Management Report of the Uzin Utz Group for the fiscal year 2024

Group Management Report of the Uzin Utz Group for the Financial Year from 01 January 2024 to 31 December 2024

Reporting is in EUR thousand. The preparation of the consolidated financial statements in EUR thousand may result in rounding differences, as the calculations of the individual items are based on figures in EUR.

Management Report

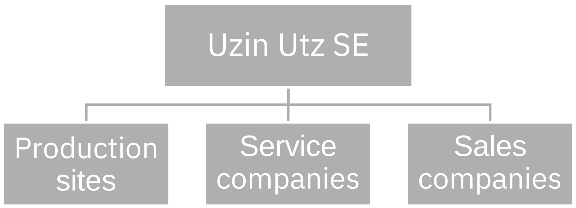
Principles of the Group

Business model

As a global full-service provider in the flooring sector, we support professional floor layers in all areas with our six brands. Our clear focus on the core competence of flooring is our global concern. This enables us to develop comprehensive system solutions without having to compromise. From construction chemical product systems and surface finishes to machinery, we offer our customers a wide range of products for soil cultivation. Our aim is to combine the latest technology with the wishes of our customers in the best possible way, while acting in a sustainable and growth-oriented manner. To ensure this, we are in constant contact with floor layers and other processors of our products. We see ourselves as a partner to the trade and as a driver of innovation in the industry. This is why research and development are so important to us. The focus is on the development of healthy and environmentally friendly building products. We are active in 53 countries, 20 of which have their own production and/or sales companies (as of December 2024). Our business focuses primarily on Germany and the other European markets as well as North America. We also have Asian production facilities in China and Indonesia.

Uzin Utz SE, based in Ulm, is at the top of the Group structure. As Uzin Utz SE is a European company, it is primarily subject to the provisions of the European SE Regulation (Council Regulation (EC) No. 2157/2001 of October 8, 2001 on the Statute for a European company (SE) (OJ L 294 of November 10, 2001)) and the national SE Implementation Act (SE-AG) of December 22, 2004 (BGBl. I p. 3675). In terms of content, the national Stock Corporation Act is regularly applied via references, in particular Art. 9 (1) SE Regulation. In order to maintain the clarity of the presentation, the complete chain of standards is not quoted in this annual report. Any reference to provisions of the German Stock Corporation Act is to be understood as a reference within the meaning of the reference provisions of the specific SE law.

Uzin Utz SE performs the tasks of Group management. In addition to the research, development, production and sale of environmentally friendly and sustainable building products, it is therefore responsible for a central management and administrative function. Strategic and sustainable decisions are discussed together with the subsidiaries in annual international planning meetings, which enable the Group management to make well-founded decisions. Structurally, the companies are subdivided as follows:



A detailed view of the shareholdings of all Group companies can be found in the notes to the consolidated financial statements.

With the six brands UZIN, WOLFF, PALLMANN, arturo, codex and Pajarito, we offer our customers decades of flooring expertise in the international market for the installation, renovation and maintenance of floor coverings of all kinds.

All previous year's figures in brackets. For reasons of better readability, only the masculine form is used in some places when referring to persons and personal nouns. Corresponding designations apply to all genders in the interests of equal treatment. The abbreviated form is for editorial reasons only and does not imply any judgment.

Strategy and goals

Internal success factors

In 2024, we continued to pursue the goals set as part of the "PASSION 2025" strategy. The focus on these goals creates sustainable and healthy growth through investment and the commitment of our employees worldwide. Our internal company success factors are based on the following four pillars (4 P's), with the focus in 2024 being on the Profit pillar:

Our aim is to exploit the full potential in each of these areas in order to continue to lead us and our customers to success in the future. We aim to motivate and train our employees through suitable support and development measures so that they can then be deployed in the company according to their strengths. In increasingly international teams, the conditions for an innovative working environment are created, whereby transparent processes and the exchange of knowledge across national and brand companies are key elements. Target achievement is measured by the recommendation rate of Uzin Utz as an employer by employees. Another central aspect of the strategic orientation People is the cultivation of relationships with customers and business partners. It is of fundamental importance in order to be able to develop benefit-oriented products and services in the future that meet and even exceed the expectations of our customers. As an internationally oriented company, our local sales teams look after and support customers on a global level. Close cooperation with craftsmen is essential in order to be able to offer our customers the customized products and services we provide. In the Products & Services division, our aim is to generate additional revenue streams through new products as part of PASSION 2025.

Sustainability is another essential aspect of Uzin Utz's corporate culture. As part of this orientation, the topics of resources and the environment will be given greater focus. Uzin Utz's goal is to make an even greater contribution to sustainability and to play a pioneering role within the industry. The Planet strategy therefore aims to reduce climate-damaging emissions through measures such as photovoltaic systems in the plants, energy savings and the conversion of the vehicle fleet to hybrid/e-cars.

Digitalization is an important basis for strategic efficiency in order to secure the company's future viability and success in the long term. As part of a preliminary project, which was completed at the beginning of 2024, both the Group's current level of digital maturity and a target state to strive for were determined. Based on this, the necessary steps and measures for further digitalization were defined.

Our core markets are in Germany, the Netherlands and Switzerland. Growth markets for Uzin Utz are the UK, USA and France. In addition to our core and growth markets, we also want to grow continuously outside these regions and gain market share. This goal is an important part of our corporate strategy PASSION 2025, but our focus is not on short-term sales maximization, but on sustainable and healthy growth. This is reflected in the targeted EBIT margin of more than 8% in 2025.

Internal organization and decision making

Direct decision-making channels and the flattest possible hierarchies are the principles of the internal Group organization. The decision-making process at Uzin Utz is shown in the following diagram.

Internal control system

Uzin Utz wants to grow sustainably and operate successfully. To this end, we use a variety of mechanisms and key figures to map division-specific processes and make them measurable. We use these operational key figures to set budget and company targets. The Executive Board monitors developments within the Group using a monthly reporting system, which enables it to react directly to current business developments.

Across all divisions, we focus on the following financial performance indicators:

Key figures	Determination
Sales revenues	Statement of comprehensive income
Earnings before interest and taxes (EBIT)	Statement of comprehensive income
EBIT margin	EBIT/Revenue
Cash flow from operating activities of the Group	Cash flow statement
Return on equity	EBIT/Equity
Equity ratio	Equity/Balance sheet total

The performance of the subsidiaries within the Group can be analyzed using sales and EBIT.

The EBIT margin represents the ratio of EBIT to sales. It shows what proportion of the revenue generated was ultimately transferred to the operating result. In the event of deviations, a detailed breakdown of the income and expense items enables us to analyze the causes. This enables us to initiate appropriate countermeasures in a targeted manner.

Cash flow from operating activities - also known as operating cash flow - provides us with an overview of the cash and cash equivalents generated from operating activities.

The return on equity can be used to determine the return on equity employed. The return on equity is the quotient of EBIT and the opening balance of equity in the respective reporting year. It is an important indicator for our shareholders, as it enables investors to assess the profitability of the capital employed and is therefore monitored regularly.

The equity ratio is an indicator of the risk and creditworthiness of a company. A high equity ratio reduces the risk of insolvency due to over-indebtedness and inability to pay. The higher a company's equity ratio, the greater its financial stability and independence from lenders. The primary objective of the Group's capital management is to ensure a high credit rating and a good equity ratio to support business activities and maximize shareholder value.

Our fundamental aim is to secure the equity base in the long term and to generate an appropriate return on capital employed. The Group's accounting capital acts as a passive control criterion, while sales and EBIT are used as active control parameters.

The share of equity has a positive effect on the equity ratio and a negative effect on the return on equity.

In addition to the financial performance indicators, the Group also uses non-financial performance indicators.

Key figures	Determination
Capacity utilization	Production quantity/capacity
Novelty ratio	Sales revenues own products younger than 5 years/total sales revenue of all own products
Health ratio	Actual workdays/planned workdays

The capacity utilization of our production sites is calculated regularly in order to analyse performance. This allows work processes to be optimized.

We see ourselves as an innovator in the industry, which is why it is essential that we continue to develop our existing products, but also secure our lead over the competition with new products. Due to this pioneering position, the novelty rate is an essential key figure for us. The novelty rate is calculated based on the ratio of sales of own products (EE) that have novel, unprecedented or greatly improved properties, whose marketing exploitation is verifiable and which are not older than five years, in relation to the total sales of all own products.

The health rate gives us an overview of the number of working days of our employees worldwide. It is calculated by dividing the actual number of working days by the target number of working days. The health rate can also be used to draw conclusions about employee satisfaction.

Research and development

In the construction chemicals industry, innovations are crucial for competitiveness. Innovations can set trends in terms of efficiency and sustainability. Our production companies around the world are continuously researching environmentally friendly and healthy living products with constantly improving properties. The R&D headquarters in Ulm plays a leading and coordinating role here. In research, our development departments consistently focus on the demands and requirements of floor layers and other craftsmen who use the products. New products open up new market segments and improve the efficiency and sustainability of existing ones.

Research and development is based on the systematization of planning, implementation and control to create innovations, in short innovation management. On the one hand, innovation management describes dealing with technical and economic change; on the other hand, innovation management is the basis for future viability in competition.

Key figures and evaluations from the area of research and development are explained in the section on research and development activities.

Business report

General economic conditions

According to the World Economic Outlook Update published by the International Monetary Fund (IMF) and the OECD in January 2025, global economic growth in 2024 was 3.2%. The economic momentum recorded in the global economy in 2023 continued in the first quarter of 2024. While the IMF still expected growth of 3.1% in January 2024, the forecast was raised slightly to 3.2% in April and remained unchanged in the forecasts made in summer and autumn for global economic growth in 2024. In contrast, the IMF raised its forecast for the United States during the year and downgraded its forecast for other advanced economies, particularly the major European countries, including Germany. In the emerging and developing countries, production interruptions and faltering transport of raw materials (especially oil), conflicts, civil unrest and extreme weather events led to more negative assessments. Increased demand for semiconductors and electronics, fuelled by significant investments in artificial intelligence by emerging Asian countries, strengthened growth and offset corresponding downward corrections. Despite the different economic and income trends in the individual countries and sectors, the global economy remains robust. Declining inflation is having a positive effect on real incomes. However, the consumer climate in many countries is still weaker than before the pandemic.

Europe remains Uzin Utz's most important sales market, accounting for 82.0% of sales in 2024. According to the European Commission, the European Union achieved GDP growth of 0.9% in 2024. The euro area recorded growth of 0.8%. This means that the EU economy is returning to slight growth after a long period of stagnation.

Market	Economic growth in 2024	Key factors
Core markets		
Germany	-0,2%	Despite rising real wages, consumers remained reluctant to spend in 2024. The savings rate of German citizens has risen. It stood at 11.1% in the first half of 2024, a very high figure by both historical and international standards (e.g. USA: 4.7% in 2023) (Federal Statistical Office). Construction investment (-3.5%) and investment in equipment such as machinery, appliances and vehicles continued to decline (-5.5%) according to the Federal Statistical Office.

		Foreign trade developed sluggishly. Exports of goods and services fell by 0.8% (Federal Statistical Office). Domestic economic conditions have continued to deteriorate (e.g. high energy costs, persistently high interest rates, a high level of bureaucracy and regulation, higher corporate taxation compared to other countries, an ageing population/lack of qualified specialists, sluggish progress in digitalisation and an uncertain economic outlook). A new employment peak was reached (+0.2% according to the Federal Statistical Office), although the momentum came to a standstill at the end of the year. Political instability due to the collapse of the federal government consisting of the SPD, Greens and FDP (Am-pel coalition) on 6 November 2024.
Netherlands	+0,9%	The Dutch economy cooled down. Inflation is slowly declining, but remains high at 3.2% in 2024 according to the European Commission and OECD. According to EUROCONSTRUCT, labour costs rose by 6.4%. Following a decline in the first half of the year, private consumption recorded an increase in the second half of the year, which is attributable to strong real wage growth. The unemployment rate remained stable at 3.7% according to the OECD. There are more vacancies than unemployed people. Investment growth was recorded due to improved financing conditions and increasing public investment. Regulatory pressure has increased.
Switzerland	+0,9%	Inflationary pressure continues to fall significantly. This is leading to the appreciation of the Swiss franc. The Swiss National Bank (SNB) eased its monetary policy and lowered the key interest rate for the fourth time in 2024, to 0.5% in December (SNB). The order situation is weak and industrial production capacities are underutilised. Growth is being hampered by weak investment, while the pharmaceutical industry is providing impetus. The export industry is suffering from a lack of foreign demand and the strong Swiss franc is holding back exports. Both private consumption and public spending are supporting economic development. The labour market developed solidly. According to the State Secretariat for Economic Affairs SECO, the unemployment rate in 2024 is 2.4%. Real wages are rising after two years of decline.
Growth markets		
Great Britain	+0,9%	Measured by the consumer price index (CPI), the overall inflation rate fell to 1.7% in September 2024, the lowest level since April 2021 according to EURO-CONSTRUCT, driven by lower petrol prices and air fares. For the first time since 2020, the Bank of England cut its base rate in August and November 2024 by 0.25 percentage points to 4.75% at the end of the year (CEIC Data). The reduction in the base rate was influenced by the slowdown in inflation in the services sector and the fall in the global oil price. The unemployment rate remains at a low level, but increased at the end of 2024 and rose to 4.2% in 2024 according to the OECD. Wage growth is slowing, although domestic price pressure from wage increases remains. There is still a shortage of skilled labour in certain occupational groups such as engineers and financial specialists.
USA	+2,8%	Private consumption continues to grow solidly (+ 2.7% in 2024 according to the OECD), partly due to real wage growth. Investment has grown strongly in some sectors, supported by the new industrial policy measures enacted in recent years. Inflation is also easing noticeably thanks to the fall in energy prices.

		The combination of falling inflation and strong growth is due, among other things, to an increase in immigration and a rise in labour productivity. The key interest rate was lowered for the first time in four years by the US Federal Reserve in September 2024, by 0.5 percentage points (LBBW). The second and third interest rate cuts followed in November and December, each by 0.25 percentage points to 4.5%, as a further reaction to declining inflation (LBBW). The US economy is close to full employment, with a low unemployment rate of 4.0% according to the OECD. The large current account deficit in the face of a strong dollar partly reflects strong domestic demand.
France	+1,1%	Economic development remains sluggish, particularly due to the significant decline in investment. The rise in interest rates in recent years is having a negative impact on corporate investment in particular (-0.6% in 2024 according to EUROCONSTRUCT). Overall weak private consumption in 2024 (+0.8% according to the OECD) benefited temporarily in the third quarter from an increase due to the Olympic Games. Foreign demand is the main driver of GDP for the second year in a row, with continued public spending also supporting growth. On 4 December, after three months in office, the head of government Barnier was ousted by a vote of no confidence in the French National Assembly. The political instability is paralysing Europe and its second-largest economy. The unemployment rate rose from 7.3% in 2023 to 7.4% (OECD) and remained at a consistently high level.

* Economic growth according to IMF, World Economic Outlook Update, January 2025 and State Secretariat for Economic Affairs SECO, Economic Forecasts, 17 December 2024

Overall Statement of the Executive Board

Construction activity in the 19 EUROCONSTRUCT countries will decline by 2.4% in 2024 according to the results of the 98th EUROCONSTRUCT Conference. Compared to the previous forecast of the 97th EUROCONSTRUCT Conference, this represents a slight upward correction of 0.3 percentage points. Nevertheless, 2024 is expected to be the most difficult year for the construction industry since 2020, following the first decline in growth in 2023. The biggest challenge for the European construction industry was the significant decline in new residential construction, which fell by 9.1% in 2024. High property prices, persistently high - albeit falling - interest rates and high construction costs are the main factors hampering the sector's development.

Market	Development of the construction industry in 2024	Key factors
Core markets		
Germany	-2,8%	According to the German Economic Institute, residential construction recorded the largest decline, falling by 5.1%. Investment in this area fell for the fourth year in a row. Significant slump in new residential construction despite positive framework conditions such as a housing shortage in urban centres combined with strong immigration and improved depreciation opportunities. The reasons for this are high financing costs, high construction costs due to the persistently high price level for building materials and cumbersome regulations as well as a significant reduction in subsidies for new construction. The finishing trade had to accept declines in production. Investment in non-residential construction fell by a comparatively moderate 1.5%. Public construction investment is developing positively. In commercial construction, on the other hand, a decline of 2.8% is expected. In contrast, commercial construction is expected to fall by 2.8% (Institut der deutschen Wirtschaft).

		Increase in civil engineering due to modernisation and new construction of roads, railway lines and pipelines. Due to the stabilisation of prices for individual construction materials and the high level of construction prices, the average price increase in 2024 was 2.6% (2023: 7.4%), according to the German Construction Industry Association.
Netherlands	-2,4%	The construction industry contracted in 2024 for the first time since 2013. In the second and third quarters of 2024, the construction volume grew by 1.4% and 0.6% respectively compared to the previous quarter. However, according to ING Research, this was not enough to offset the sharp decline in the first quarter of 2024 (-2.9%). New residential construction suffered from the previous decline in building permits and falling sales in 2023. The slump of 7.0% in 2023 was followed by a further decline of 5.0% in 2024 (EUROCONSTRUCT). In the area of home renovation and maintenance, value added will increase by around 2.0% in 2024 (EUROCONSTRUCT). Orders from construction companies in the commercial construction sector increased only slightly in 2024. Building permits for commercial buildings have risen slightly, but the recovery remains weak and volatile. In addition, companies are postponing investments in new commercial buildings due to weak economic growth and the associated overcapacity as well as the uncertain geopolitical situation. The decline in new industrial construction will amount to almost a quarter in 2024. The majority of other non-residential construction sectors (e.g. healthcare buildings, office buildings, etc.) also declined, albeit to a lesser extent than industry, meaning that new construction of non-residential buildings will fall by 8.0% in 2024 according to EUROCONSTRUCT. Building material prices fell slightly in 2024 following the sharp increases during the Covid and energy crisis. The higher construction costs are the result of labour costs, which rose by an average of almost 9.0% year-on-year at the end of 2024 (ING Research). The profitability of the majority of construction companies has increased or at least remained at the same level.
Switzerland	+0,9%	Building construction prices rose by 0.4% from October 2023 to October 2024 according to the Swiss Federal Statistical Office. The price level remains higher than before the pandemic, with construction prices as at October 2024 around 15.3% higher than at the end of 2020 (Wüest Partner). Financing costs have fallen significantly due to four interest rate cuts by the Swiss National Bank (SNB). The steady rise in rents underpins the attractiveness of property investments. According to Wüest Partner, a slight increase in building construction investments (in real terms) of 1.2% was recorded in 2024 (new construction: +0.4%; renovation: +2.6%). The rapidly growing population in Switzerland (2023: 1.7%, partly due to immigration from Ukraine; 2024: 1.0% according to EUROCONSTRUCT), combined with the low level of new construction activity, is exacerbating the excess demand on the housing market. Increase in real non-residential construction investment of 1.3% (EUROCONSTRUCT). Construction investment in industrial, commercial and office buildings remains subdued. The non-residential construction market is being supported by new impetus from infrastructure construction projects in the healthcare and education sectors.
Wachstumsmärkte		
Great Britain	-0,8%	According to EUROCONSTRUCT, the entire residential construction sector is declining by 1.5%. The renovation of residential buildings has developed better than new construction in recent years. However, there are signs of a slowdown with a decline of 2.0% in the second quarter and further losses in the third quarter of 2024. The increase in renovation work amounts to 2.7% in 2024 (EUROCONSTRUCT). Decline in new residential construction by a further 5.9% according to EUROCONSTRUCT (2023: -12.0%).

		Total output in non-residential construction will grow by just under 1.0% in 2024, following an increase of 7.8% in 2023 (EUROCONSTRUCT). The low growth in both new builds and renovations is due to the easing economic headwinds and a slight upturn in investment due to lower borrowing costs. The UK EUROCONSTRUCT industrial construction sector is expected to record moderate growth of 5.1% in 2024. The persistently tight credit environment is one of the main factors limiting activity in the UK construction sector.
USA	+6,0%	The Royal Institution of Chartered Surveyors (RICS) overall construction sentiment index rose significantly in Q4 2024, returning to +40, compared to +19 in the third quarter and +25 in the previous survey period. New business inquiries developed positively in 2024 and achieved the best result since the first quarter of 2022 in Q4 2024 (RICS). According to FMI Corp, the residential sector recorded overall growth of 5.0% in 2024. Of this, single-family homes achieved an increase of 6.0%, multi-family homes a decrease of 7.0% and maintenance and modernization an increase of 9.0%. Growth in non-residential buildings amounted to 7.0%, while the civil engineering sector recorded an increase of 8.0% (FMI Corp). The profit margin developed slightly positively in Q4 2024 (+4.0%), while negative results of -13.0% were recorded in each of the previous two quarters (RICS). The shortage of skilled workers remains the biggest obstacle to the realization of construction development plans.
France	-4,6%	There was a severe recession in the construction industry in 2024. Due to construction delays, inflation and high interest rates, new residential construction activity slumped by 21.9% in 2024 (Fédération Française du Bâtiment). As a result, the French government has announced a series of measures to strengthen the sector, including the extension of the PTZ (zero-interest loan) to the whole of France. According to the Ministry of Housing, this is intended to promote the construction of 15,000 additional homes by 2025. According to the Fédération Française du Bâtiment, the construction of non-residential buildings fell by 7.4%. With the exception of public buildings, which remained stable and benefited from government contracts, all segments declined sharply. Office and warehouse buildings recorded the sharpest decline in an environment in which the regulatory and economic conditions for new buildings are unfavorable. Only maintenance and modernization increased in volume by 1.2% (Fédérati-on Française du Bâtiment). The decline in employment in 2023 worsened further in 2024, primarily due to labor shortages.

* Development of the construction industry according to 98th EUROCONSTRUCT Summary Report, Winter 2024, p. 42 and 2025 North American Engineering and Construction Industry Overview, First Quarter Edition, p. 38

The sales markets in our core and growth countries remained very challenging in 2024. Construction output declined in the core countries of Germany and the Netherlands as well as in the growth countries of the UK and France. The market in Switzerland and the growth country USA met their expectations and recorded growth despite the difficult economic conditions in some areas. In the first and second quarters, Group sales in 2024 remained stable compared to the previous year (Q1: -1.0%, Q2: -1.1%), while sales fell slightly in the third quarter (Q3: -2.1%). Due to the difficult market environment, it was not possible to match the previous year's sales. Overall, sales revenue decreased by 0.7% compared to 2023 and amounted to EUR 476,034 thousand in 2024 (479,337).

In 2024, the Uzin Utz share was able to fully offset its losses from the previous year and recorded a price gain of around 8.6%. At the beginning of the year, demand for the share increased, which led to significant price gains. This development was supported by the prospect of falling interest rates in the eurozone and the USA. After a temporary low, the share price reached its high for the year by the middle of the year, but then fell again due to fears of recession, concerns about escalation in the Middle East and burst currency speculation. Thanks to continued hopes of an interest rate cut and a robust economy in the USA, the share price developed positively again over the course of the year despite the weak construction sector in Germany. Over the past five years, the share price has fallen by 17.6% as at the reporting date.

Despite the decline in turnover, Uzin Utz succeeded in achieving an increase of around 24.1% compared to the previous year with an EBIT of EUR 42,815 thousand (34,505) thanks to consistent cost optimizations and an easing on the procurement market. In addition to the positive development of the cost of materials ratio of 41.3% (44.8), the improved freight costs in particular also contributed to the cost reduction. More detailed information on this can be found in the "Earnings situation" section.

We are proud of the fact that our employees are actively working to achieve our ambitious targets despite the ongoing and new challenges. This enables us to continue to guarantee the high quality of our products and services. We see ourselves as an innovator and one of the leading providers within our industry. For this reason, it is crucial that we expand our growth potential in order to continue to operate successfully and sustainably worldwide. It is important to us to focus on sustainable and healthy growth in order to constantly realize new market shares. In addition to our committed employees, investments in research and development activities at our global locations are key components of this strategy.

As a traditional family business, we pursue a holistic approach to sustainability that is anchored in our long-standing corporate culture. In addition to economic and ecological aspects, we also attach great importance to social factors. These values enable us to secure jobs and create new positions in line with demand, even in times of difficult economic conditions. The focus is always on trusting relationships with customers and partners in order to generate relevant added value for them. More information on our commitment to sustainability can be found in our non-financial statement in accordance with Sections 315b and 315c of the German Commercial Code (HGB).

The Executive Board of Uzin Utz SE assesses the developments in the reporting year 2024 as positive against the background of the challenging economic conditions. Despite the declining growth of the construction industry in the core countries Germany and the Netherlands as well as the growth countries Great Britain and France, the Group was able to generate sales revenues that matched the strong level of the previous year. In addition, an EBIT margin of 9.0% (7.2) was achieved despite the decline in sales. The forecast given in the 2023 Annual Report for the development of this financial performance indicator (constant EBIT margin) was exceeded with a slight increase. Last but not least, the Uzin Utz Group succeeded in achieving the profit target set in the PASSION 2025 strategy, an EBIT margin of more than 8.0% in the reporting year.

Business performance

Sales

In the reporting year, the Group was able to achieve slight increases in sales volumes while prices remained the same. Detailed information on these figures can be found in the "Profit situation" section.

In the area of outbound logistics, a significant reduction in transport costs for Germany was achieved in 2024. This was achieved through the successful conclusion and implementation of a tender for transportation throughout Germany initiated at the end of 2023. The guaranteed prices are valid until the end of 2025. As part of the tender, the number of carriers was also increased from two to three in order to expand transport capacities and ensure delivery performance despite the ongoing driver shortage. This will ensure that all consignments are delivered on time, even in the event of an economic upturn in 2025. The decline in transport volumes in 2024 mitigated the effects of the driver shortage. International tenders were also carried out in 2024 and the existing transport concepts were examined for optimization potential. This also enabled Uzin Utz to achieve savings at international level.

Procurement and production

In order to meet the requirements for capacity expansion and flexibility, central measures and optimizations were implemented at the Ulm site in the reporting year. New heating chambers were installed in Plant 1 to increase capacity and flexibility in the temperature control of raw materials for adhesive production. These heating chambers are based on a hybrid heating concept and have a significantly higher thermal insulation standard than the previous systems. As well as increasing capacity, this has also resulted in significant savings in energy consumption. In addition, a new mixing system for particularly high-viscosity products was put into operation at the end of the year. This planetary dissolver enables the efficient production of special tile adhesives, grouts and special adhesives in particular. In Plant 2, a new system for separating the returned flour into three fractions was put into operation. This enables a significant reduction in the proportion to be disposed of, whereby two of the three fractions are regularly processed internally. The release change of the process control system for the entire production plant carried out at the end of the previous year enabled further optimization measures to be identified and gradually implemented in the various process steps this year. This enabled the output of the two main mixing plants to be successively increased over the course of the year. The resulting capacity adjustments will take full effect in 2025.

The 2024 financial year was characterized by a very good supply situation for raw materials, packaging and merchandise. The markets were largely very calm and the goods ordered were delivered on time and without any problems. There were no supply bottlenecks and prices stabilized at a satisfactory level. In the past year, however, it was observed that various news services were increasingly reporting on the reduction or partial shutdown of production capacities for raw materials. These developments will be monitored very closely over the coming months.

In 2024, both Uzin Utz SE and Sifloor AG received DIN ISO 9001 and DIN ISO 14001 certifications as part of a certification audit. In addition, Uzin Utz Tools GmbH & Co. KG was certified in the same year in a surveillance audit in accordance with DIN ISO 9001:2015. The aim of this systematic quality management is the continuous improvement of the company's performance, which was comprehensively certified for the audited companies.

Sustainability also continues to play a key role for us in the area of waste disposal. Our own waste disposal department at Uzin Utz SE ensures that the demand for economic efficiency is combined with ecological and social responsibility. Our employees at the Ulm site are sensitized to the professional and sustainable handling of waste disposal in digital training courses. These standards are passed on to affiliated Group companies.

In the 2024 financial year, the Group produced at the production sites in Ulm, Würzburg, Ilsfeld, Mettmann, Buochs (Switzerland), Sursee (Switzerland), Haaksbergen (Netherlands), Dover (USA), Waco (USA), Legnica (Poland), Soissons (France), Shanghai (China), Ljubljana (Slovenia) and Jakarta (Indonesia). The overall capacity utilization of all Uzin Utz plants was around 80.9%, an increase of around 2.2 percentage points compared to the previous year (78.7). In line with the forecasts in the 2023 Annual Report, capacity utilization increased slightly compared to the previous year. This increase is due in particular to the moderate increase in capacity utilization in the area of dry adhesives. This increase offset the slight decline in capacity utilization in the dry mortar and wet adhesives segments, which is attributable to capacity increases.

Personnel

The average number of employees in the entire Group, excluding trainees, rose to 1,490 (1,480). Of these, 786 (781) worked in Germany and 704 (699) abroad. In addition, 44 (44) young people were given an apprenticeship. We were therefore once again able to maintain our high level of training opportunities and offer young people prospects for the future. At the same time, in-house training offers the opportunity to develop specialist staff ourselves and thus counteract the shortage of skilled workers.

The Executive Board at the Ulm site has set targets for the proportion of women in the first two management levels by June 30, 2027. At the first management level (division heads), a proportion of 11.1% (10.0%) was achieved, while the target quota was 15.0%. At the second level (head of department), a share of 27.1% (23.3%) was achieved, while the target quota was 25.0%. The available figures show an increase in both rates compared to the previous year. The target quota was therefore not achieved at the first management level. At the second level, the target was met thanks to the increase in the quota.

The target ratio for the Executive Board was set at 0% until June 30, 2027. The corporate governance statement can be found on the website www.uzin-utz.com (Investors - Corporate Governance - Corporate Governance Statement 2025).

The Supervisory Board has set a target for the proportion of women on the Supervisory Board of 16.7% by June 30, 2027. This target has been met and exceeded (33.3%) by the appointment of Amelie Klußmann and Michaela Aurenz Maldonado as members of the Supervisory Board.

Significant events

With effect from February 29, 2024, 25.1% of the shares in the Austrian company FP Floor Protector GmbH were acquired. This decision is a strategic step towards strengthening and expanding the company's technological leadership in the flooring trade.

The kick-off date and official starting signal for our switch from the existing Enterprise Resource Planning (ERP) system to a new solution in May 2024 laid the foundation for a successful digital transformation. Through the early involvement of the international locations, consistent change management and a clear process structure of the process house, this project should lead the Uzin Utz Group into a new development phase and ensure the sustainable success of the Group.

The administration building on the company site in Ulm, which was acquired two years ago, was renovated and refurbished. Since fall 2024, office workplaces have been available there for employees who were previously housed in externally rented rooms. The warehouses there are also mainly used by Uzin Utz SE, so that externally rented logistics space could be eliminated.

Profit situation

Profit	2024		2023	
	KEUR	%	KEUR	%
Sales revenues	476,034	100.4	479,337	100.9
Inventory change	-1,886	-0.4	-4,493	-0.9
Total output	**474,147**	**100.0**	**474,844**	**100.0**
Cost of materials	195,749	41.3	212,622	44.8
Gross profit	**278,398**	***58.7***	**262,222**	**55.2**
Other operating profit	7,493	1.6	5,492	1.2
Income from investment property	185	0	0	0
Personnel expenses	128,910	27.2	125,009	26.3
Wages and salaries	105,625	22.3	103,578	21.8
Social security contributions	23,286	4.9	21,431	4.5
Depreciation	21,460	4.5	18,732	3.9
Other operating expenses	92,891	19.6	89,468	18.8
Earnings before interest and taxes (EBIT)	**42,815**	**9.0**	**34,505**	**7.3**
Financial result	**-3,055**	**-0.6**	**-3,258**	**-0.7**
Earnings before taxes (EBT)	**39,760**	**8.4**	**31,247**	**6.6**
Taxes on income and earnings	10,278	2.2	8,650	1.8
Earnings after taxes	**29,482**	**6.2**	**22,598**	**4.8**
thereof non-controlling interests	41	0.0	13	0.0
of which attributable to shareholders of the parent company	29,441	6.2	22,584	4.8

Group sales decreased by 0.7% in 2024 and, at EUR 476,034 thousand, remained at the previous year's level (479,337). Consolidated sales revenue remained at the previous year's level in both the core and growth countries as well as the aspirant markets. While Uzin Utz Nederland B.V. and Uzin Utz Polska Sp. z o.o. achieved the strongest growth in absolute figures, the decline in sales at INTR. B.V. was particularly significant within the Group.

The main sources of the Group's earnings can be found in the segment reporting section in the notes to the consolidated financial statements.

Total consolidated foreign sales fell from EUR 312,600 thousand in the previous year to EUR 307,643 thousand. At 64.6%, the foreign share stagnated at the previous year's level (65.2). The aim is continued to realise sales growth in our other core and growth markets in addition to Germany. The proportion of sales not invoiced in euros rose to around 34.1% (33.8). The increase was most strongly influenced by the increase in sales of Uzin Utz Polska Sp. z o. o.

The development of the currencies outside the Euro zone that are relevant for the Group can be seen in the ‘Currency translation’ section of the notes to the consolidated financial statements.

The overall impact of exchange rates on Group sales was 0.3% (-0.4). The Polish zloty had the greatest effect.

Sales prices remained stable in the financial year 2024. They fell by - 0.8% on average. The continued high competitive pressure in the construction industry was one of the reasons for this development. No price increases were implemented. Sales volumes rose slightly by 2.5%, which is mainly due to the increase in sales of dry mortar in the reporting year compared to 2023. However, as these are items that, in contrast to adhesives or primers, for example, have lower sales revenue in €/kg, the positive volume trend only had a minor impact on the overall stagnating sales in 2024.

Due to the batch-oriented production and the usually very short time between ordering and delivery, production is generally carried out for an anonymous market. Deliveries are made from stock, which regularly amounted to around 1.7 months' sales (1.8) across the Group and was therefore slightly lower than in the previous year. Efforts are constantly being made to adjust and further optimize inventories in line with general conditions.

After a reduction of EUR 4,493 thousand in the previous year, inventories of finished goods and work in progress were reduced by a further EUR 1,886 thousand in 2024. The reduction in inventories in 2024 resulted from a further easing in the availability of raw materials and improved logistics processes.

Total operating performance decreased slightly by 0.1% to EUR 474,147 thousand (474,844). This development is attributable both to the lower sales revenue, which remained at the previous year's level, and to the change in inventories described above. Strategic measures led to a slight reduction in the Group's cost of materials ratio from 44.8% to 41.3%. The general improvement in market conditions led to a fall in raw material prices. In addition, we were able to reduce the cost of materials ratio by optimizing the formulations of our products and increasing sales of high-margin products. The centralization of storage capacities at the new plant in Waco, USA, and other optimizations enabled us to reduce internal reallocations. This also had a positive effect on the cost of materials ratio.

The share of personnel costs in total operating performance increased by 0.9 percentage points to 27.2% (26.3%). In absolute figures, personnel costs rose from EUR 125,009 thousand to EUR 128,910 thousand. The disproportionately high increase in personnel costs compared to the number of employees was, among other things, due to collectively agreed salary adjustments and a slight increase in the number of employees. In the commercial area, the number of employees fell slightly compared to the previous year.

Depreciation and amortization rose moderately by 14.6% from EUR EUR 18,732 thousand to EUR 21,460 thousand. This increase is mainly due to the partial write-down of the goodwill of the cash-generating unit Sifloor AG resulting from the annual impairment test as well as depreciation as a result of investments in property, plant and equipment in Waco, USA, which were recognized for the full year for the first time. In addition, depreciation of Pallmann GmbH increased in the 2024 financial year as a result of investments in property, plant and equipment.

Compared to the previous year, other operating expenses increased by around 3.8% to EUR 92,891 thousand (89,468). The increase is mainly due to higher operating and administrative costs. In particular, the costs for maintenance, repairs and servicing increased significantly, partly due to the renovation of the administration building in Daimlerstrasse in Ulm-Donautal. Consulting costs also increased significantly due to various strategic projects.

At EUR 42,815 thousand, earnings before interest and taxes (EBIT) were significantly higher than in the previous year (34,505). Overall, EBIT increased by EUR 8,310 thousand. The increase in earnings is mainly due to targeted measures to optimize costs, particularly through improvements in logistics and the improved cost of materials ratio. The general improvement in market conditions led to a fall in raw material prices. In addition, the cost of materials ratio was reduced by optimizing the recipes of our products and increasing sales of high-margin products.

Details on the net profit for the year and the equity of the individual participations can be found in the section "Group companies" in the notes to the consolidated financial statements.

Sales by segment

Segment (in KEUR)	External sales 2024	External sales 2023
Germany		
laying systems	155,740	156,524
Machinery and tools	19,439	19,652
Surface care and refinement	24,994	24,105
Netherlands		
laying systems	55,775	53,305
wholesale	31,162	35,637
USA	72,755	73,334
Western Europe	72,971	74,967
Southern/Eastern Europe	23,221	21,349
all other segments	19,977	20,464

The development of external sales varied from segment to segment. In absolute terms, the Netherlands segment recorded the sharpest decline. While a slight increase of EUR 2,470 thousand was achieved in the Dutch laying systems segment with revenue of EUR 55,775 thousand in 2024, the wholesale segment decreased by EUR 4,475 thousand compared to 2023. Market conditions for the Wholesale segment remained difficult over the course of the year, with the decline stemming primarily from the low demand for floor coverings.

Within the segment Germany, there were also different trends in the sub-segments. Sales revenue in the area of installation systems and machines and tools remained at the previous year's level, while surface care and finishing recorded a slight increase. In total, sales of EUR 200,173 thousand were generated.

The segment USA also remained stable with sales of EUR 72,755 thousand.

In Western Europe, sales revenue declined in 2024. In percentage terms, this was the sharpest decline at 2.7%, which is mainly due to the decline in revenue at Uzin Utz België nv.

In the Southern/Eastern Europe segment, the strongest growth was achieved both in percentage and absolute terms, based on the increase in turnover of Uzin Utz Polska Sp. z o.o., with a total increase of 8.8%.

Capital Status

Assets	31.12.2024		31.12.2023	
	KEUR	%	KEUR	%
Cash and cash equivalents	**44,316**	**10.3**	**38,159**	**9.1**
Trade receivables	**33,421**	**7.8**	**36,586**	**8.7**
Current income tax receivables	**5,715**	**1.3**	**5,971**	**1.4**
Current assets	**78,124**	**18.1**	**75,607**	**18.0**
Inventories	69,102	16.0	69,920	16.6
Other current financial and non-financial assets	9,022	2.1	5,687	1.4
Fixed assets	**252,213**	**58.5**	**248,241**	**59.1**
Intangible assets	36,087	8.4	36,644	8.7
Property, plant and equipment	201,683	46.8	200,631	47.8
Non-current financial assets and investments accounted for using the equity method	3,491	0.8	1,367	0.3
Rights of use	10,952	2.5	9,599	2.3
Investment property	**6,084**	**1.4**	**5,949**	**1.4**
Deferred taxes	**10,468**	**2.4**	**8,731**	**2.1**
Non-current financial assets	**633**	**0.1**	**757**	**0.2**
	430,973	**100.0**	**420,001**	**100.0**

The above table has been adjusted slightly compared to the previous year in order to provide more transparent information. As a result, only the presentation has changed, but not the balance sheet values.

Cash and cash equivalents increased to EUR 44,316 thousand in the 2024 financial year, up EUR 6,158 thousand on the previous year. The cash inflow resulted from the increased cash flow, which was positively influenced by the sharp rise in earnings after taxes compared to 2023, among other things.

Receivables from customers fell slightly from EUR 36,586 thousand to EUR 33,421 thousand as at the reporting date. In absolute terms, the receivables of the sales company INTR. B.V., whose external sales also declined, and the two production companies Uzin Utz North America, Inc. and Uzin Utz SE decreased the most in absolute terms. The Group also relied on stringent receivables management in the 2024 reporting year. With sales revenues remaining the same, an improvement was achieved with an average days sales outstanding of 27 days (29). This contributed to a reduction in receivables.

Current income tax receivables decreased slightly year-on-year to EUR 5,715 thousand (5,971). This is mainly due to the high tax prepayments of the German companies, which were still levied by the tax authorities on the basis of the very high assessment basis from 2021 compared to subsequent years.

After a significant decrease in inventories in 2023, they were kept at the same level in 2024. They decreased by EUR 818 thousand from EUR 69,920 thousand to EUR 69,102 thousand. The situation on the procurement markets has normalized further and the availability of materials has improved again. The aim is to reduce the volatility of inventories in order to ensure delivery capability at all times.

Other current financial and non-financial assets increased from EUR 5,687 thousand to EUR 9,022 thousand in 2024. This increase is attributable in particular to Uzin Utz North America, Inc. and Uzin Utz SE. The conditions for the government grant relating to the American plant in Waco were met as at December 31, 2024. However, the cash inflow will not take place until 2025, as a result of which a receivable was recognized. The increase in Uzin Utz SE is mainly due to the increase in deferred income, which is reported under other receivables.

At 58.5% (59.1), the share of Group fixed assets is on a par with the previous year. The remaining assets therefore make up 41.5% (40.9) of the balance sheet total. In absolute terms, fixed assets increased by EUR 3,971 thousand. Investments accounted for using the equity method increased the most at EUR 2,123 thousand. This increase is mainly due to the 25.1% share in the Austrian company FP Floor Protector GmbH acquired in February.

Property, plant and equipment amounted to EUR 201,683 thousand at the end of 2024. They remained at the previous year's level (200,631). At the production companies Uzin Utz North America, Inc. and Pallmann GmbH, significant investments were made in the area of other equipment and operating and office equipment in 2024. For example, a new filling system was purchased at Pallmann GmbH in the reporting year.

Investments in the Group totalled EUR 14,664 thousand (20,394) in the reporting year. While payments for investments in property, plant and equipment and financial assets were reduced compared to the 2023 financial year, investments in intangible assets increased moderately, particularly due to expenditure on software.

Rights of use increased moderately in 2024 by EUR 1,353 thousand from EUR 9,599 thousand to EUR 10,952 thousand. The highest absolute increase in right-of-use assets resulted from the rental agreement of Uzin Utz France SAS for the new office building. In addition, there were increases in right-of-use assets from car leasing at several companies. These mainly involved replacing expiring leases with new contracts.

With the exception of the investment property held by Sifloor AG, Uzin Utz Tools GmbH & Co. KG and Uzin Utz Immobilienverwaltungs GmbH, all of the assets continue to represent operationally necessary values. Further information on this topic can be found in the notes to the consolidated financial statements under section "14 Investment properties".

Segment information on capital expenditure

Segment	Investments	
(in KEUR)	2024	2023
Germany		
Laying systems	7,401	5,321
Machinery and tools	965	1,174
Surface care and refinement	2,576	2,297
Netherlands		
Laying systems	1,465	3,506
Wholesale	1,379	1,244
USA	1,768	7,520
Western Europe	3,572	2,594
Southern/Eastern Europe	386	2,231
All other segments	1,383	1,502

The information on segment investments includes intangible assets (excluding goodwill) as well as property, plant and equipment and right-of-use assets.

Investments in the segment Germany increased significantly in 2024 and recorded the largest increase in absolute terms at EUR 2,150 thousand. The increase was mainly due to higher investments in the area of laying systems. In 2024, these were increased by 39.1% compared to the previous year to a total of EUR 7,401 thousand, whereby the increase is again mainly due to investments in software at Uzin Utz SE as a result of the switch to a new solution for the existing ERP system.

In the segment Netherlands, investments fell by EUR 1,906 thousand. The decline of EUR 2,041 thousand in the area of laying systems was influenced by the investments of Uzin Utz Nederland B.V. in the area of production, which were lower than in the previous year. In addition, other investments in property, plant and equipment also decreased compared to 2023.

Investments in the segment USA declined the most in absolute terms, falling to EUR 1,768 thousand in 2024. Following the completion of the new dry mortar plant in Waco, the majority of the investment volume in 2024 is attributable to various assets in the vehicle fleet and office and business equipment.

While investments in Western Europe increased the most in percentage terms at 37.7%, investments in Southern/Eastern Europe were lower in 2024 at EUR 386 thousand after a relatively strong increase in 2023 in connection with the new filling line. The increase in the Western Europe segment is mainly due to the increase in investments by Uzin Utz France SAS, whose rights of use have increased due to the new office building.

Financial situation

Financial position	31.12.2024		31.12.2023	
	KEUR	%	KEUR	%
Current liabilities	**93,032**	**21.6**	**98,328**	**23.4**
Financial liabilities	38,449	8.9	45,795	10.9
Current leasing liabilities	4,645	1.1	4,098	1.0
Advance payments received on orders	113	0	125	0
Trade payables	16,061	3.7	15,970	3.8
Liabilities from income taxes	1,269	0.3	1,430	0.3
Provisions	17,244	4.0	16,474	3.9
Other current liabilities	15,251	3.5	14,437	3.4
Non-current liabilities	**57,652**	**13.4**	**64,383**	**15.3**
Financial liabilities	30,930	7.2	39,618	9.4
Miscellaneous non-current liabilities	963	0	0	0
Non-current leasing liabilities	7,181	1.7	6,126	1.5
Deferred taxes	13,842	3.2	11,565	2.8
Provisions	4,737	1.1	7,074	1.7
Shareholders´ equity (incl. non-controlling interests)	**280,289**	**65.0**	**257,290**	**61.3**
	430,973	**100.0**	**420,001**	**100.0**

The above table has been adjusted slightly compared to the previous year in order to provide more transparent information. As a result, only the presentation has changed, but not the balance sheet values.

Current financial liabilities decreased by EUR 7,345 thousand from EUR 45,795 thousand to EUR 38,449 thousand. This reduction was mainly due to the positive business performance. The existing bank lines negotiated with several of our core banks were used less than in the previous year. Utilization of the bank lines of Uzin Utz SE was fully repaid during the course of the financial year using the transferred profits of the subsidiaries.

Liabilities to suppliers increased by EUR 91 thousand and amounted EUR 16,061 thousand (15,970) as at the reporting date of December 31, 2024.

Income tax liabilities decreased by EUR 161 thousand to EUR 1,269 thousand (1,430). This is largely attributable to Uzin Utz Nederland B. V., whose tax prepayment in the previous year was very high due to an excessively high assessment basis. Accordingly, at the end of the year there were receivables from income taxes instead of liabilities.

Current provisions rose from EUR 16,474 thousand to EUR 17,244 thousand. The increase is mainly due to Uzin Utz SE, which had to form provisions for outstanding invoices and provisions in the personnel area at the end of the year due to increased bonuses as a result of the good result.

At 13.4%, the share of total non-current liabilities in the balance sheet total was slightly below the previous year's figure (15.3). In absolute terms, total non-current liabilities fell by around EUR 6,731 thousand from EUR 64,383 thousand to EUR 57,652 thousand. The main reason for this development was the decrease in non-current financial liabilities from EUR 39,618 thousand to EUR 30,930 thousand. The decrease resulted primarily from the repayment of existing loans, in particular those of Uzin Utz SE.

In contrast, non-current lease liabilities increased from EUR 6,126 thousand to EUR 7,181 thousand. The largest increase resulted from the extension of the rental agreement for a property by Uzin Utz SE and the rental agreement of Uzin Utz France for the new office building. In addition, there was an increase in liabilities from car leasing in several companies. Expiring leasing contracts were mainly replaced by new contracts, which also affected the short-term leasing liabilities, which increased from EUR 4,098 thousand to EUR 4,645 thousand.

Deferred tax liabilities increased by EUR 2,277 thousand to EUR 13,842 thousand, in particular due to the increase in deferred tax liabilities on fixed assets. Further information can be found in the notes to the consolidated financial statements (section 15 Deferred taxes).

The decrease in pension provisions was the main reason for the decline in non-current provisions by EUR 2,336 thousand to EUR 4,737 thousand. The reduction was primarily due to the Swiss companies, where adjustments to actuarial assumptions led to a reduction in defined benefit obligations compared to the previous year. The fair value of the plan assets also increased due to the good performance of the investments, which led to a corresponding decrease in pension provisions.

Equity (including minority interests) amounted to EUR 280,289 thousand (257,290), an increase of EUR 22,999 thousand compared to the previous year. The share of total assets was 65.0% (61.3). Our equity ratio therefore remains well above the industry average. The moderate increase in the ratio compared to the previous year is due to both the increase in equity as a result of the positive result and the reduction in borrowed capital.

It is both the principle and the intention of our liquidity management to ensure sufficient liquidity at all times. This requirement was also met in 2024. The Group's total loan volume amounted to EUR 69,379 thousand as at December 31, 2024, compared to EUR 85,412 thousand in the previous year. Of this amount, around EUR 38,449 thousand had a remaining term of up to one year (45,795), EUR 23,810 thousand had a remaining term of between one and five years (29,835) and EUR 7,120 thousand had a remaining term of more than five years (9,783). A more detailed breakdown of financial liabilities can be found in the notes to the consolidated financial statements under "Liabilities".

Liquidity was guaranteed at all times and credit lines were never fully utilized. As at the reporting date, around 20.6% (24.8) of the Group-wide credit lines had been utilized, or EUR 28,380 thousand (EUR 32,419 thousand) in absolute terms. The ongoing bridge financing of the production facility in Waco (Texas) did not lead to any further utilization of our bank lines. In addition, forward exchange transactions are concluded on a case-by-case basis to hedge fixed payments or significant foreign currency receivables or liabilities. Further information on forward exchange transactions can be found in the "Currency risks" section of the notes to the consolidated financial statements.

The detailed development of liquidity is presented in the consolidated cash flow statement in the consolidated financial statements.

Performance indicators

As already described in the section "Internal control system", the following key performance indicators are used in the Group's financial reporting for the purpose of managing the Group:

Financial performance indicators

The following key figures were recorded for the Group in the reporting year:

Key figures Group	2024	2023
Sales revenues	476,034 KEUR	479,337 KEUR
EBIT	42,815 KEUR	34,505 KEUR
EBIT margin	9.0%	7.2%
Cash flow from ordinary activities	53,105 KEUR	48,712 KEUR
Return on equity	16.6%	14.1%
Equity ratio	65.0%	61.3%

As was already apparent in the first two quarters of 2024, the slight increase in sales forecast in the 2023 annual report could not be achieved. The sales forecast was therefore adjusted at the end of the first half of the year to the target of achieving the same level of sales by the end of the 2024 financial year as in the previous year. Overall, a decline of 0.7% was recorded in 2024. Nevertheless, despite the challenges posed by the negative construction trend in the core market of Germany and the growth market of France, the financial year matched the high level of the previous year. Details on the analysis of turnover can be found in the Earnings situation section.

In the 2023 Group management report, a slight increase in EBIT was forecast for 2024. The main factors contributing to this positive development include the optimization of logistics and freight costs, the focus on increasing productivity at the production sites, favourable raw material prices and increased awareness of cost-cutting measures. At the same time, however, an increase in personnel costs, depreciation and amortization and other operating expenses was expected. The earnings-reducing effect of depreciation and amortization was slightly higher than originally planned. In contrast, the increase in other operating expenses was kept at a low level, contrary to the anticipated moderate increase. This is due in particular to sales and advertising expenses, outgoing freight as well as administrative and operating costs. The forecast increase in personnel expenses was also limited by a cautious personnel policy due to the complex economic conditions. As a result, EBIT rose from EUR 34,505 thousand to EUR 42,815 thousand, which corresponds to an increase of 24.1% and therefore represents a significant increase. Accordingly, EBIT increased more strongly than expected. Further details on the analysis of the earnings performance can be found in the earnings situation section.

The EBIT margin recorded a slight increase of 1.8 percentage points in the reporting year, although the 2023 annual report still assumed a stable level. This is due to the strong increase in EBIT despite sales remaining the same. The forecast was adjusted to a slight increase in the EBIT margin in the first half of the year.

Contrary to the forecast of a moderate reduction in the 2023 annual report, cash flow from operating activities recorded a solid increase. This positive development is mainly due to the increase in earnings after taxes.

The return on equity recorded a moderate increase in the reporting year, contrary to expectations of a stable level. This increase of 2.5 percentage points is attributable to the rise in EBIT.

Contrary to the forecast of a stable equity ratio in the last Group management report, the equity ratio increased slightly in 2024 and amounted to 65.0% (61.3). Debt was reduced moderately, while equity benefited from the better-than-expected result.

In addition to financial performance indicators, the Group also uses non-financial performance indicators.

Non-financial performance indicators

The non-financial performance indicators in the Group were as follows:

Key figures Group	2024	2023
Capacity utilization	80.9%	78.7%
Novelty ratio	25.2%	28.5%
Health ratio	95.6%	95.1%

In the 2023 Group management report, the capacity utilization forecast was assessed with a slight increase. The increase in capacity utilization in the dry adhesives segment compensated for the slight decline in the dry mortar and wet adhesives segments due to capacity expansions, particularly at the Waco plant. As a result, there was a slight increase in capacity utilization across the Group as a whole. In 2024, the production volume of the Uzin Utz Group remained at a constant level due to a slight increase in sales volumes.

The novelty rate fell from 28.5% to 25.2% in the reporting year and therefore recorded a moderate decline, as expected. This is mainly due to high-turnover products from the dry-mix mortar and dry-mix adhesives segments, which were launched more than five years ago and were therefore excluded from the counter in the reporting year.

At 95.6% (95.1), the health rate within the Group remained at roughly the same level as the previous year and is therefore in line with our forecast from the previous year, which assumed no significant change. The health ratio therefore remains at a very high level.

Risk management and internal control system

Risk management system

As an international company, we are subject to a large number of internal and external developments and events that can have a significant impact on the achievement of financial and non-financial targets. Successful and targeted opportunity and risk management are therefore integral components of corporate management.

To this end, we have a system for identifying, recording, assessing and controlling current and future non-financial and financial risks. Nevertheless, this is a system that is subject to a permanent optimization process as part of continuous improvement.

The elements of the risk management system are:
- Risk identification
- Risk assessment
- Risk reporting
- Risk management

Structure of the risk management system of the Uzin Utz Group

Executive Board/Supervisory Board

The Executive Board of Uzin Utz bears overall responsibility for an effective risk management system. It reports in detail to the Supervisory Board at least twice a year on the risk management system. In doing so, the Supervisory Board, together with the Executive Board, has the task of counteracting risks that could jeopardize the company's existence at an early stage and of reviewing the appropriateness and functioning of the risk management system in order to counteract the risks.

Risk Management

The Risk Manager, who reports directly to the Chief Financial Officer, is responsible for the operational implementation and coordination of the risk management system. He collects the risk maps of all companies, evaluates them at local and Group level and determines whether there are any risks that could jeopardize the continued existence of the company. Based on this risk analysis, he prepares the risk report for the Executive Board and Supervisory Board.

National companies

Responsibility for identifying, assessing and reporting risks lies with the operating companies. They identify their risks with the help of the Group-wide risk catalog and evaluate the identified risks in a uniform Group-wide risk map, which contains criteria such as the expected loss value or the probability of occurrence. Further assistance and active support in recording risks in the risk maps are provided by the Risk Manager. These risk maps are recorded by all risk owners and all companies using a project tool and reported to the Risk Manager after approval by the local managing director. In doing so, the legal requirements within the risk reporting of the individual companies are taken into account. Each individual risk of a risk owner must be reviewed and approved by the respective local managing director before processing by the Risk Manager can take place. This ensures that the management of the individual companies is informed about all risk areas of the respective company at all times.

Process of the risk management system

The risk early warning system, which has been set up in accordance with Section 91 (2) AktG, enables us to identify all significant developments and/or developments that could jeopardize the company's continued existence at an early stage. This is achieved through uniform framework conditions and standards for the design of risk identification within the Group.

The entire risk management system is geared towards recognizing risks that could jeopardize the company's continued existence at an early stage and taking countermeasures if necessary, as well as ensuring that business objectives are achieved. The principles, guidelines, processes and responsibilities of the internal risk management system have been defined and established. The risk management system essentially comprises the following risk groups:

The risk groups were specified in more detail compared to 2023 and expanded to include the categories "Sales" and "Environment". The "Other" category comprised a range of potential risk factors which, after analysis, were attributable to the sales area in particular. In addition, the "Environment" category was added mainly due to the introduction of the Corporate Sustainability Reporting Directive (CSRD).

In addition to risk-specific management measures, safety-oriented, commercially prudent corporate management, appropriate insurance cover and company-wide guidelines and instructions form the basis for risk-conscious action.

The explanations in the "Financial situation" and "Financial risks" sections of this report apply to financial instruments. In addition, the earnings and liquidity risks of financial assets are mapped in the form of an early warning system. The main elements here are detailed monthly reporting on all key income statement items and a quarterly report from the portfolio companies on the development of the general environment, the receivables and inventory risk as well as the liquidity and financing situation. Regular review meetings with the affiliated companies, group-wide accounting guidelines and mandatory, direct communication channels between the managing directors of the affiliated companies and the Executive Board of Uzin Utz SE in all key matters are the remaining main elements.

Identified risks are divided into different risk categories using a special weighting system. These are the following risk categories:
- Insignificant risk
- Low risk
- Medium risk
- High risk
- Risk threatening the existence of the company

The weighting system applied is made up of various characteristics of the risks, such as the probability of occurrence, the extent of damage and qualitative criteria such as the measures taken to reduce the risks, an early warning indicator or the frequency with which the risk is reviewed. Based on this qualitative weighting system, the risks are classified into the above-mentioned categories and reported to the Executive Board. The financially quantifiable risks are additionally assessed on the basis of Uzin Utz's risk-bearing capacity.

Process-independent monitoring

The auditor of Uzin Utz - as an independent external body within the scope of the audit of the consolidated financial statements - reviews the existence and functionality of the early risk detection system in accordance with Section 91 (2) AktG. In addition, an analytical review of the risk maps and the risk-bearing capacity calculation based on them is carried out internally. This audit measure enables potential irregularities to be identified at an early stage, the appropriateness of the risk management strategies implemented to be checked and risks to be dealt with appropriately in accordance with the company's objectives.

Opportunities and risk situation

Comparable opportunities and risks from different areas of the Group are reported together under the following categories where appropriate. The order in which the categories are listed does not imply any significance.

The basis for the assessment of the opportunities and risks of the environment and industry can be found in the sections "Future macroeconomic development" and "Future development of Uzin Utz" of the forecast report.

Risks

Business environment and industry

The forecast economic development in our core and growth markets is decisive for the opportunities and risks for Uzin Utz arising from the environment and the industry. The IMF forecasts global economic growth of 3.3% for the year 2025. This is below the historical average of 3.7% for the years 2000 to 2019. The largest increase is expected for the US growth market with a rise of 2.7%, while the expected growth rates in our other core and growth countries are between 0.3% and 1.6%. According to the forecasts for the construction industry as a whole, a decline is expected in two of our six core and growth countries in 2025. The forecast growth in construction output opens up opportunities in the UK, Switzerland and the USA in particular. In addition, despite the expected decline in overall construction output, there are growth opportunities in certain areas of the construction industry in our focus markets, which we will exploit using our strengths.

Forecasts for economic development in our core market of Germany are at a similar level, ranging from stagnation to a slight increase. Construction output is expected to decline slightly, partly due to high construction and financing costs. Nevertheless, there are slight growth trends in non-residential and commercial construction. The forecast economic growth for our core markets of the Netherlands and Switzerland is almost identical at 1.6% and 1.5% respectively. In the Netherlands, a slight increase in the overall volume of construction output is forecast due to the upturn in residential construction activity. However, this is offset by structural bottlenecks such as the lack of building land and complex project developments. An increase in construction activity is forecast for Switzerland. The reduction in the key interest rate is having a positive effect on construction investment in building construction. An increase in building permits is forecast, which will boost investment in new construction and conversions.

The economic growth forecast for the growth markets of the UK, USA and France varies. A slight increase in GDP of 1.6% is expected in the UK and 0.8% in France. In the USA, on the other hand, an increase of 2.7% is forecast, which positions the USA as the strongest of our growth markets. Growth in the construction sector in the UK is due in particular to opportunities in private residential and non-residential construction. A moderate increase is forecast for the USA, which is attributable to the rise in single-family homes and increased maintenance and modernization. The single-family home sector in particular is benefiting from interest rate cuts and political support, offering significant growth opportunities. The development of the French construction industry continues to be characterized by a downward trend, which is likely to continue in 2025. The main reasons for this are the continuing rise in real estate prices and high interest rates. Despite these inhibiting factors, there is an opportunity for slight growth in the area of maintenance and modernization.

In addition to the factors that already hampered economic development in the previous year, geopolitical uncertainties continue to weigh on growth forecasts. However, a recession is not expected in any of our core and growth countries. Estimates for the construction industry vary, with forecasts for the countries we focus on ranging from a slight decline to a slight increase. We are once again confronted with a challenging market environment, which may have a significant impact on business performance depending on how the sector actually develops. Overall, however, there are slight opportunities for growth that are in line with the company's strengths. Positive business development is therefore also expected in the 2025 reporting year. A slight reduction in earnings is expected due to the forecast increase in all cost items, particularly as a result of staff increases, consulting costs and higher raw material prices.

The quantifiable risks in the "Environment and sector" area amount to a mid-single-digit million euro sum.

Products

The further development of Uzin Utz is closely linked to the ability to create innovations in the product range and to refine existing formulations. Intensive efforts are aimed at intensifying research and development activities in order to identify market requirements and trends promptly by means of benchmarking and competitive analyses. This serves to prevent the company from falling behind its competitors in terms of technology. The risk of technological deficits and the risk of product defects represent significant challenges for the Group. Significant investments in research and development, continuous in-house innovations and strict internal quality controls are aimed at eliminating product defects from the outset. This is intended to meet the high quality and faultlessness requirements of Uzin Utz products. In the event that damage nevertheless occurs, comprehensive international insurance cover, including product liability, provides protection. Operational risks are covered by prudent provisions.

Customer needs and legal requirements, especially in the chemical industry, are subject to continuous change. New regulations regarding the prohibition or restricted use of certain chemicals or hazardous substances force the Uzin Utz Group to develop innovative formulations that meet these new requirements without compromising product quality. In the course of the REACH regulation (Registration, Evaluation, Authorization and Restriction of Chemicals), importers of raw materials from non-EU countries who import hazardous substances are obliged to notify us. Uzin

Utz is committed to researching substitute raw materials to ensure long-term security of supply and greater independence from suppliers without compromising product quality.

Product risks are classified as insignificant for the reasons mentioned above.

The quantifiable risks in the "products" area amount to a maximum low single-digit million euro amount.

Financial instruments

Assessing the extent of financial risks remains challenging in the current situation. In view of potential volatility on the financial markets, it is essential to implement adequate hedging strategies for currency risks, always striving for a balance between costs and expected benefits. The development of the currencies critical to the Group is discussed in more detail in the "Results of operations" section of this report. In addition, the Group's currency risks are explained in more detail in the notes to the consolidated financial statements under other disclosures. Group-wide, strict receivables and liquidity management guarantees the maximization of available resources, with a particular focus on the continuous review of customers' creditworthiness. The majority of customer receivables are also covered by credit insurance. All significant liabilities to financial institutions are generally taken out at fixed interest rates or protected against interest rate risks by an interest rate swap. The primary means of financing include bank loans and working capital credits, leasing obligations and trade payables. Their main objective is to support and maintain operating activities. In addition, the Group has various financial assets, such as trade receivables as well as cash and short-term investments, which contribute to improving liquidity. The Uzin Utz Group has used derivative financial instruments to a limited extent to hedge against interest rate and currency risks resulting directly from business and financing activities. Future possible significant currency and interest rate fluctuations always harbor an inherent risk. A company-wide treasury guideline effectively supports risk management and aims to optimize financial transactions and minimize currency and interest rate risks. The introduction of an integrated liquidity forecast improved quarterly reporting to the Executive Board through the use of real-time data. In addition, the project to standardize and automate global payment transaction formats was continued with the aim of managing the Group's payment transactions via a central platform.

For the reasons mentioned, the financial risks are classified as low.

The quantifiable monetary risks in this area amount to a maximum mid-single-digit million euro amount.

Production and essential IT-supported processes

In the production areas of the various sites, continuous maintenance as well as fire protection and preventive measures significantly minimize the risk of suboptimal performance of the production facilities. Special insurance policies have been taken out against damage caused by natural disasters and the possible resulting business interruptions, although the associated risks cannot be precisely quantified. The Group sees opportunities in the ongoing improvement of production processes and in additional investments in advanced technologies in order to continuously increase the efficiency of production facilities worldwide. The increasing networking of international production facilities and strict quality management help to continuously optimize production quality across the entire Group.

The operational and production processes as well as the internal and external communication of Uzin Utz are increasingly dependent on information technology. Significant impairments or even the failure of global and regional IT systems could lead to data losses and disruptions in operating and production processes. Targeted technical, structural and organizational measures are taken to minimize the risk of a failure of critical IT systems.

Risks in the area of production and risks relating to IT-supported processes are classified as insignificant.

The risks in these areas that can be quantified in monetary terms amount to a maximum low single-digit million euro amount.

Investments

Risks associated with significant investment decisions are subject to detailed preliminary analyses and require the approval of the Uzin Utz Executive Board. If necessary, the expertise of external consultants is consulted. Potential takeovers are always assessed with the involvement of external expertise, evaluated by the Executive Board and require the approval of the Supervisory Board. Targeted investments lay the foundations for the Group's future growth, continuously creating new opportunities to increase sales and thus improve the Group's overall result.

The investment risks can be classified as insignificant for the reasons mentioned above.

The quantifiable risks in the area of "investments" amount to a maximum very low single-digit million euro amount.

Purchasing, suppliers and raw material prices

For years, Uzin Utz has pursued a multi-supplier strategy in order to minimize dependence on various suppliers and to be able to change them if necessary. Furthermore, framework agreements are concluded with suppliers in order to absorb price increases as far as possible. Through continuous research into substitute raw materials within our research and development departments, we also try to minimize our dependence on suppliers or certain raw materials.

The procurement, supplier and raw material price risks can be classified as low thanks to the measures taken. This also reflects the continuous delivery capability of Uzin Utz in the past.

The monetarily quantifiable risks in the areas of "procurement, suppliers and raw material prices" amount to a maximum mid-single-digit million euro amount.

Personnel

Personnel-related risks encompass the range of potential dangers that can arise from the behavior and circumstances of our workforce, including, but not limited to, misconduct, wrong decisions, accidents at work, health problems or general staff absenteeism. To manage these risks, we implement a variety of strategies within our risk management system. For each identified personnel risk, there are specific measures aimed at reducing the probability of occurrence. Examples include further training, preventative health measures, ensuring safe working conditions and conducting regular employee appraisals in order to effectively minimize the aforementioned risks. The shortage of skilled workers also plays a key role. Active consideration and strategic planning to overcome this shortage are crucial to ensure the long-term competitiveness and productivity of our company. Our primary goal is to establish an open and transparent corporate culture in which all employees feel valued, communicate risks openly and actively work to reduce them in order to limit them as much as possible.

Risks that fall under the category of personnel risks are classified as insignificant.

The risks that can be quantified in monetary terms in the area of "personnel risk" amount to a maximum low single-digit million euro amount.

Distribution

Sales risks relate to the uncertainties and challenges that can arise in the sales process. These include market fluctuations, changes in customer behavior, competitive pressure and dependence on certain sales channels. Careful market analysis and a flexible sales strategy are crucial to counteracting these risks and ensuring sales stability.

Risks that fall under the category of sales risks are classified as insignificant.

The monetarily quantifiable risks in the area of "sales risk" amount to a maximum low single-digit million euro amount.

Environment

Environmental risks comprise the potential negative effects of environmental factors on our company. These include regulatory changes resulting from environmental laws and regulations, as well as physical risks from natural disasters. Proactive measures must be taken to fulfill their environmental responsibilities and prepare for possible changes in environmental legislation in order to avoid long-term damage.

Risks that fall under the category of environmental risks are classified as insignificant.

The risks that can be quantified in monetary terms in the area of "environmental risks" amount to a maximum low four-digit euro amount. However, there are also non-quantifiable risks that will have to be quantified further in future as part of CSRD reporting.

Other

In the current reporting year, all risks in the "Other risks" category were regrouped into the other risk categories. There are currently no risks classified under this risk category.

Risks threatening the existence of the company

None of the risks listed above currently pose a threat to the company as a going concern. Other risks that could jeopardize the existence of Uzin Utz are not currently discernible, even taking into account the Group's risk-bearing capacity.

Opportunities

Most of the risks described also offer the Group opportunities. These are often reflected in risk reduction measures. Due to its size, market position and the internal success factors already described, the Group can and will continue to exploit every commercially viable market opportunity that arises in order to gain further market share. Opportunities for strategically sensible company acquisitions will also be closely examined and, if necessary, realized.

In line with the risk groups, the opportunities have been expanded compared to 2023 to include the sales and environmental categories:

Due to their validity for all market participants in conjunction with the Group's high standards in the areas of product quality, service and logistics concepts, the divisions in particular offered and continue to offer excellent opportunities to expand relationships with existing customers and acquire new customers in order to expand our market positions in the respective countries. In this way, we can position ourselves on the market with quality and innovation and differentiate ourselves from our competitors. With regard to further opportunities and risks for Uzin Utz, please refer to the forecast report.

Extraordinary influencing factors

In 2024, the economic environment was again characterized by considerable geopolitical uncertainty. The ongoing Russian war of aggression in Ukraine continued to cause uncertainty on the energy and commodity markets, while sanctions and trade restrictions impacted global supply chains. At the same time, the escalating conflict in the Middle East caused additional geopolitical tensions, which had a particularly negative impact on the stability of global oil supplies and international trade flows. These developments led to volatility on the financial markets, growing inflation risks and an overall challenging economic environment. We are countering these challenges with strategic and operational measures, including, for example, the conclusion of framework agreements and constant monitoring and assessment of the situation.

Overall statement by the Executive Board

The Executive Board of Uzin Utz SE assesses the risk and opportunity situation in the 2024 reporting year as positive against the background of the challenging economic conditions. The Group is in a position to take entrepreneurial risks if the business activities initiated and the resulting additional earnings opportunities are expected to increase the value of the company.

Compliance

As a European stock corporation, we are subject to many laws and regulations and therefore already meet a high standard. We are aware of our responsibility towards business partners, shareholders, employees and the public. In order to meet this requirement, even against the backdrop of an increasingly challenging regulatory environment, we have developed compliance guidelines which, together with the rules of conduct based on these guidelines, provide not only legal but also ethical guidance. This is confirmed annually by the Executive Board and the managing directors of the companies. The Compliance Guidelines contain the fundamental and binding rules for the conduct of Uzin Utz employees internally and towards business partners, shareholders and the general public. Our Compliance Manager is responsible for the content and expansion of the Compliance Management System. In addition to the preventive measures that have been implemented in the company, we have also set up a whistleblower system that enables employees and external parties to report possible compliance violations confidentially and, if necessary, anonymously.

Internal control system (ICS)

Adequacy and effectiveness of the internal control and risk management system

There is an internal control system that is appropriate to the size of the company and is continuously being expanded and optimized. In order to further expand an effective ICS, work is currently underway on the further development of a control matrix for Uzin Utz SE. Implementation is at an early stage, as the company's governance structures are constantly evolving. Through continuous adjustments and improvements in this context, we strive to continuously develop the control matrix in order to meet the changing requirements and achieve optimal results. The key controls for the existing main processes are defined in this control matrix, the control rhythm is determined and the person or department responsible is defined.

The task of risk management is to use suitable methods to create transparency about a company's risk situation. Operational risk management includes the process of systematic and ongoing risk analysis of business processes. Accordingly, the intention of risk management and the internal control system is to ensure the effectiveness of business activities and compliance with the relevant statutory regulations. In order to eliminate identified weaknesses during the financial year and to ensure continuous improvement of the processes, both the internal control system and the risk management system are monitored on an ongoing basis. The Executive Board of Uzin Utz bears overall responsibility and the monitoring function for an effective risk management system. Internal Audit is responsible for independently auditing the appropriateness and effectiveness of the ICS and risk management. In order to be able to do this, Internal Audit has comprehensive information and inspection rights and is involved in all stages of the ICS process.

At the time of this report, there are no indications in all material respects of the company that the internal control and risk management system is ineffective or inadequate.

However, no guarantee can be given that all actual risks and any breaches will be detected in advance.

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

The internal control system is a key factor in avoiding risks, particularly in accounting and financial reporting. This includes the following features, among others:

- The management and corporate structures within Uzin Utz are clearly defined. Cross-divisional key functions are controlled centrally via Uzin Utz SE, whereby the individual subsidiaries have a high degree of independence at the same time.
- There is a system of guidelines which is constantly updated.
- The financial systems used are protected as far as possible against unauthorized access by appropriate authorization concepts and access restrictions.
- The financial systems used are essentially based on the SAP standard. SAP Business Intelligence is used for presentation and other evaluations.
- The consolidated financial statements are prepared using SAP consolidation software to which only a limited number of employees have access.
- The dual control principle applies throughout the Group for accounting transactions.
- Accounting data received or forwarded is continuously checked for completeness and accuracy.
- Face-to-face training and online training courses in Germany and abroad offer participants the opportunity to learn directly on site or remotely, actively exchange ideas and receive further training.

The control system and risk management system with regard to the accounting process is designed to ensure that all business processes and transactions are recorded promptly and correctly in the accounts and that risks in connection with financial reporting are identified, assessed, monitored and managed. Changes to laws, accounting standards and other pronouncements are continuously analyzed with regard to their relevance and impact on the consolidated financial statements and the resulting changes are immediately adapted in the Group's internal guidelines and systems. At Uzin Utz SE, the Group Controlling department is responsible for managing the Group accounting process.

The Group companies prepare their financial statements locally and transmit them using a uniformly defined Group-wide data model. The data is maintained directly in the input platform by the individual national companies. The Group companies are responsible for compliance with the Group-wide accounting guidelines and procedures as well as the proper and timely execution of their accounting-related processes and systems. The local companies are supported by central contacts throughout the entire accounting process. The consolidated financial statements are prepared centrally on the basis of the data from the subsidiaries included in the scope of consolidation. During this process, Group Controlling performs ongoing manual and system-supported checks to ensure the plausibility of the transmitted and consolidated data.

In addition to safeguarding against accounting and financial reporting risks, the ICS also includes a general basic safeguard against operational risks and compliance. Its functional and procedural orientation is adapted to the company's current risk situation in coordination with risk management. Internal control processes are used to regularly review the business processes of both the subsidiaries and the central divisions for compliance, cost-effectiveness, efficiency and security. The results are reported directly to the Executive Board.

Based on the reporting of the internal control system, the Executive Board was unable to identify any significant suspected cases of irregularities or misconduct.

Forecast report

Future macroeconomic development

The IMF forecasts global economic growth of 3.3% for 2025 (as at January 2025). This expectation is below the historical average of 3.7% for the years 2000 to 2019. Compared to the World Economic Outlook (WEO) from October 2024, the current forecast remains largely unchanged with an increase of just 0.1 percentage points, which is primarily due to the 0.5 percentage point increase in real gross domestic product in the United States and offsets the downward revisions in other leading European economies such as Germany (-0.5 percentage points) and France (-0.3 percentage points). In addition, the IMF expects global headline inflation to fall to 4.2% in 2025, with convergence to the target occurring earlier in advanced economies than in emerging and developing economies. In countries where inflation is proving more stubborn, central banks are taking a more cautious approach to monetary easing, keeping a close eye on economic and labor market indicators as well as exchange rate developments. While the US Federal Reserve is likely to slow the pace of monetary easing in 2025, further interest rate cuts by the European Central Bank and the Bank of England are considered likely. The Bank of Japan could raise interest rates and thus pursue a divergent monetary policy.

The European Commission expects economic activity in the European Union (EU) to accelerate to 1.5% in 2025 and to 1.3% in the euro area. Inflation in the EU is likely to fall from 2.6% last year to 2.4% in 2025 and slow from 2.4% in 2024 to 2.1% this year in the eurozone. According to Central Bank President Christine Lagarde, the European Central Bank is therefore close to achieving its target of 2.0% inflation for the eurozone.

Market	Economic growth in 2025	Key factors
Core markets		
Germany	+0,3%	The main driver of economic growth in 2025 will be increased domestic demand due to the decline in inflation from 2.4% to 2.1% and rising real wages (European Commission). Net wages are likely to rise by 0.4% in real terms in 2025. Against this backdrop, the German Council of Economic Experts expects price-adjusted growth of 0.5% for private consumption. Falling financing costs due to the easing of monetary policy should encourage investment. Low capacity utilization in the manufacturing sector will dampen corporate investments, which will only grow slightly in 2025. Energy costs will remain significantly higher than pre-pandemic levels and will weigh on the international competitiveness of energy-intensive industries. Despite improved demand, foreign trade will make a slightly negative contribution to economic growth in 2025. The manufacturing industry will lose competitiveness due to price increases as a result of the sharp rise in production costs relative to other countries coupled with weak productivity growth. According to the European Commission, unemployment will stagnate at 3.3%.
Netherlands	+1,6%	The Dutch economy is expected to grow steadily in 2025. Inflation will continue to fall and is expected to drop to 2.4% in 2025 (European Commission). Solid wage growth (4.7% according to the European Commission) and tax cuts will additionally support real income and should boost private consumption. The prospects for corporate investment and trade are improving due to the easing of financing conditions. Economic activity will also be boosted by additional government investment in areas such as defense. RaboResearch expects government investment to grow by 5.3% in 2025. According to the OECD, unemployment will rise slightly to 3.8%. The labor market remains tense for companies.

		The ongoing tensions in global trade, such as the threat of trade tariffs between the EU and the US, are a burden for the Dutch export sector. This is likely to have a negative impact on export growth. In addition, geopolitical uncertainties and potential economic slumps in key markets, such as the neighbouring country and, in the past, most important trading partner Germany, could destabilize international business.
Switzerland	+1,5%	Weaker growth compared to the historical average (1.8% according to the SECO State Secretariat for Economic Affairs) is expected for 2025. There is great uncertainty regarding future international economic and trade policy as well as the economic development of key export partners. The economic outlook for the USA has improved further, while the German and European economies are developing more weakly than previously expected. Inflation is expected to fall more sharply than previously forecast (0.3% in 2025 according to the SECO State Secretariat for Economic Affairs). According to the OECD, consumer price inflation is likely to reach the middle of the central bank's target range of 1.0% in the first quarter of 2025 and remain at this level in 2025 and 2026. The exchange rate continues to weigh on the economy. Further increases in employment are expected in 2025. Domestic demand is supporting growth through rising consumer spending by private households (+1.5% in 2025 according to the OECD). Lower mortgage interest rates should stimulate construction activity. The unemployment rate will rise to 2.7% (SECO State Secretariat for Economic Affairs).
Growth markets		
Great Britain	+1,6%	According to the OECD, the harmonized index of consumer prices (HICP) is expected to rise by 2.7% compared to the previous year. Further interest rate cuts by the Bank of England are expected. In view of the high inflation and increasing uncertainty, the BoE is likely to maintain a cautious pace of interest rate cuts and gradually reduce the prime rate to 4.0% by the end of 2025 (KPMG). Current government spending and public investment will rise, with half of the increase being financed by higher taxes, pushing tax revenues towards a historic high. Government consumption and investment are expected to boost growth in 2025, while tax increases are more likely to have a negative impact on private consumption. Foreign trade is also likely to have a negative impact on growth in 2025. The outlook for the UK's largest trading partner, the EU, is subdued. The unemployment rate is falling (OECD: 4.0% in 2025), as public spending is supporting demand for labor and companies are holding on to their employees in view of the shortage of skilled workers.
USA	+2,7%	Real GDP growth is likely to decline slightly. The reasons for this are the normalization of immigration, cooling demand for labour and declining private consumption due to depleted savings accumulated during the pandemic. Tax cuts and the deregulation of key economic sectors are likely to boost the US economy. Private investment and corporate investment are expected to increase moderately. Among the risks affecting the growth forecast is the expected increase in trade conflicts. Productivity is growing strongly and is being driven by advances in artificial intelligence. Bottlenecks in highly skilled labor are expected to be addressed by reforms to the visa system for skilled workers and increase the relatively low level of employment-based immigration. The unemployment rate remains at a low level, rising slightly from 4.0% in 2024 to 4.1% (OECD). The budget deficit will remain very high at over 7.5% of GDP according to the OECD. This is due to the structural imbalance between higher expenditure, including for mandatory social programs due to the ageing population, and a tax base that has narrowed over the last decade.
France	+0,8%	According to the OECD, the announced government budget consolidation measures (including tax increases) will "cost" 1.0% of GDP and therefore slow economic growth.

		According to OECD and Banque de France projections, overall inflation is expected to fall to 1.6%. Almost 0.3 percentage points can be attributed to the government's reduction in electricity prices (OECD). Rising real wages due to moderate inflation could lead to a recovery in private consumption and thus contribute to growth. However, the contribution to growth from private investment is likely to remain negative, albeit to a much lesser extent than in 2024. Foreign trade should still make a positive contribution to growth, albeit to a lesser extent than in 2024, as imports are normalizing after a phase of significant decline. The labor force participation of low-skilled and older workers is expected to rise due to the reform of social welfare and the increase in the retirement age. The unemployment rate is expected to rise from 7.4% in 2024 to 7.7% (OECD) due to slower production growth.

* Economic growth according to IMF, World Economic Outlook Update, January 2025 and State Secretariat for Economic Affairs SECO, Economic forecasts, 17.12.2024

Forecasts point to a positive development in construction activity in the 19 EUROCONSTRUCT countries from 2025. According to the results of the 98th EUROCONSTRUCT conference, a slight recovery with growth of 0.6% is expected, which should gain momentum in the following two years (forecast for construction output in 2026: 1.8%, 2027: 1.7%). Compared to the estimates in the 97th EUROCONSTRUCT report, however, growth in 2025 will be weaker than predicted at the summer conference in June 2024 and has been revised downwards by 0.7 percentage points. The new residential construction sector is expected to stagnate in 2025 with growth of 0.2%, but will gain momentum in the following years and increase by 3.5% and 3.3% respectively in the period 2026-2027. The market for home renovation will decline by 1.3% next year. A recovery is forecast from 2026 onwards, due to demographic factors, economic conditions, an improved financial situation of households and more favorable subsidy systems for home renovations. The non-residential construction sector will grow at an average annual rate of 1.6% between 2025 and 2027, mainly due to various subsidies, tax credits and incentives.

Market	**Development of the construction industry in 2025**	**Key factors**
Core markets		
Germany	-1,0%	According to EUROCONSTRUCT, the construction volume will shrink by a further 4.0% in the period from 2024 to 2026 (cf. 2021-23: -5.4%) and will only stabilize again from 2027. Demand for construction services in the building construction sectors will lag behind investment requirements. Almost three years after the energy price shocks, high construction and financing costs are still hampering new residential construction. Construction investment in residential construction is expected to fall by 4.0% in 2025 (German Economic Institute). In non-residential construction, the German Economic Institute expects construction investment to increase slightly by 0.5% in 2025. This would be the first year of positive growth since 2020. The outlook for civil engineering is better than for building construction, driven by major projects in the areas of rail infrastructure, power lines and renewable energies. Commercial construction is expected to grow by 0.5% in 2025 (German Economic Institute). Average increase in construction prices of 1.9% according to the Federation of the German Construction Industry for total construction investments.
Netherlands	+1,6%	An upturn in the construction industry is forecast, mainly due to the increase in residential construction activity.

		Sales of new builds are rising due to higher wages and lower interest rates. Better-filled order books for housebuilders, which have risen to record levels, and a sharp increase in sales for project developers are expected. At the same time, however, the industry's moderate growth is being hampered by structural bottlenecks such as a lack of building land, complex and lengthy project developments, legal delays and grid bottlenecks that prevent new residential areas from being connected to the electricity grid. By 2030, the Dutch government has committed to building 110,000 new homes per year in order to reduce the housing shortage to a level of 2.0% of the total housing stock (EUROCONSTRUCT). While the market for new non-residential buildings remains a challenge, the renovation of non-residential buildings is expected to grow steadily from 2025, particularly in light of the EU sustainability directives and due to an outdated stock of public buildings in the healthcare and education sectors. Investments in commercial construction will only increase slightly in 2025 due to the uncertain economic situation.
Switzerland	+2,6%	Construction prices appear to be stabilizing at a high level. Although wage pressure in the construction industry will remain, it is likely to be less pronounced than in previous years. The lower financing costs resulting from the SNB's interest rate cuts in 2024 should have a positive impact on the development of construction investment in building construction. Wüest Partner expects a significant upturn and growth of 4.6% in 2025 (new construction: +4.0%; renovation: +5.7%). The reason for the very optimistic construction forecasts is the increase in building permits (new construction investments in the residential sector: +19.0%; conversion sector: +24.0% according to Wüest Partner) The favorable development of the Swiss labor market in the coming years will support the growing demand on the housing market. EUROCONSTRUCT forecasts an increase in real non-residential investment of 2.9% in 2025. The level of real investment to be achieved up to and including 2027 (2026: 1.3%, 2027: 1.1%) is significantly below the level of investment in 2021. In their expectations for 2025, companies are focusing their investments mainly on equipment and R&D and, to a lesser extent, on the construction sector.
Growth markets		
Great Britain	+2,9%	Continued optimism regarding growth within the UK construction industry and expected increase in workload. Both private residential construction and private non-residential construction are expected to grow in 2025. EUROCONSTRUCT expects an increase of 6.0% for new residential construction. Total output in non-residential construction is expected to increase by an average of 3.0% per year over the forecast period 2025-27 (EUROCONSTRUCT). Growth is forecast for both new buildings and renovations in the non-residential buildings sector. Renovation output for non-residential buildings is expected to grow by an average of 2.4% in the period 2025-27 according to EUROCONSTRUCT, with both the public and private sectors contributing to a new high. Improved credit conditions due to the expected key interest rate cuts in 2025 should give the construction industry a boost. Challenges such as tight profit margins across the industry and the ongoing skills shortage remain.
USA	+2,0%	FMI Corp expects growth of 2.0% for residential buildings. While single-family homes (+4.0%) and maintenance and modernization (+5.0%) will develop positively, a decline of 13.0% is expected for multi-family homes. Single-family house construction, the largest sector segment, is expected to benefit from the recent interest rate cut and political support for financing. There are considerable growth prospects for the market for rented single-family homes.

		Investments in the renovation sector will increase due to lower borrowing costs, which will improve homeowners' refinancing options. Multi-family construction is expected to shrink over the next few years due to the completion of a large and rapid construction cycle. The other construction sectors are expected to perform well in 2025 as they are supported by permanent legislation such as the Infrastructure Investment and Jobs Act (IIJA), the Inflation Reduction Act (IRA) and the CHIPS and Science Act (2.0% growth in non-residential construction according to FMI Corp). Growth of 5.0% is expected in the civil engineering sector (FMI Corp). According to RICS, companies in the construction sector plan to increase the number of employees in 2025.
France	-0,7%	The decline in the construction industry is continuing. Lending rates are expected to remain at a high level of around 3.0% for the period 2025-27 (EUROCONSTRUCT). This is likely to have a negative impact on access to credit, particularly for low-income households and first-time buyers. Real estate prices are rising steadily and the quality of supply does not meet demand, which poses an additional threat to households' purchasing power. Despite a more favorable macro-financial environment, new residential construction activity is expected to fall by 14.2% according to the Fédération Française du Bâtiment, after the number of housing starts reached a new low. New construction of non-residential buildings is expected to fall by 15.0% (Fédération Française du Bâtiment), as the general uncertainty and current credit conditions are not providing sufficient incentives for investment. Due to a general wait-and-see attitude, growth in maintenance and modernization is expected to slow to 0.9% compared to 2024 according to the Fédération Française du Bâtiment. A massive decline in employment of almost 7.5% is forecast. By 2025, around 100,000 fulltime jobs in the construction industry would be under threat (Fédération Française du Bâtiment).

* Development of the construction industry according to 98th EUROCONSTRUCT Summary Report, Winter 2024, p. 42 und 2025 North American Engineering and Construction Industry Overview, First Quarter Edition, p. 38

Future development of Uzin Utz

Our development in the coming year will continue to be shaped by the PASSION 2025 corporate strategy. The strategic framework for further development and target achievement continues to be formed by the four P's - Profit, Products & Services, People and Planet. This focus enables us to exploit our potential and operate successfully and sustainably.

The "People" focus area is concerned with our employees and society. Our workforce makes a significant contribution to the success of the Group and plays a key role by working in a motivated and disciplined manner to achieve our ambitious goals. For this reason, concepts for professional development are being developed. In addition to looking at our company, relationships with our customers are also part of this approach.

The strategic focus on "Products & Services" aims to continue to provide our core customers, the experienced groundcare professionals, with tailor-made products, systems and services for all aspects of soil cultivation. The close relationship with our business partners enables us to continuously optimize our product range and adapt it to global markets. To keep pace with the progress of digitalization, we strive to develop future-oriented business models in order to identify trends at an early stage and act as a driver of innovation in the industry. This is the only way to achieve qualitative improvements and offer our customers in the premium and standard segments added value that leads to success.

As part of the "Planet" thrust, initiatives such as environmentally friendly operations, a transparent and sustainable value chain and corporate citizenship will bring the environment and resources even more into the focus of our business.

Since 2021, there has been a theme year for each strategic focus area. The theme years serve to deepen initiatives in the respective focus area and promote a Group-wide exchange on planned measures. In 2024, the focus was placed on the "Profit" strategic direction, bringing the last of the four dimensions to the fore. In 2025, the focus will be on achieving the goals of all the strategic directions of the last four years. In the coming financial year, we will continue to expand our market position and leverage country-specific potential through customer proximity and performance leadership along the entire value chain in order to achieve the best possible results for Uzin Utz in the final year of the PASSION strategy. At the same time, we are developing a new strategy for 2025, the implementation of which will begin in 2026 and will further strengthen Uzin Utz's position in the future.

Forecast performance indicators

Financial performance indicators

At Group level, we expect the following development of key figures:

Key figures Group	2025
Sales revenues	↗
EBIT	↘
EBIT margin	↘
Cash flow from ordinary activities	↘
Return on equity	↘
Equity ratio	↘

The global economy is expected to grow at roughly the same rate in 2025 as in the previous year. While the economic outlook for the USA remains resilient, with growth forecast to remain at the same level, the outlook for the economy in our other core and growth countries is more pessimistic. Nevertheless, with the exception of France, all of Uzin Utz's remaining core and growth countries are expected to grow above the forecast for the 2024 financial year. Inflation in the industrialized countries is likely to continue to fall, but will not reach the central banks' target values everywhere. Other key influencing factors are the high geopolitical risks and uncertainties regarding economic policy developments in some regions. These include the political course set in the USA, particularly with regard to trade policy, as well as the ongoing Russian war of aggression in Ukraine and the unresolved armed conflicts in the Middle East, which continue to weigh on the development of the global economy. We continue to face major challenges as a result of these factors.

However, a slight recovery is expected for the development of construction activity in the 19 EUROCONSTRUCT countries. An increase in total construction output is forecast in four of our six core and growth countries. Although the construction industry in Germany and France is forecast to decline, the decline will be lower than in 2024. As a result, we expect to be able to achieve slight sales growth in 2025 compared to the previous year. In addition, growth opportunities are emerging in several construction sectors where Uzin Utz's strengths lie. In Switzerland, for example, increasing construction investments in the renovation segment are expected, and the growth in maintenance and modernization in the USA and France also continues to be positive. Renovation measures are also growing in the UK and the Netherlands. Residential construction activities are developing positively in the Netherlands, Switzerland and the USA. An increase in private residential construction is also forecast in the UK.

As part of the planning for the 2025 financial year, starting points for optimizing the financial performance indicators were developed in collaboration with the managing directors of all Group companies. Slight sales growth is to be generated through the introduction of new products, the acquisition of new customers and the implementation of digital systems.

The development of profitability will be dampened by continuing challenging market conditions and increasing competitive pressure. In absolute terms, an increase is expected in all cost items. According to the plan, other operating expenses will increase slightly, which is mainly due to sales and advertising expenses as part of the strategic optimization of brands and sales channels. An increase in personnel is forecast for the Group, particularly at Uzin Utz SE. In addition, personnel expenses will increase due to a tight labor market and the resulting cost-intensive recruitment of new employees. Investment activities such as measures to adapt to new market conditions or investments to secure competitiveness and growth opportunities are included in the plan. However, the level of depreciation and amortization remains the same. In addition, material and production cost optimization will be used to achieve a lower material usage ratio. The implementation of the new strategy mentioned above will also incur costs for the associated strategic projects. These projects include improving the organization and optimizing the IT and ERP systems. Overall, the aforementioned developments in cost factors according to plan and the strong result in 2024 will result in a slight reduction in EBIT. This will lead to a slight reduction in the EBIT margin despite slight sales growth.

The significant increase in earnings in 2024 had a positive effect on cash flow from operating activities. In 2025, the forecast slight decline in EBIT is also expected to result in a slight decrease in operating cash flow.

The decline in earnings also affects the return on equity and the equity ratio. While we forecast a moderate decline in the return on equity in 2025, we expect the equity ratio to fall slightly.

In addition to the control variables mentioned above, we are continuing to invest in our global locations and are therefore planning investments of EUR 29,865 thousand for the coming year. Approximately 3/4 of the planned total investments are primarily attributable to production sites such as the Uzin Utz SE site, Uzin Utz Nederland B.V. and Pallmann GmbH.

Non-financial performance indicators

At Group level, the following development of non-financial key figures is expected:

Key figures Group	2025
Capacity utilization	→
Novelty ratio	↘
Health ratio	→

A slight increase in production volumes is expected for 2025. However, this increase is likely to lead to a constant level of capacity utilization due to capacity increases resulting from process optimization. Depending on market developments, we will react flexibly to changes and implement adapted working time models.

The Group's novelty rate is expected to experience a moderate decline in the 2025 reporting year. This is primarily due to the discontinuation of top-selling products from the liquid adhesives and stable fillers areas, which were introduced more than 5 years ago and will therefore be removed from the calculation of the counter. Experience has shown that the new products from the dry mortar and liquid products segments cannot compensate for this sharp decline in the start-up phase of sales.

The health rate in the Group has been at a consistently high level of just under 95% for years. No significant change is expected for 2025 either.

Other information

Reporting

Events, decisions and factors with a significant influence on the further development of the Uzin Utz Group

All events, decisions and factors with a significant influence on the further development of the Uzin Utz Group that were already known in 2024 are included in the respective thematically related part of this report.

Existing branches, permanent establishments, representative offices

The structure and locations of the Group's subsidiaries and associated companies are shown in the section "Group companies" in the notes to the consolidated financial statements.

Branch offices are permanently operated facilities of the company that are physically and organizationally separate from the main branch, operate independently from the outside, but are subordinate to the main branch and do not have their own legal capacity.
Based on this definition, the following locations were identified as branch offices:
Uzin Utz SE has a branch office in Naples, Italy.
The French subsidiary in Soissons, France, operates a sales office in Paris.
INTR. B.V. operates several branches (so-called INTR. Points) in the Netherlands, where a comprehensive range of products is offered. Customers are advised in the branches, receive product demonstrations and can purchase products.

The following INTR. Points exist:
- INTR. Point Delft (Delft)
- INTR. Point Den Bosch (‘s-Hertogenbosch)
- INTR. Point Heerenveen (Heerenveen)
- INTR. Point Hengelo (Hengelo)
- INTR. Point Hoofddrop (Hoofddorp)
- INTR. Point Hoogeveen (Hoogeveen)
- INTR. Point Leek (Leek)
- INTR. Point Nieuwegein (Nieuwegein)
- INTR. Point Nuth (Nuth)
- INTR. Point Zwolle (Zwolle)

The locations that do not meet the definition of a branch office but are of particular relevance due to their size are listed below.

Uzin Utz Tools GmbH & Co. KG has had a registered office in Mettmann, where small tools of the Pajarito brand are produced, since a merger as part of an internal restructuring within the Group.

Uzin Utz North America Inc. has a production site including a research and development department for dry mortar in Dover, Delaware. This location also houses a training center for wholesale customers. The second dry mortar plant of Uzin Utz North America Inc. in Waco, Texas was put into operation in the second quarter of 2023.

Reporting in accordance with § 315a para. 1 HGB

Composition of subscribed capital

The subscribed capital of Uzin Utz SE in the amount of EUR 15,133 thousand is divided into 5,044,319 no-par value bearer shares (ordinary shares), each of which grants the same rights, in particular the same voting rights. There are no different classes of shares. One share corresponds to a notional share in the capital stock of EUR 3 each.

Voting rights and transfer restrictions

There are neither statutory provisions nor provisions in the Articles of Association that restrict voting rights or the transfer of shares. A pooling agreement exists between Dr. Utz, his children and his sister and her children. The shares of the pool members (2,709,181 shares or 53.7% of the voting rights) can only be disposed of uniformly and the voting rights at the Annual General Meeting can only be exercised uniformly. Apart from the above-mentioned agreement, the Executive Board is not aware of any restrictions affecting voting rights or the transfer of shares.

Shareholdings of more than 10% of the capital

To the knowledge of the Executive Board and on the basis of the notifications received by the company under securities law, there are direct or indirect shareholding in the share capital of Uzin Utz SE that exceed 10% of the voting rights. Further details are provided in the notes to the (consolidated) financial statements under "Disclosures pursuant to Section 160 (1) AktG".

Shares with special rights

There are no shares with special rights conferring powers of control.

Voting right control in the case of employee participation

The Executive Board is not aware of any employees holding share in the company who do not exercise their control rights directly.

Appointment and dismissal of members of the Executive Board and amendments to the Articles of Association

The Executive Board of Uzin Utz SE consists of one or more persons. The number of members of the Executive Board is determined by the Supervisory Board. Members of the Executive Board are appointed and dismissed in accordance with the statutory provisions. With the exception of a judicial replacement appointment, the Supervisory Board alone is responsible for the appointment and dismissal of members of the Executive Board. It appoints members of the Executive Board in accordance with Section 7 of the Articles of Association of Uzin Utz SE for a maximum of six years. Reappointment or extension of the term of office, in each case for a maximum of six years, is permissible. The Supervisory Board can appoint a Chairman and a Deputy Chairman of the Executive Board. In accordance with the regulations of the German Corporate Governance Code, the maximum possible appointment period of six years is not the rule for initial appointments.

Amendments to the Articles of Association follow the provisions of Section 179 AktG as well as Section 20 of the Articles of Association of Uzin Utz SE. Accordingly, the Supervisory Board is authorized to make amendments to the

Articles of Association that only affect the wording. A resolution of the Annual General Meeting is not required. This applies in particular to amendments to the Articles of Association following the full or partial implementation of the increase in the share capital.

Powers of the Executive Board to issue and buy back shares

The Executive Board is authorized, with the approval of the Supervisory Board, to increase the company's share capital on one or more occasions in the period up to May 21, 2029 by up to a total of EUR 3,000,000 by issuing up to a total of 1,000,000 new no-par value ordinary bearer shares with voting rights (no-par value shares) with a notional interest in the share capital of EUR 3.00 per share ("Authorized Capital I"). The capital increases can be made against cash and/or non-cash contributions.

The Executive Board is authorized, with the approval of the Supervisory Board, to increase the company's share capital in the period up to May 25, 2026 once or - in partial amounts - several times by up to a total of EUR 4,000,000 by issuing new ordinary no-par value bearer shares with voting rights with a notional interest in the share capital of EUR 3.00 per share ("Authorized Capital II"). The capital increases can be made against cash and/or non-cash contributions.

The Executive Board is further authorized, with the consent of the Supervisory Board, to exclude the shareholders' statutory subscription rights in particular in the following cases:
– for the fractional amounts arising due to the subscription ratio
– for a capital increase against contributions in kind in the best interests of the Company for the acquisition of companies, parts of companies or equity interests in companies or other assets (even if a purchase price component is paid out in cash in addition to the shares) or in connection with business combinations or mergers
– for a capital increase against cash contributions, up to a total of 10% of both the capital stock existing at the time this authorization takes effect and the capital stock existing at the time this authorization is exercised, provided that the issue price of the new shares is not significantly lower than the stock market price of the shares of the same class and rights already listed. Shares issued or sold during the term of this authorization with exclusion of subscription rights in direct or analogous application of Section 186 (3) Sentence 4 AktG shall be counted towards this limit of 10% of the capital stock.

The Executive Board is further authorized, with the consent of the Supervisory Board, to determine a starting date for profit entitlement that deviates from the law and to determine the further details of a capital increase and its implementation, in particular the issue price and the consideration to be paid for the new shares, as well as to determine the granting of subscription rights by way of indirect subscription rights in accordance with Section 186 (5) AktG.

The Supervisory Board is authorized to amend the wording of Article 4 of the Articles of Association after the capital increase from Authorized Capital I has been carried out in full or in part or after the authorization period has expired without a capital increase.

On May 19, 2020 the Annual General Meeting of the company authorized the company to acquire treasury shares up to a total of 10% of the share capital existing at the time of the resolution for purposes other than trading in treasury shares until May 18, 2025 whereby the acquired shares together with other treasury shares held by the company or attributable to it may at no time account for more than 10% of the share capital. The authorization may be exercised by the company in whole or in part; if exercised in part, the authorization may be exercised several times. The shares may only be acquired via the stock exchange or by means of a public purchase offer to all shareholders.

The above mentioned authorizations of the Executive Board to issue new shares from Authorized Capital I and II are intended to enable the Executive Board to meet any capital requirements that may arise in a timely, flexible and cost-effective manner and, depending on the market situation, to take advantage of attractive financing opportunities. The possibility in individual cases of paying for the acquisition of companies or shareholdings in companies by issuing shares in the Company to the seller enables the Company to expand without burdening its liquidity. The authorization to acquire and use treasury shares enables the Company, in particular also institutional or other investors, to offer shares in the Company and/or to expand the shareholder base of the Company and to issue the acquired treasury shares as consideration for the acquisition of companies, interests in companies or in connection with business combinations. The Authorized Capital and the authorization to acquire treasury shares are provisions that are customary for listed companies comparable to the Company and do not serve the purpose of impeding any takeover attempts.

Significant agreements of the company with so-called change-of-control clauses

There are no agreements of the parent company that are subject to a change of control following a takeover bid.

Compensation agreements of the parent company

The parent company has not entered into any compensation agreements with members of the Executive Board or employees in the event of a takeover bid.

In the reporting period, there was no reason for the Executive Board to deal with questions relating to a takeover or with specifics of the disclosures to be made under the Takeover Directive Implementation Act (Übernahmerichtlinie-Umsetzungsgesetz). The Executive Board therefore believes that no further explanations beyond the above disclosures and the disclosures in the management report or Group management report are necessary.

Remuneration Report

Remuneration of the Executive Board

The remuneration report of the Executive Board of Uzin Utz SE has been prepared separately since the reporting year 2021. It can be viewed on our website www.uzin-utz.com (Investors - Remuneration). Further information on this can be found in the "Total benefits and shareholdings" section of the notes to the consolidated financial statements.

Corporate Governance Statement

Corporate governance declaration in accordance with § 289f and § 315d of the German Commercial Code (HGB)

The Executive Board and Supervisory Board of Uzin Utz SE have issued the Declaration of Conformity with the Corporate Governance Code in accordance with Section 161 AktG. The Declaration of Conformity is included in the Declaration on Corporate Governance or can be found on our website www.uzin-utz.com (Investors - Corporate Governance - Declaration of Conformity 2025). The Declaration on Corporate Governance can also be found on the website www.uzin-utz.com (Investors - Corporate Governance - Declaration on Corporate Governance 2025).

The Executive Board of Uzin Utz SE manages the company and the Group on its own responsibility. It is bound by the interests of the company and must act in the interests of the companies. In doing so, it is guided by the sustainable increase in the value of the company. As an international company, Uzin Utz SE is aware of its responsibility to act entrepreneurially in accordance with legal, social and ethical concerns.

Research and development activities

Research and development (R&D) expenses in the Group amounted to around EUR 14,599 thousand (13,652) in 2024. On average, 141 (133) employees worked in R&D, which together contributed to a product novelty rate of 25.2% (28.5) for all development locations of the Uzin Utz Group. The disciplinary management of the local R&D departments is the responsibility of the respective managing directors of the national companies. The central R&D headquarters in Ulm is responsible for the technical management and coordinates the global directive competence for a further 11 R&D laboratories (excluding the two locations of Uzin Utz Tools GmbH & Co. KG.) within the Uzin Utz Group. The expenses for R&D at Uzin Utz SE amounted to EUR 6,743 thousand (6,006) in 2024. The average of 58 (57) employees in the SE achieved an SE novelty rate of 37.7% (36.0) for the Uzin brand in the 2024 reporting year. Products with unprecedented or greatly improved properties are classified as "new" if their marketing utilization can be proven and they are not older than five years. The products developed by Uzin Utz SE at the main development site in Ulm have a Blue Angel/Emicode EC1 Plus rate of 97.4% (97.1) in relation to sales. This rate again clearly underlines the sustainability efforts of Uzin Utz. The Group's key R&D figures are as follows in the table overview 2024:

R&D Key figures of the Group	
Total number of R&D locations (without two locations of Uzin Utz Tools GmbH & Co. KG.)	12 (12)
R&D expenses	14,599 KEUR (13,652)
Number of R&D employees (cut-off date, full-time equivalent)	141 (133)
Novelty ratio	25.2% (28.5)
R&D ratio	3.1% (2.8)
Number of projects processed (without two locations of Uzin Utz Tools GmbH & Co. KG.)	140 (161)
Number of newly developed products (brand: Uzin and without location Sursee)	14 (14)
Blue Angel/Emicode EC1 Plus ratio (based on sales revenues, Uzin Utz SE site)	97.4% (97.1)

Description of the product range

The innovative strength of Uzin Utz SE is documented by the total of 14 (14) new products that were prepared for launch for the Uzin brand in 2024. In January 2024, the first part of the new Uzin FusionTec levelling compound generation was successfully launched with Uzin NC 580 and Uzin NC 570, as presented in last year's R&D management report. For the further rollout in this process, the other new products Uzin NC 585 F, NC 560 and NC 550 were prepared for the upcoming market launch in the course of the reporting year. The three FusionTec products mentioned above in the second launch phase, like the products launched in the previous period, not only combine the positive attributes of cement and gypsum levelling compounds, but also set quickly and almost crack-free even under unfavourable construction site conditions and also make a significant contribution to reducing the Global Warming Potential (GWP) compared to conventional cement levelling compounds. This continues the sustainability trend of Uzin Utz's previous years.

The most important other Uzin Utz SE activities of the R&D departments in cooperation with cross-divisional departments and the cross-location investment laboratories of the Uzin Utz Group for the Uzin brand (excluding the Sursee site) are described below in a keyword overview table:

Dry mortar products (UZIN)

Product name	Description
UZIN NC 585 F	Marking-free and fiber-reinforced FusionTec leveling compound with self-leveling properties and fast setting in the layer thickness range of 3-20 mm, as well as suitable for renovation work and very high loads.
UZIN NC 560	Label-free FusionTec object filler with self-levelling properties in a layer thickness range of 0-20 mm and suitable for residential and commercial areas subject to medium and high loads.
UZIN NC 550	Label-free FusionTec object filler with self-leveling properties in a layer thickness range of 0-20 mm and suitable for residential and commercial areas subject to medium and high loads.
UZIN NC 182 MT	Harmonization of a moisture-resistant, stable cement filler for the US dry mortar plant in Waco.
UZIN NC 196	Harmonization of a cementitious thin screed in the layer thickness range of 3-40 mm for the French dry mortar plant.
UZIN NC 553	Gypsum filler in a thickness range of 3-10 mm for the French market.
UZIN NC 555 F	Fiber-reinforced gypsum filler in a thickness range of 3-30 mm for the French market.
UZIN NC 105	Harmonisation of a gypsum levelling compound for the Polish dry mortar plant.
UZIN NC 110 SF	Gypsum levelling compound in a thickness range of 1.6-25 mm for the US market.
UZIN NC 150 F	Fiber-reinforced cementitious filler in a thickness range of 3-25 mm for the US market.

Liquid products (UZIN)

Product name	Description
UZIN EasyLift Primer	Aqueous dispersion primer as a switchable system component for applications on any self-levelling floor levelling compounds, to make PVC and rubber floor coverings bonded with Uzin KE 66 (after variable service life) removable again without residue at the push of a button, making additional substrate preparation of the existing levelling compound surfaces unnecessary as a work step in further renovation cycles.
UZIN SI 24	Versatile silicate impregnation for cement screeds and concrete surfaces (1-component application) as well as for industrial fillers (2-component application).
UZIN SIL Pro 50	Neutral curing construction silicone for grouting and sealing expansion and connection joints as well as for applications in combination with various glass building blocks.
UZIN SIL SA	Water-dilutable smoothing agent concentrate as an ideal supplementary product for the building silicone Uzin SIL PRO 50.

The most important activities of the other brand of the Uzin Utz umbrella brand are also described in key words below:

PALLMANN Products

Product name	Description
PALL-X 96 POWER	One-component, water-based 1K sealer, specially developed for heavily used residential and commercial surfaces, with very high mechanical resistance and user-friendliness.
MAGIC OIL 2K Line	Two-component, solvent-free oil-wax combinations that achieve an open-pored, breathable and diffusible surface. By replacing conventional oils with hemp oil from regional, organic cultivation, CO2 emissions are reduced compared to conventional parquet oils.
OUTDOOROIL	One-component oil based on natural oil for outdoor use (terraces) with a strong impregnating effect, which increases the resistance of the treated surfaces to mechanical stress and thus extends the usability and service life of the oiled surfaces.

Arturo Products

Uzin Utz Nederland offers a high-quality product portfolio with the Arturo brand. These are synthetic resin floors that can be produced "on demand" and delivered promptly. Arturo flow coatings and sealers are available in almost all colors within three working days.

Product name	Description
EP6600NEW	Arturo EP6600 New is a solvent-based, 2-component primer based on epoxy resin with a moisture-blocking effect. The primer can be filled with Arturo Sand at a ratio of 1:0.5, especially for layer thicknesses of up to 1 mm (previously up to 0.5 mm).

codex Products

No new products were launched under the codex brand in the 2024 reporting year.

Sifloor Products

Product name	Description
Ultratac 1,3 mm	A foam tape specially developed to achieve high adhesive performance on rigid skirting boards such as metal, MDF and plastic.
Dryfix 750	An improved version of the textile surface tape, which is ideal for applications with rubber in hospitals and transportation due to its increased adhesive strength and load-bearing capacity under heavy loads.
Plurafilm Hydro	Double-sided vapor-barrier adhesive tape that enables the installation of resilient and textile floor coverings on damp cementitious substrates, thus reducing construction time and costs.
Plurafilm ESD	A universal, conductive pressure-sensitive adhesive system with plasticizer resistance, strong adhesive strength and stable conductivity for resilient floor coverings.

WOLFF Products

Product name	Description
Maverick	Small ride-on stripper up to 600 kg
Lupo	Hand-guided, demountable stripper for small to medium-sized areas

Pajarito Products

Product name	Description
Surface spatula Pajaquick Black	Surface spatula in a special ergonomic shape.

Non-financial declaration

Non-financial declaration according to Section 315c HGB and 315c HGB

The requirements of the German CSR Directive Implementation Act result in the obligation for the Uzin Utz Group to publish a non-financial statement at Group level. In the non-financial Group statement in accordance with Sections 315b, 315c of the German Commercial Code (HGB) in conjunction with Section 289c HGB, we present content on the aspects of “environmental matters, employee matters, social matters, respect for human rights, combating corruption and bribery”. Significant risks from business relationships, products and services as well as from our own business activities within the meaning of Section 315 (2) and Section 289c (3) Nos. 3 and 4 HGB and how these are dealt with are presented in the Group Management Report of the 2024 Annual Report. The business model of the Uzin Utz Group is presented on the “Business model” page of the Group Management Report.

Environmental matters

A responsible approach to people and the environment is firmly anchored in the corporate management of UZIN UTZ. As an intact and clean environment is the basis of life for future generations, we are committed to the conscientious use of resources in our operations and along the value chain. We continuously optimize processes and production methods and make use of market-leading technologies. Our ambitious development goals focus on the best technical performance and continuous improvement of our products' environmental footprint. In-house life cycle analyses form the basis for environmental comparisons, decisions and targets. We use the results as the basis for our climate protection targets in the area of raw materials and packaging. In addition, we develop products throughout the Group that meet the highest standards in terms of low solvent and pollutant content, so that we meet the occupational health and safety requirements of processors and users. We see ourselves as an industry driver for product ideas and innovations and coordinate our product range and expertise across all companies. Further information can be found in the ‘Research and development activities’ section of the management report.

With climate change, mankind is facing an enormous global challenge. Environmental and climate protection therefore also play an important role in our business processes. With the launch of our PASSION 2025 strategy in 2020, we have set ourselves the goal of recording our corporate greenhouse gas footprint and reducing the emissions caused by our business activities by 25% by 2025 compared to 2019 (in relation to our core and growth countries). To ensure Group-wide environmental protection and resource conservation, we record a number of key figures such as energy and water consumption, waste volumes and the fuel consumption of our vehicle fleet. Suitable reduction and efficiency measures are implemented and reviewed on the basis of this data. Currently, 30.9% (25.2) of our vehicle fleet is operated with electric and hybrid vehicles. With regard to operational environmental protection, we continue to focus on energy efficiency and renewable energies. More than half of our company locations worldwide obtain their electricity from renewable sources or have installed their own photovoltaic systems to generate electricity. Photovoltaic systems with a capacity of over 1,829.7 kWp (1,712.0) have been installed at our locations for this purpose. Total electricity consumption in 2024 amounted to 10,248.6 MWh (9,979.8), 79.6% (78.1) of which came from renewable energies.

In addition to our direct and indirect energy-related emissions, we determine the Group-wide emissions of our purchased raw materials, transportation and emissions at the end of the product life cycle as part of targeted Scope 3 projects in order to record our main corporate emissions. Our commitment to environmental and climate protection in the product area is also demonstrated by the use of alternative packaging solutions. As an alternative to plastic canisters, we offer our Cube-It-Simple packaging for liquid products, consisting of a plastic bag with an outer carton made from recycled paper. The increased use of containers made from recycled plastic, so-called PCR material (post-consumer recyclate), continues to be a focus and was driven forward in the reporting year. Despite challenges such as the conversion of some PCR canisters back to virgin material due to leaks, our goal remains to switch completely back to recycled plastic in the medium to long term following intensive quality controls.

Furthermore, we actively promote the use of buckets made from PCR material. We are committed to increasing the proportion of PCR material wherever it is technically feasible and high-quality PCR material is available. We are currently working on the use of PCR alternatives in the area of plastic films and bottles, where the PCR material quota is also to be increased in future. We were also able to reduce the film thickness of paper bags by 40-50% in the reporting year. The use of PCR material instead of virgin material is a key component of our strategy to increase resource efficiency and underlines our commitment to sustainable product solutions.

Employee-related matters

Employees are the most important resource for UZIN UTZ. On average over the year, 1,490 (1,480) employees worked for UZIN UTZ (excluding trainees), of which around 28.0% (28.3) were women. In order to be an attractive employer, we create the best possible working and general conditions for our employees.

A positive working environment with fair remuneration and various training opportunities has an impact on productivity and employee satisfaction. As part of PASSION 2025, we have set ourselves the goal of increasing the willingness to recommend UZIN UTZ as an employer. This value is determined as part of annual employee surveys. We also see the consistently high health rate of 95.6% (95.1) as evidence of our employees' satisfaction. This is determined using the ratio of actual working days to target working days.

We invest in the training of young talent in order to promote the next generation of employees. In-house training is an important pillar of our HR management. This enables us to prevent a shortage of skilled workers and position ourselves securely for the future. In the reporting year, we provided 44 (44) young people with an apprenticeship.

We want to be a reliable partner. We therefore ensure that our employees have long-term social security in the workplace. Only 8.0% (10.8) of all employees are on fixed-term contracts. We also protect our employees with preventive healthcare offers. Flexible working time models and mobile working allow our employees to adapt their working lives to their individual circumstances. We want to be a long-term partner for our employees. That is why a respectful working environment is of the utmost importance to us. This concern and respect for employee rights are the direct responsibility of our company management. Our employees have been with the company for an average of 9.2 (9.5) years and the average age is 43 (44).

As our globally active group of companies continues to grow, strong networking and an intensive exchange of information between employees is becoming increasingly important. Our intranet has therefore been established as a central communication and work platform. This makes it easier to bridge even large geographical distances and to move closer together as a group of companies. To strengthen this even further, we launched the UZIN UTZ Team Podcast in 2024, which is specially designed for our sales representatives. This podcast provides important information from the head office as well as content from all brands in the UZIN UTZ family and from the industry.

A key communication tool for our PASSION 2025 strategy is the annual kick-off event PASSION U-NITED. At this event, the Executive Board provides information on key strategic topics, goals and priorities for the coming year. This prepares all employees worldwide for the new challenges and goals of the next twelve months.

Social matters

We demonstrate our social responsibility by supporting a large number of different social, sporting and cultural projects through donations and sponsorship. We mainly focus on regional projects in which our colleagues get involved on a voluntary basis. We supported donation and sponsorship projects across the Group with a total of around EUR 787.9 thousand (727.6). The projects supported are intended to have a long-term positive impact on society and the environment. For example, Uzin Utz SE has been supporting the “Grünfinder” initiative of the Ulm/Donau-Iller Children's Foundation for eight years.

Respect for human rights

Respect for human rights is an essential part of UZIN UTZ's value system. Mutual respect and tolerance are practiced at all of the company's sites. We only take advantage of business opportunities if human rights violations can be ruled out.

Combating corruption and bribery

In all areas of our activities - along the entire value chain - we require responsible and lawful conduct. For us, compliance with the law and integrity are key prerequisites for lasting business relationships. All forms of corruption such as bribery, corruptibility, granting and accepting advantages are strictly prohibited. Any appearance of a conflict of interest when granting or accepting benefits must be avoided. In order to provide a framework for our employees, we maintain a general compliance guideline that is recognized by all companies.

EU taxonomy

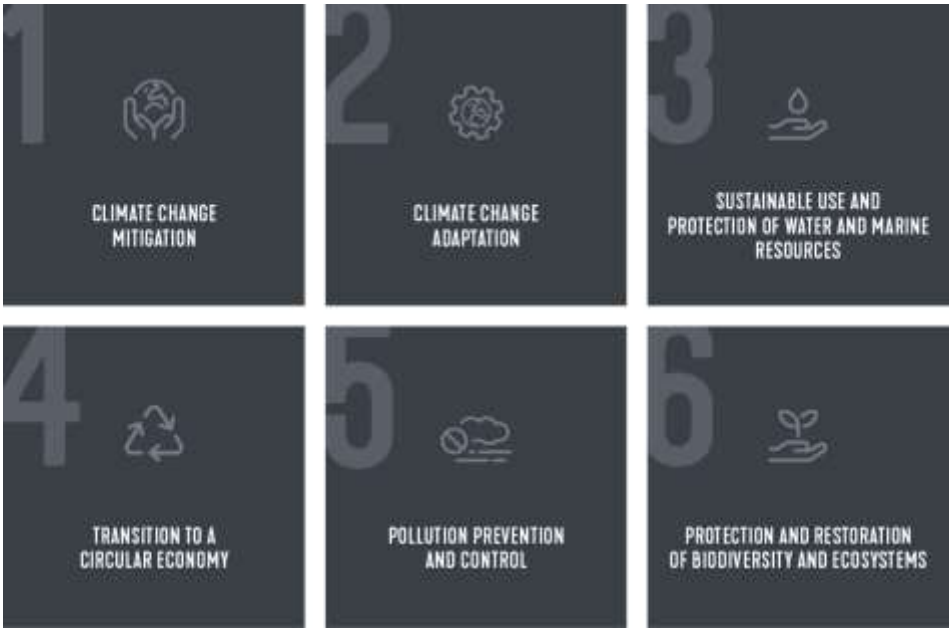
General part

The EU Taxonomy as part of the European Green Deal

The declared goal of the European Union - including the Paris Climate Agreement - is to become climate-neutral by 2050. The course for this is being set by the European Green Deal, which includes the "EU Action on Plan Sustainable Finance" as an important driver. The aim is to redirect capital flows towards sustainable investments, take sustainability into account in risk management and promote transparency and a long-term approach.

The EU Taxonomy Regulation (EU Regulation (EU) 2020/852; in short: "EU Taxonomy") is a key instrument for redirecting financial flows into sustainable and future-proof economic activities. The EU Taxonomy is a classification system that aims to create a uniform understanding of sustainable economic activities in the EU and make the sustainability performance of companies more comparable.

The EU Taxonomy includes the following six environmental objectives



The delegated act on the EU Taxonomy has been applicable for the first time since the 2021 reporting year. The content and presentation of the EU Taxonomy Regulation is defined by Delegated Regulation 2021/2178 of July 6, 2021 and supplemented by Delegated Regulation 2022/1214 of March 9, 2022 and the six annexes to Delegated Regulation (EU) 2021/2139. EU documents published after the end of the 2024 financial year for further clarification could no longer be taken into account in this annual report. Due to the obligation to disclose non-financial information (EU Directive 2014/95/EU), Uzin Utz has been subject to the EU Taxonomy reporting obligation since the 2021 financial year. At the time of preparing this annual report, the economic activities for all six environmental objectives are to be reviewed for their taxonomy eligibility and taxonomy alignment.

Disclosure

Uzin Utz reports on the taxonomy eligibility and taxonomy alignment of its own economic activities in accordance with the EU documents on the EU Taxonomy published in the 2024 financial year. In addition, information is provided on the process of assessing taxonomy eligibility and taxonomy alignment. All fully consolidated companies of the Uzin Utz Group are taken into account.

Reporting is based on the key figures turnover, capital expenditures (CapEx) and operating expenditures (OpEx). A ratio is calculated in each case to determine the taxonomy-eligible, taxonomy-aligned and non-taxonomy-eligible shares of these key figures. The denominator is formed by the total turnovers, CapEx and OpEx within the defined framework of the EU Taxonomy. The numerator results from the taxonomy-eligible and taxonomy-aligned shares of the corresponding key figures. The key figures are defined as follows:

In accordance with Directive (EU) 2021/2139 Annex I in conjunction with Directive 2013/34/EU, revenue is defined as net sales of goods or services including intangible assets in accordance with International Accounting Standard (IAS) 1. This corresponds to the disclosures on net sales in the comprehensive income statement.

Capital expenditures (CapEx) are defined as additions to property, plant and equipment and intangible assets in the financial year under review before depreciation and amortization and revaluations, including those from revaluations and impairments in the financial year under review and excluding changes in fair value. In accordance with the EU Taxonomy Regulation, investments in property, plant and equipment (IAS 16), intangible assets (IAS 38), investment property (IAS 40) and right-of-use assets from leases (IFRS 16) are taken into account. Leases that do not lead to the recognition of a right-of-use asset are not to be recognized as capital expenditure.

According to the EU Taxonomy, operating expenditures (OpEx) include direct and non-capitalized costs relating to research and development, building refurbishment measures, short-term leases, maintenance and repairs. In addition, all other direct expenses for the ongoing maintenance of property, plant and equipment that are carried out by the company itself or by contracted third parties to whom activities necessary to ensure the continuous and efficient operation of the property, plant and equipment have been outsourced are taken into account. This definition is narrow and only takes into account the part described and therefore not all of a company's operating costs.

Uniform processes and clear delimitation mechanisms prevent double or multiple counting when allocating turnover, CapEx and OpEx figures within the scope of economic activities. Each economic activity is clearly identified and recorded once when determining its taxonomy eligibility, regardless of which of the six environmental objectives it is included in. Structured control instruments are used to avoid double counting, including precise delimitation and allocation guidelines, comprehensive documentation for data collection and KPI calculation as well as multi-stage review mechanisms. These measures ensure consistent and compliant reporting.

Taxonomy eligibility

An economic activity occurs when resources such as capital, goods, labor, production techniques or intermediate products are combined for the purpose of producing certain goods or services. The main characteristics are the use of resources, a production process and the products (goods or services) produced. If a company generates turnovers, incurs capital expenditures (CapEx) or operating expenditures (OpEx) associated with an economic activity described in the delegated act, then an activity is taxonomy-eligible. Taxonomy-eligible economic activities are generally able to make a significant contribution to one of the environmental objectives defined in the EU Taxonomy. In particular, large industries with CO_2-intensive economic activities are taken into account in the EU Taxonomy Regulation. Not every economic activity is currently covered by the delegated act of the EU Taxonomy.

Taxonomy alignment

According to Article 3 of the EU Taxonomy and the criteria set out therein, an economic activity is considered environmentally sustainable, i.e. taxonomy-aligned, if the following three criteria are equally fulfilled in addition to taxonomy eligibility:

- It makes a significant contribution to the achievement of one or more environmental objectives of the EU Taxonomy by meeting the technical screening criteria (TSC).
- It does not contribute to a violation of other environmental objectives (Do no significant harm (DNSH) principle).
- The specified criteria of the minimum standards for labor and human rights (minimum safeguards) are complied with.

Procedure Uzin Utz

In order to ensure that the legal basis in connection with the implementation of the EU Taxonomy is up to date, comprehensive research is carried out annually on the developments of the European Green Deal and the EU Taxonomy Regulation. The existing process is continuously reviewed and adapted to new regulatory requirements on the basis of adjustments and extensions to the taxonomy requirements and the implementation support provided. As part of the analysis of Uzin Utz's business activities, all business areas were systematically examined. This involved a detailed examination of the economic activities, which were then assigned to the corresponding NACE codes (EU classification of economic activities).

Assessment of taxonomy eligibility

For the 2024 financial year, Uzin Utz reports on taxonomy-eligible and taxonomy-aligned economic activities in accordance with the prescribed key figures of turnover, CapEx and OpEx. The process was carried out in two steps: First, the taxonomy-eligible economic activities were identified, then their taxonomy alignment was checked. As part of the detailed analysis, all economic activities defined by the EU Taxonomy were systematically checked and assigned for their relevance to the business activities of Uzin Utz. The screening was carried out separately for the key figures turnover, CapEx and OpEx in order to ensure a precise allocation and evaluation of the activities. The screening was carried out under the responsibility of the Controlling and Sustainability departments, which carried out the analysis and allocation in close cooperation with the relevant departments for the specific economic activities. This structured approach ensures that the reporting both complies with regulatory requirements and enables a complete presentation.

1. Revenue according to EU taxonomy

The EU Taxonomy Regulation defines a classification of environmentally sustainable economic activities. This classification is based on the statistical classification of economic activities in the EU (NACE codes).

The business model of the Uzin Utz Group represents a clear focus on the core competence of flooring with its eight product ranges. As a globally active full-service provider, Uzin Utz develops comprehensive system solutions and offers its customers a wide range of products, from construction chemical product systems and surface finishes to machines for floor treatment. The economic activities were therefore determined on the basis of the product categories and classified in the classification of economic sectors. These classifications are broken down in the following table.

Assortment range	Description of the assortment range	Sector according to NACE codes	Review of the description of economic activities in the Delegated Regulations
UZIN	Production of installation materials (including floor covering and parquet adhesives) in flooring (screed, flooring, parquet)	20.52 Adhesive production 23.64 Production of mortar and other concrete (dry concrete)	The production of adhesives or other materials such as mortar and concrete for laying flooring is not included in the economic activities of the EU taxonomy.
Switchtec	Manufacturing of double-sided adhesive films made of plastic with adhesive coating	22.21 Production of plates, films, tubes and profiles made of plastic	The manufacture of plates, films, tubes and profiles made of plastics is not included in the economic activities of the EU taxonomy.
WOLFF	Production of machines and special tools for substrate preparation and laying floor coverings	28.24 Manufacturing of hand-guided tools with motor drive 28.49 Production of other machine tools 46.62 Wholesale of machine tools	The production of machines and special tools for substrate preparation and laying floor coverings is included in the economic activities of the environmental objective circular economy.
PALLMANN	Manufacturing of installation materials for new flooring, renovation and maintenance of parquet floors as well as production of cleaning and care products for floor coverings	20.30 Production of paints, printing inks and mastics	The manufacture of installation materials for parquet flooring and the production of cleaning and care products are not included in the economic activities of the EU taxonomy.
RZ	Production of cleaning and care products for all types of floor coverings	20.41 Production of soaps, detergents, cleaning and polishing agents	The manufacture of cleaning and care products for all types of floor coverings is not included in the economic activities of the EU taxonomy.
arturo	Manufacturing of floor coatings made of synthetic resin	22.23 Manufacture of building supplies articles made of plastics	The production of synthetic resin flooring is not included in the economic activities of the EU taxonomy.
codex	Production of laying materials for tiles and natural stone	23.64 Production of mortar and other concrete (dry concrete)	The production of tile laying materials is not included in the economic activities of the EU taxonomy.
Pajarito	Production of hand tools	25.73.1 Production of hand tools	The manufacture of hand tools is not included in the economic activities of the EU taxonomy.

The reference to the NACE economic activities in the EU Taxonomy Regulation is only indicative and not to be understood as complete. Therefore, an economic activity may correspond to the description of an activity and the technical screening criteria of the Delegated Act (see six annexes to Delegated Regulation (EU) 2021/2139, (EU) 2023/2485 and (EU) 2023/2486), even if the NACE sector of the economic activity is not explicitly listed in the corresponding annexes of the Delegated Regulation. For this reason, additional potentially applicable activities and their description in the Delegated Regulations (EU) 2021/2139, (EU) 2022/1214, (EU) 2023/2485 and (EU) 2023/2486 were examined in detail.

The examination of the economic activities defined in accordance with the EU Taxonomy has shown that taxonomy-eligible turnovers can be reported for Uzin Utz for the 2024 financial year. With the extension of the environmental targets in 2023, the turnovers of the electrical and electronic equipment product group, and thus the turnovers of the Wolff Business Unit (NACE code: 28.24 Manufacture of hand-held power tools), fall under the environmental target of the circular economy and are therefore classified as taxonomy-eligible. When recording the relevant electrical and electronic items, a clear separation was made from non-electrical appliances in order to ensure precise reporting.

In connection with the turnover stream from the sale of electrical and electronic items, further turnover streams were identified as relevant for Uzin Utz as part of the environmental objective of the circular economy. This assessment is based on the respective technical screening criteria, which explicitly take into account the NACE code 28.24 for the manufacture of hand-held power tools. The turnover streams classified as relevant for the audit include:

- Repair, remanufacturing and reconditioning (5.1)
- Sale of spare parts (5.2)
- Preparation for reuse of end-of-life products and product components (5.3)
- Sale of used goods (5.4)

In addition to the aforementioned turnover streams of the environmental objective of the circular economy, another relevant turnover stream was identified in the area of electricity generation by photovoltaic systems, which is assigned to the first environmental objective of contributing climate change mitigation.

The currently low share of taxonomy-eligible turnovers in Uzin Utz's total sales should not be seen as an indicator that the company's economic activities are contrary to the EU's environmental objectives. One of the main reasons for this is that the majority of Uzin Utz's business areas are currently not included in the EU Taxonomy. The systematic review and evaluation of economic activities with regard to their taxonomy relevance are carried out as an integral part of a continuous process.

Taxonomy-eligible turnovers in the financial year amounted to EUR 19,599 thousand (22,023), which corresponds to a share of 4.1% (4.6) of the Group's total operating sales of EUR 476,034 thousand (479,337).

Revenues	2024		2023	
	KEUR	%	KEUR	%
Economic activities eligible for taxonomy	19,599	4.1	22,023	4.6
Taxonomy-non-eligible economic activities	456,435	95.9	457,314	95.4
Sales (total)	476,034	100.0	479,337	100.0

2. Investments - CapEx according to EU taxonomy

With its 30 fully consolidated production and sales companies, the globally active group of companies has a large number of capital expenditures. Taking into account cost-benefit aspects, a screening of the economic activities in relation to capital expenditures was carried out in accordance with the definition of the EU Taxonomy and a resulting catalog of the categories relevant to Uzin Utz.

With the help of the catalog, all companies analyzed and categorized their capital expenditures made in the period under review. Subsequently, all listed capital expenditures were checked again centrally to determine whether other capital expenditures not included in the catalog, which are part of the EU Taxonomy, were made.

The capital expenditures, as defined by the EU Taxonomy, are shown in the following list (the economic activity to be allocated to the investment in accordance with the EU Taxonomy is shown in brackets), provided they were capitalized in the fixed assets:

<u>Capital expenditures related to taxonomy-aligned processes and economic activities</u>
Environmental objective: Circular economy

- Capital expenditure in connection with the manufacture of electrical and electronic equipment
- Capital expenditure in connection with the repair, refurbishment and remanufacturing of electrical and electronic equipment (5.1)
- Capital expenditure related to the sale of spare parts for electrical and electronic equipment (5.2)
- Capital expenditures related to the preparation for reuse of end-of-life products and product components of electrical and electronic equipment (5.3)
- Capital expenditures in connection with the sale of used goods in the electrical and electronic equipment product group (5.4)

<u>Capital expenditures in the acquisition of products for taxonomy-aligned economic activities</u>
Environmental objectives: climate change mitigation and climate change adaptation

- Purchase of photovoltaic systems for power generation (4.1 Electricity generation using photovoltaic technology)
- Purchase of battery storage (4.10 Storage of electricity)
- Electric heat pumps (4.16 Installation and operation of electric heat pumps)
- Purchase and leasing of bicycles (6.4 Operation of personal mobility equipment, cycling logistics)
- Purchase and leasing of passenger cars (6.5 Transportation by motorcycles, passenger cars and light commercial vehicles)
- Purchase and leasing of trucks (6.6 Transportation of goods by road)
- Capital expenditure in new buildings (7.1 New construction)
- Building construction and civil engineering works (7.2 Renovation of existing buildings)
- Energy-efficient renovation of buildings (7.3 Installation, maintenance and repair of energy-efficient buildings)
- Installation of wall boxes for charging electric vehicles (7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings and in parking lots belonging to buildings)
- Capital expenditure in building automation (7.5 Installation, maintenance and repair of devices for measuring, regulating and controlling the overall energy efficiency of buildings)
- Photovoltaic/solar systems (7.6 Installation, maintenance and repair of renewable energy technologies)
- Purchase or leasing of buildings (7.7 Acquisition and ownership of buildings)
- Servers and data centers (8.1 Data processing, hosting and related activities)

The taxonomy-eligible capital expenditures of Uzin Utz were set in relation to the total capital expenditures in accordance with the EU Taxonomy Regulation. Total capital expenditures are the sum of additions to property, plant and equipment, intangible assets, right-of-use assets and additions to investment properties in accordance with IAS 40 (excluding income from revaluation).

Capital expenditures in accordance with the EU Taxonomy amounted to EUR 7,930 thousand (12,572) in the financial year, which corresponds to 38.0% (45.9) of total Group investments of EUR 20,895 thousand (27,388).

Investments (CapEx)	2024		2023	
	KEUR	%	KEUR	%
Economic activities eligible for taxonomy	7,930	38.0	12,572	45.9
Taxonomy-non-eligible economic activities	12,965	62.0	14,817	54.1
Total investments	20,895	100.0	27,388	100.0

3. Operating expenses - OpEx according to EU taxonomy

The term OpEx in the definition of the EU Taxonomy does not take into account all operating expenditures of the Uzin Utz Group. Uzin Utz uses the nature of expense method. For this reason, the OpEx to be reported within the meaning of the EU Taxonomy were identified by evaluating G/L accounts. These are mainly development, maintenance and repair expenses as well as short-term leasing. The relevant operating expenditures were provided by each Group company via a data query, analyzed and evaluated centrally.

As a manufacturing and selling group of companies, the main cost drivers are the cost of materials (44.4% of total operating expenditures) for the production of products and the personnel costs (29.2% of total operating expenditures) incurred along the value chain from the manufacture to the sale of these products. Development, maintenance and repair costs as well as short-term leasing are therefore relatively low. The taxonomy-eligible OpEx is not determined due to the high procedural effort involved. Thus, the share of operating costs across all product ranges according to the EU Taxonomy is not significant compared to the total operating expenditures and Uzin Utz applies the simplification option according to the principle of materiality in accordance with the Delegated Regulation (EU) 2021/2178 Annex I 1.1.3.2.

Expenses in accordance with the EU Taxonomy amounted to EUR 21,469 thousand (19,139) in the financial year, which corresponds to a share of 4.9% (4.3) of the Group's total operating costs of EUR 440,897 thousand (450,325). The application of the simplification option results in the recognition of taxonomy-eligible operating expenditures in the amount of EUR 0 thousand (0).

Operating expenses (OpEx)	2024		2023	
	KEUR	%	KEUR	%
Economic activities eligible for taxonomy	0	0.0	0	0.0
Taxonomy-non-eligible economic activities	440,897	100.0	450,325	100.0
Total operating expenses	440,897	100.0	450,325	100.0

Checking taxonomy alignment

1. Turnovers in accordance with the EU Taxonomy

The EU Taxonomy Regulation requires the fulfillment of specific technical screening criteria in order to report taxonomy-aligned turnover. These criteria are designed to demonstrate the significant contribution of an economic activity to one of the defined environmental objectives. For the assessment of technical alignment, the EU Taxonomy requires the following evidence, among others, in turnover streams relevant to Uzin Utz:

– Promoting durability and reparability: evidence that products are designed to have an extended useful life. This includes the modular design, the availability of spare parts and repair instructions as well as measures to support repairs and maintenance.

- Recyclability and reuse: Evidence that products are designed so that they can be easily disassembled and recycled at the end of their useful life. The design should promote the separability of materials and avoid the use of components that make recycling more difficult.
- Sustainable sourcing and supply chain: Ensure that raw materials and materials are sourced in accordance with recognized environmental standards and sustainable practices to ensure an environmentally responsible value chain.

At present, we do not have all the information and evidence required to make a complete and conclusive assessment of the alignment of our economic activities with the technical screening criteria. In particular, we lack detailed information on the technical specifications of individual processes and products as well as reliable data on compliance with specific threshold values. Without this evidence, we are currently unable to report any revenue as taxonomy-aligned.

2. Capital Expenditures according to EU Taxonomy

In accordance with the requirements of the EU Taxonomy Regulation, we have reviewed the taxonomy-eligible capital expenditures (CapEx) for the reporting period to assess their taxonomy alignment. Our capital expenditures include projects in areas such as photovoltaic systems and an electrified vehicle fleet that could potentially contribute to the environmental objectives of the EU Taxonomy. To assess taxonomy alignment, efforts were made to obtain appropriate certificates and evidence of compliance with the DNSH criteria and the technical screening criteria from our suppliers. These should prove that the underlying economic activities meet the requirements of the alignment assessment in accordance with the EU Taxonomy. Despite intensive efforts, it was only possible to obtain the relevant confirmations of compliance with the alignment criteria from suppliers in isolated cases.

3. Operating Expenditures according to EU Taxonomy

In the case of operating expenditures (OpEx), the simplification option in accordance with the Delegated Regulation (EU) 2021/2178 Annex I 1.1.3.2 is used in the context of materiality when reporting taxonomy-eligible and taxonomy-aligned economic activities. For this reason, a separate standard table is not shown for OpEx.

Financial Year	2024			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities	Code(s)	Turnover	Proportion of Turnover 2024	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, 2023	Category enabling activity	category transitional activity
		KEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N;	Y; N;	Y; N;	Y; N;	Y; N;	Y; N;	Y; N;	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
-	-	0	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	-	-
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		**0**	**0.0**																
Of which enabling																		E	
Of which transitional																			T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Electricity generation using photovoltaic technology	CCM 4.1 CCA 4.1	24	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Manufacture of electrical and electronic equipment	CE 1.2	15,715	3.3%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								3.9%		
Repair, refurbishment and remanufacturing	CE 5.1	1,213	0.3%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0.2%		
Sale of spare parts	CE 5.2	2,605	0.5%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0.5%		
Sale of second-hand goods	CE 5.4	41	0.0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0.0%		
Turnover of taxonomy-eligible but not taxonomy-aligned activities (A.2)		**19,599**	**4.1%**																
Total (A.1 + A.2)		**19,599**	**4.1%**																
Taxonomy-non-eligible activities																			
Turnover of taxonomy-non-eligible activities (B)		**456,435**	**95.9%**																
Total (A +B)		**476,034**	**100%**																

Financial Year	2024			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities	Code(s)	CapEx	Proportion of CapEx 2024	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, 2023	Category enabling activity	category transitional activity
		KEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N;	Y; N;	Y; N;	Y; N;	Y; N;	Y; N;	Y; N;	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Transport with motorbikes, passenger cars and light commercial vehicles	CCM 6.5 CCA 6.5	1,243	5.9%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	-	-
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		**1,243**	**5.9%**																
Of which enabling																		E	
Of which transitional																			T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of electrical and electronic equipment	CE 1.2	198	0.9%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0.0%		
Electricity generation using photovoltaic technology	CCM 4.1 CCA 4.1	149	0.7%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Installation and operation of electric heat pumps	CCM 4.16 CCA 4.16	244	1.2%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Operation of personal mobility devices, cycle logistics	CCM 6.4 CCA 6.5	126	0.6%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.4%		
Transport with motorbikes, passenger cars and light commercial vehicles	CCM 6.5 CCA 6.5	4,508	21.6%	EL	EL	N/EL	N/EL	N/EL	N/EL								23.6%		
Transport of goods by road	CCM 6.6 CCA 6.6	81	0.4%	EL	EL	N/EL	N/EL	N/EL	N/EL								1.3%		
Construction of new buildings	CCM 7.1 CCA 7.1 CE 3.1	6	0.0%	EL	EL	N/EL	EL	N/EL	N/EL								13.8%		
Renovation of existing buildings	CCM 7.2 CCA 7.2 CE 3.2	643	3.1%	EL	EL	N/EL	EL	N/EL	N/EL								0.4%		

Installation, maintenance and repair of energy efficiency equipment	CCM 7.3 CCA 7.3	219	1.0%	EL	EL	N/EL	N/EL	N/EL	N/EL	0.4%
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4 CCA 7.4	38	0.2%	EL	EL	N/EL	N/EL	N/EL	N/EL	0.2%
Installation, maintenance and repair of renewable energy technologies (photovoltaic/solar systems, heat pumps, wind power)	CCM 7.6 CCA 7.6	28	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL	2.5%
Acquisition and ownership of buildings	CCM 7.7 CCA 7.7	0	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL	1.8%
Data processing, hosting and related activities	CCM 8.1 CCA 8.1	447	2.1%	EL	EL	N/EL	N/EL	N/EL	N/EL	1.3%
CapEx of taxonomy-eligible but not taxonomy-aligned activities (A.2)		**6,687**	**32.0%**							
Total (A.1 + A.2)		**7,930**	**38.0%**							
Taxonomy-non-eligible activities										
CapEx of taxonomy-non-eligible activities (B)		**12,965**	**62.0%**							
Total (A +B)		**20,895**	**100%**							

Ulm, March 27, 2025
The Executive Board