 GHG emissions[3]	23,505	25,553
Significant scope 3 GHG emissions		
Total gross indirect (scope 3) GHG emissions	5,795,531	5,645,447
1 Purchased goods and services	862,567	742,637
2 Capital goods	33,672	13,631
3 Fuel and energy-related Activities (not included in scope 1 or scope 2)	4,444	7,675
4 Upstream transportation and distribution	45,465	26,270
5 Waste generated in operations	6,099	5,408
6 Business traveling[4]	4,641	3,072
7 Employee commuting	10,298	11,317
8 Upstream leased assets	0	0
9 Downstream transportation[5]	79,459	68,280
10 Processing of sold products	236,243	245,942
11 Use of sold products	4,435,587	4,441,427
12 End-of-life treatment of sold products	72,028	74,944
13 Downstream leased assets	0	0
14 Franchises	0	0
15 Investments	5,028	4,844
Total GHG emissions		
Total GHG emissions (location-based)[6]	5,825,950	5,677,526
Total GHG emissions (market-based)[7]	5,830,807	5,682,970

Previous year's figures have been adjusted due to a correction in data collection (Previously 2024: [1]13,739; [2]19,383; [3]23,155; [4]28,091;[5]43,261 [6]5,678,568; [7]5,682,340)

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MULTI-YEAR OVERVIEW

Earnings position

in EUR thousand	Q1-Q4 2025	Q1-Q4 2024	Q1-Q4 2023	Q1-Q4 2022	Q1-Q4 2021	Q1-Q4 2020
Sales	1,734,364	1,876,747	2,106,170	1,565,089	1,246,583	959,519
Adjusted gross profit	398,996	425,507	425,518	266,800	216,738	178,831
Adjusted gross profit margin in %	23.0 %	22.7 %	20.2 %	17.0 %	17.4 %	18.6 %
Adjusted EBITDA	231,108	257,992	264,127	162,695	132,105	98,126
Adjusted EBITDA margin in %	13.3 %	13.7 %	12.5 %	10.4 %	10.6 %	10.2 %
Adjusted EBIT	164,039	190,450	202,051	124,601	93,128	58,799
Adjusted EBIT margin in %	9.5 %	10.1 %	9.6 %	8.0 %	7.5 %	6.1 %
Adjusted result for the period (incl. minority interests)	84,280	111,007	119,075	82,635	61,281	34,494
Adjusted result for the period (excluding minority interests)	84,280	110,129	118,486	82,489	61,222	34,113

Balance sheet

in EUR thousand	12/31/2025	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020
Balance sheet total	1,663,311	1,711,869	1,662,143	1,498,423	1,014,267	920,486
Equity	491,954	527,100	475,969	441,354	371,070	300,463
Equity ratio in %	29.6 %	30.8 %	28,6 %	29.5 %	36.6 %	32.6 %

Financial position

in EUR thousand	Q1-Q4 2025	Q1-Q4 2024	Q1-Q4 2023	Q1-Q4 2022	Q1-Q4 2021	Q1-Q4 2020
Net cash flow from operating activities	160,323	200,652	202,726	153,392	39,651	137,922
Net cash flow from investing activities (property, plant and equipment/intangible assets)	–49,232	–54,139	–60,005	–33,358	–23,528	–23,675
Operating free cash flow	111,091	146,513	142,721	120,034	16,123	114,247
Net cash flow from investing activities (acquisition of subsidiaries)	–12,671	–39,810	42,579	–289,650	–	–
Total free cash flow	98,420	106,703	185,300	–169,616	16,123	114,247

Yield

	12/31/2025	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020
Return on Capital Employed (ROCE)	15.8 %	18.3 %	20.8 %	12.9 %	15.7 %	11.1 %

Employees

	12/31/2025	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020
Employees as of the reporting date	5,527	5,495	5,927	3,768	3,572	3,369

All figures shown are rounded; minor discrepancies may arise due to additions to these amounts.

EXPLANATION OF FINANCIAL INDICATORS AND ALTERNATIVE PERFORMANCE MEASURES

SAF-HOLLAND SE prepares its financial reporting in accordance with International Financial Reporting Standards (IFRS). In addition, SAF-HOLLAND SE uses "Alternative Performance Measures" (APM). APMs are company-specific key figures whose calculation does not result directly from statutory regulations or accounting standards. They are calculated in part by making company-specific adjustments to certain financial performance indicators, for example by adjusting financial performance indicators for non-recurring effects. APMs are used both internally for management purposes and for external communication and reporting purposes to various stakeholders.

A

Adjusted EBIT
Earnings before interest and taxes (EBIT) are adjusted in particular for special effects such as depreciation and amortization of property, plant and equipment and intangible assets from the purchase price allocation (PPA), step-up effects from the purchase price allocation, reversals of impairment losses and impairment losses, restructuring and transaction costs as well as valuation effects from option valuations.

Adjusted EBIT margin
Adjusted EBIT / sales x 100

Adjusted EBITDA
Adjusted EBIT plus depreciation and amortization of property, plant and equipment and intangible assets (excluding PPA)

Adjusted EBITDA margin
Adjusted EBITDA / sales x 100

Adjusted gross profit
Gross profit is adjusted in particular for special effects such as depreciation and amortization of property, plant and equipment and intangible assets from the purchase price allocation (PPA), step-up effects from the purchase price allocation, reversals of impairment losses and impairment losses as well as restructuring and transaction costs.

Adjusted gross profit margin
Adjusted gross profit / sales x 100

Adjusted result for the period (including minority interests)
Adjusted earnings before taxes less expected income taxes using the Group tax rate

Adjusted result for the period (excluding minority interests)
Adjusted profit for the period (incl. minority interests) less minority interests

B

Basic earnings per share
Result for the period attributable to shareholders of the parent company / weighted average number of outstanding shares

C

Capex ratio
Capital expenditure on property, plant and equipment and intangible assets / sales x 100

Capital Employed
Total equity plus current and non-current loans and borrowings, current and non-current lease liabilities and pensions less cash and cash equivalents

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D

Diluted earnings per share
Result for the period attributable to shareholders of the parent company / weighted average number of outstanding shares

E

EBIT
Earnings Before Interest and Taxes

EBITDA
Earnings Before Interest, Taxes and Depreciation and Amortization

Equity ratio
Ratio of equity to balance sheet total

F

FAAC (Financial assets at amortized cost)
Financial assets measured at amortized cost

FAtPL (Financial assets at fair value through profit and loss)
Financial assets measured at fair value through profit and loss

FLAC (Financial liabilities at amortized costs)
Financial assets measured at amortized cost.

FLtPL (Financial liabilities at fair value through profit and loss)
Financial liabilities measured at fair value through profit and loss

Free Cashflow
Free operating cash flow less net cash flow from the acquisition of company shares

G

Gross Profit
Sales less cost of sales.

Gross margin
Gross profit to sales x 100

Group tax rate
The Group tax rate is calculated by weighting the tax rates of the EMEA, Americas and APAC regions with earnings before taxes

L

Leverage ratio
Net financial debt / EBITDA

N

Net financial debt
Total non-current and current liabilities from interest-bearing loans and bonds as well as current and non-current lease liabilities less cash and cash equivalents

Net working capital
Inventories plus trade receivables less trade payables

Net working capital ratio
Net working capital to sales over the last twelve months

O

Operating free cash flow
Net cash flow from operating activities less net cash flow from investing activities (acquisition of property, plant and equipment and intangible assets less proceeds from the sale of property, plant and equipment)

P

Payout ratio
Proportion of the total dividend (distribution amount) in relation to the result for the period attributable to the shareholders of the parent company

Purchase Price Allocation (PPA)
Allocation of acquisition costs in connection with the acquisition of company shares to the identifiable assets, liabilities and contingent liabilities of the (acquired) subsidiary

R

R&D ratio
R&D costs plus capitalized development costs / sales x 100

Restructuring and transaction costs
Restructuring and transaction costs are defined as expenses incurred outside normal operating activities. These expenses include, among others, expenses for the acquisition of company shares, restructuring within the Group, severance payments for executives, value adjustments and impairments as well as non-recurring expenses (e.g. expenses in connection with cyber-attacks or post-merger integration). The definition of restructuring and transaction costs used is not congruent with the definition of restructuring used in IAS 37.

Result for the period relevant for distribution
Result for the period attributable to shareholders of the parent company, adjusted for the balance of unrealized currency translation effects in net financial income, taking into account the Group tax rate. The result for the period relevant for distribution forms the basis for calculating dividends.

ROCE (Return on Capital Employed)
Adjusted EBIT of the last twelve months to capital employed on the balance sheet date

T

Tax rate (effective)
Income taxes according to the income statement / earnings before taxes x 100

Tax rate (expected)
Expected income taxes using the Group tax rate / adjusted earnings before taxes x 100

Total liquidity
Total cash and cash equivalents and other short-term investments as well as the agreed credit line

W

WACC (Weighted Average Cost of Capital)
Weighted average cost of capital

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FINANCIAL CALENDAR AND CONTACTS

FINANCIAL CALENDAR

May 7, 2026
Publication of the Quarterly Statement Q1 2026

May 21, 2026
Annual General Meeting 2026

August 6, 2026
Publication of the Half-Year Financial Report 2026

November 5, 2026
Publication of the Quarterly Statement Q3 2026

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ALTERNATIVE PERFORMANCE MEASURES
SAF-HOLLAND SE prepares its financial reporting in accordance with International Financial Reporting Standards (IFRS). In addition, SAF-HOLLAND SE uses Alternative Performance Measures (APM). APMs are company-specific key figures whose calculation does not result directly from statutory regulations or accounting standards. They are calculated in part by making company-specific adjustments to certain financial performance indicators, such as adjusting financial performance indicators for special effects. APMs are used both internally for management purposes and for external communication and reporting purposes to various stakeholders. Further information can be found in the Annual Report 2025 in the section "Explanation of financial indicators and Alternative Performance Measures".

DISCLAIMER
The Annual Report is also available in German. In case of doubt, the German version shall take precedence. The key figures in the Annual Report have been rounded in accordance with standard commercial practice. In individual cases, rounding may result in figures in this Annual Report not adding up to exactly the totals shown and percentages may not add up to the figures shown.

The Annual Report contains forward-looking statements. Such forward-looking statements are based on certain assumptions and expectations at the time of publication of this Quarterly Statement. They are therefore subject to risks and uncertainties and actual events may differ materially from those described in the forward-looking statements. Many of these risks and uncertainties are determined by factors that are beyond the control of SAF HOLLAND SE and cannot be estimated with certainty today. These include future market conditions and economic developments, the behavior of other market participants, the achievement of expected synergy effects as well as legal and political decisions. Readers are cautioned that the statements on future developments made here only reflect the state of knowledge at the time of this publication. SAF HOLLAND SE does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of publication of this information.

www.safholland.com