novem
PERFECT CAR INTERIOR

NOVEM ANNUAL REPORT 2025/26

Established in
1947

11
locations
worldwide

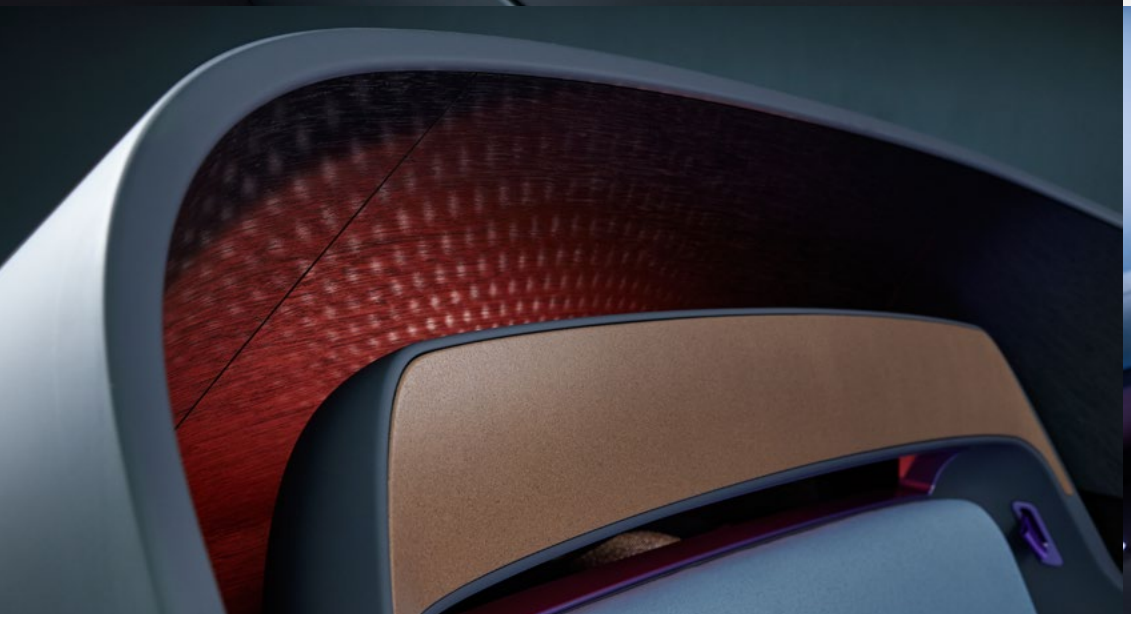
4,082
employees
worldwide

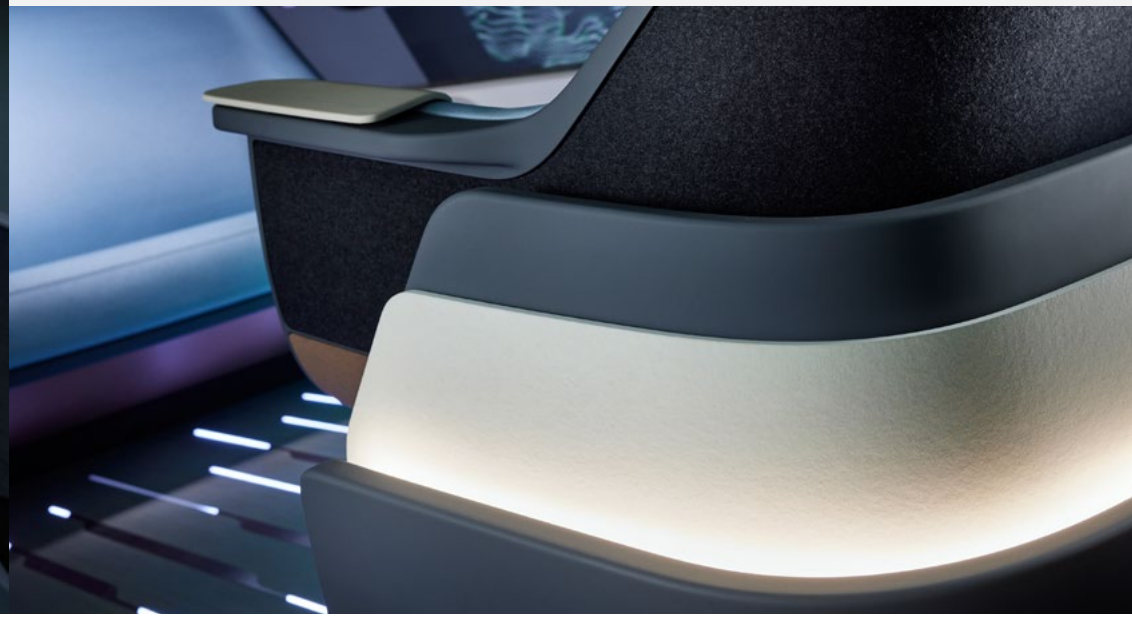
NOVEM AT A GLANCE

The Novem Group operates from the German town of Vorbach and develops exclusive trim elements and decorative functional components for a globally diversified customer base. They value Novem's commitment to innovation, progress and exquisite design as a key driver of forward-looking mobility concepts at a world-class level.

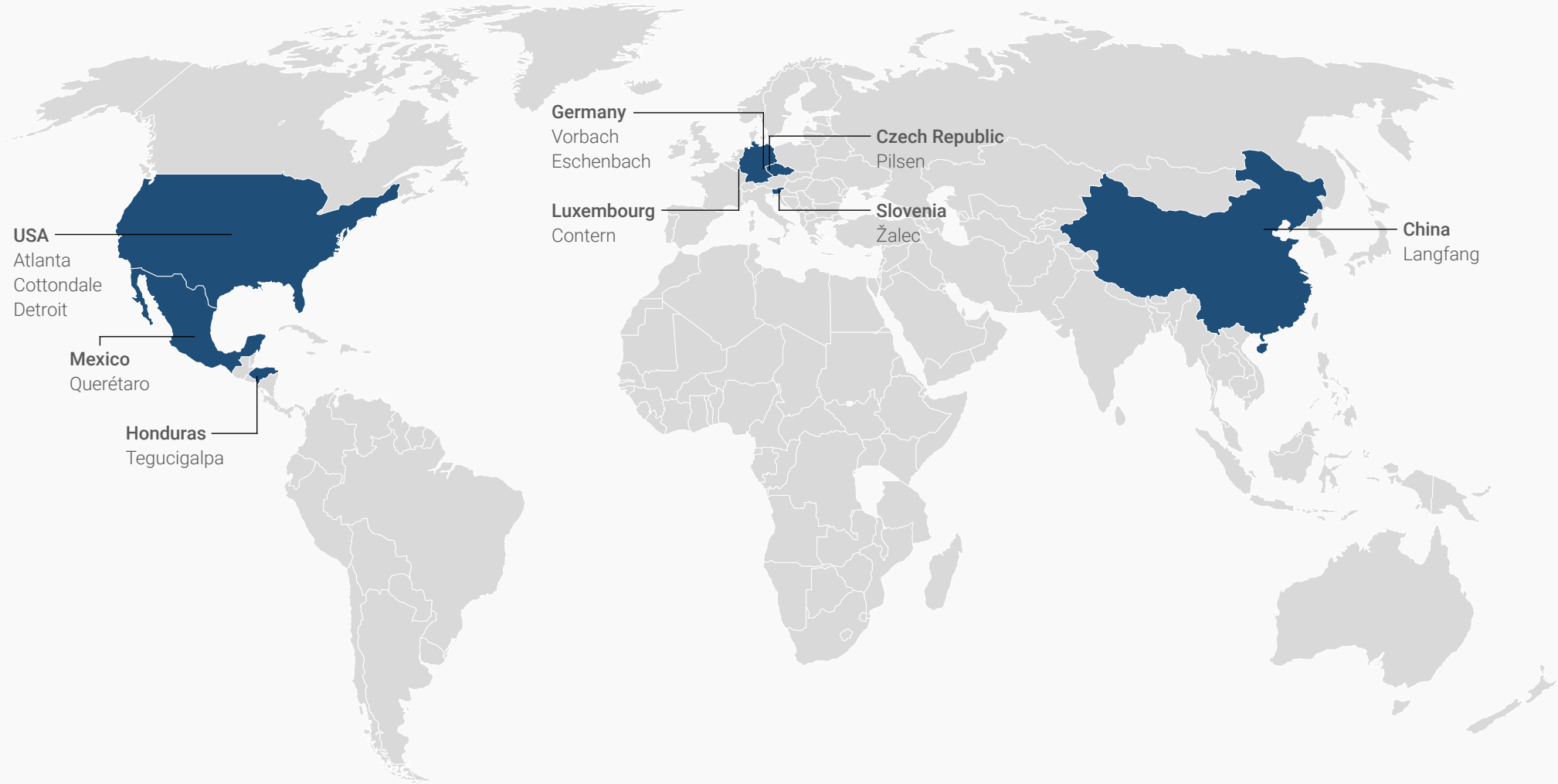
GLOBAL LEADER IN HIGH-END CAR INTERIORS

We build perfect decorative trim elements for the best cars in the world.





OUR LOCATIONS



Americas
1,621 employees

Europe
2,005 employees

Asia
456 employees

KEY RESULTS

In accordance with the European Securities and Markets Authority (ESMA) guidelines on Alternative Performance Measures (APMs), the Group provides a definition, the rationale for use and a reconciliation of APMs used. The Group uses the APMs shown in the following table. The definitions and required disclosures of all APMs are provided in the glossary of this Annual Report.

All mentioned APMs are used to track the Group's operating performance. It is neither required by nor presented in accordance with IFRS Accounting Standards. It is also not a measure of financial performance under IFRS Accounting Standards and should not be considered as an alternative to other indicators of operating performance, cash flow or any other measure of performance derived in accordance with IFRS Accounting Standards.

in € million	FY 2024/25	FY 2025/26
Income statement		
Revenue	541.5	510.9
Adj. EBIT	48.9	31.8
Adj. EBIT margin (%)	9.0%	6.2%
Adj. EBITDA	81.0	62.5
Adj. EBITDA margin (%)	15.0%	12.2%
Cash flow		
Capital expenditure	17.5	12.4
Capital expenditure as % of revenue	3.2%	2.4%
Free cash flow	28.5	48.1

in € million	31 Mar 25	31 Mar 26
Balance sheet		
Trade working capital	34.7	48.9
Total working capital	123.8	132.1
Net financial debt	148.2	112.1
Net leverage (x Adj. EBITDA)	1.8x	1.8x

ABOUT THIS REPORT

Novem Group publishes both financial and non-financial information in its Annual Report 2025/26. The financial year of Novem Group S.A. ends on 31 March and therefore covers the period from 1 April 2025 to 31 March 2026. This Annual Report includes a Non-financial Report in accordance with the Non-Financial Reporting Directive (NFRD), Luxembourg Law and with reference to the Global Reporting Initiative (GRI) Standards.

The consolidated financial statements of Novem Group S.A. and the annual accounts of Novem Group S.A. were audited by *KPMG Audit S.à r.l.* (KPMG).

EDITORIAL NOTE

The report is only available in English and solely published in digital form. All references to people such as *employees*, *shareholders*, etc. in this report apply equally to all identities.

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1 To our shareholders

Markus Wittmann
Chief Executive Officer

LETTER FROM THE CEO

Ladies and gentlemen,

The past financial year was once again shaped by an overall difficult market environment. Across large sections of the automotive industry, demand remained volatile, investment decisions were partially postponed and the pace of recovery varied across all regions. While the shift in tariffs imposed by the US government at the end of the last financial year kept the industry on its toes and the outcomes, partly restricted and withdrawn at the end of April 2025, differed considerably across regions, the topic of tariffs has recently regained momentum. At the same time, the ongoing transformation in the automotive sector, including the dynamics surrounding the shift towards electrification, continues to accelerate structural changes along the entire value chain.

Nevertheless, particularly noteworthy is the positive development in Novem's new business. Despite a weak overall market environment, we succeeded in securing additional projects and diversifying our existing portfolio. With the nomination for the new fully electric Volvo EX40, the Volvo SUV portfolio has been completed. In addition, we strengthened our presence in the premium segment, including new business with McLaren. Winning the new Porsche Macan as well as new platforms from General Motors and Genesis further underlines our position in attractive market areas. We also successfully secured new Chinese business with Stelato and Voyah. Furthermore, we took an important step into the two-wheeler market with our first pre-development project with Harley Davidson, opening up additional perspectives for a more diversified portfolio structure. Our current order intake provides us with confidence despite continued headwinds.

During the financial year, revenue development remained subdued overall. Delayed SOPs, slower-than-expected ramp-up curves, persistently weak call-offs and isolated production interruptions at OEMs, in certain cases lasting several weeks, weighed on our revenue and profitability. We actively addressed these developments with a clear emphasis on strict steering, prioritisation and continued cost management. Cost-control measures with focus on the central office in Vorbach and a voluntary severance scheme at the German plants were implemented and are beginning to yield initial results. Our ambition remains unchanged: to ensure an efficient, lean and customer-centric organisation, even in a muted market environment.

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The prevailing conditions left their mark on our segments, especially in Europe: uncertainties among OEMs regarding the potential phase-out of the combustion engine in the European Union, along with changes in planning assumptions, led to project postponements. By contrast, Americas once again reaffirmed its importance for the company's overall performance. In China, domestic OEMs continued to strengthen their position in the premium segment, further shaping the competitive landscape. Given our strong presence among European and American manufacturers, this had a negative impact on our business.

Looking ahead, we aim to leverage future opportunities and continue strengthening our technological relevance. In addition to expanding our core business, we are exploring complementary business areas that align with our technologies and quality standards. By entering adjacent mobility segments, we leverage our long-standing expertise in high-quality decorative materials such as genuine wood or aluminium and apply it to an additional industry to further diversify our portfolio.

We are ready to actively shape the transformation of the industry and continue to provide our customers with our expertise and reliability. Moreover, our digitalisation projects enable us to take further steps towards more efficient processes and keep pace with evolving dynamics. Our sincere gratitude goes to our employees, who have shown extraordinary commitment and professionalism in a challenging environment. Their dedication gives Novem the stability needed to remain adaptable, focused and resilient in times of transformation.

Noteworthy progress was also made in the area of sustainability: achieving greenhouse gas neutrality in Germany by the end of 2025 demonstrates our commitment to fulfilling our responsibilities as a global company. By attaining this milestone, we have taken the first step and are now moving towards climate neutrality in Europe by 2030 and worldwide by 2035. This commitment is based on a broad set of measures, including efficiency improvements in energy-intensive processes, the transition to suitable energy sources and robust data as well as management systems. For us, sustainability is both a corporate responsibility and an increasingly decisive competitive factor, as customers expect clear contributions to their decarbonisation commitments.

In summary, the financial year 2025/26 was demanding, yet we laid crucial foundations: further stabilisation of series business, important progress in acquiring new programmes and clear steps towards sustainability. Going forward, we uphold our medium-term guidance.

On behalf of the Management Board, I would like to thank you sincerely for your support during the financial year. We greatly value your continued commitment as loyal shareholders of Novem. I am convinced that our resilience is enabling us to approach challenges ahead with clarity and strength. For the upcoming financial year, I am looking forward to collaborating and exchanging ideas together while keeping Novem's interests at the core of our decisions.

Kind regards,

Markus Wittmann
Chief Executive Officer

" In an uncertain market environment, it remains key for us to stay agile and resilient. We continue to strengthen our core business while actively identifying new opportunities for future growth. "

— Markus Wittmann (CEO)

REPORT OF THE SUPERVISORY BOARD

Dear shareholders,

The financial year ending 31 March 2026 was again impacted by geo-political uncertainties as well as their direct and indirect effects on the automotive industry. The ongoing war between Russia and Ukraine as well as the recently intensified conflict in the Middle East involving Iran, the United States and Israel have had significant impacts on global supply chains, particularly on transport routes for raw materials crucial for the automotive industry. Trade restrictions and tariff regulations in key global regions negatively affected the trading conditions for automobile manufacturers. Novem experienced another year of market weakness and volatile call-offs by OEMs, prompting the Company to focus on stabilising its economic capabilities and advancing cost management measures.

In the financial year ending 31 March 2026, the Supervisory Board of Novem Group S.A. diligently met its obligations according to the statutory requirements and the Company's Articles of Association. The Supervisory Board provided guidance on a regular basis and continuously oversaw the activities of the Management Board with regard to strategic and operational decisions, governance matters and compliance. After a detailed review, the Supervisory Board approved the actions taken by the Management Board as stipulated in the Articles of Association. In the financial year ending 31 March 2026, the Supervisory Board consisted of Dr. Stephan Kessel (Chairman), Natalie C. Hayday (Deputy Chairwoman), Laurent Müller, Florian Schick and Philipp Struth.

The Supervisory Board held a total of seven meetings and conducted one circular resolution during the financial year ending 31 March 2026. Of the seven meetings convened, four were attended by all members of the Supervisory Board, with the majority attending in person. As part of these meetings, the Management Board regularly provided the Supervisory Board with comprehensive information on the Group's status and performance, including opportunities and risks, its market position, business trajectory and relevant financial data. The

Dr. Stephan Kessel
Chairman of the Supervisory Board

discussions were based on thorough verbal and written reports that the Management Board presented on a regular basis. In addition, the Management Board and the Supervisory Board engaged in frequent exchanges beyond their regular meetings to share important group-related information, including strategy discussions and updates on organisational developments. As of 31 December 2025, Maria Eichinger stepped down from her position as a member of the Management Board.

During the reporting period, the Audit and Risk Committee was composed of Natalie C. Hayday (Chairwoman), Dr. Stephan Kessel and Philipp Struth. The Committee focused on reviewing significant questions related to auditing, accounting, risk management, compliance and internal control systems. It assessed the effectiveness of the internal control system, the risk management system, the internal auditing system and the compliance management system. The Audit and Risk Committee engaged in detailed discussions regarding the quarterly reports, the relationship with investors as well as the audit assignment to KPMG Luxembourg, including essential audit areas. During the financial year ending 31 March 2026, the Committee conducted five meetings. In all five meetings, all members were present. All meetings were held via conference calls.

In the reporting period, the Remuneration and Nomination Committee consisted of Dr. Stephan Kessel (Chairman), Natalie C. Hayday and Philipp Struth. The Committee discussed all topics related to remuneration and nominations. It prepared the Remuneration Report in accordance with the Luxembourg Law of 1 August 2020, the Second Shareholders' Rights Directive (SRD II, Directive (EU) 2017/828). The Remuneration and Nomination Committee held five meetings via conference calls, each meeting fully attended by all members.

The Supervisory Board examined the Company's annual accounts, the consolidated financial statements and the Group Management Report for the financial year ending 31 March 2026. Representatives of the auditor KPMG attended the meetings of the Audit and Risk Committee on 21 May 2025, 16 June 2025, 29 January 2026 and 21 May 2026, at which the financial statements were examined. The auditor's representatives delivered detailed reports on their findings, accompanied by a written presentation and were on hand to provide additional explanations and opinions. The Supervisory Board did not raise any objections to the Company's annual accounts or the consolidated financial statements prepared by the Management Board for the financial year ending 31 March 2026 and to the auditor's presentation. In addition, the Supervisory Board approved the Non-financial Report of Novem Group S.A.

The Supervisory Board agreed to the proposal of the Management Board, recommended by the Audit and Risk Committee, and approved the Company's annual accounts and the consolidated financial statements for the financial year 2025/26. The auditor issued unqualified audit opinions on 15 June 2026.

During the financial year ending 31 March 2026, there were no conflicts of interest between the members of the Supervisory Board and the Company.

On behalf of the Supervisory Board, I wish to express my gratitude to the Management Board of Novem Group S.A. for their consistently exceptional performance during the last financial year and for maintaining continued transparent and effective collaboration. I would also like to acknowledge and extend my sincere appreciation to all employees for their dedication and support in contributing to the Company's achievements during a demanding period and our shareholders for their steadfast and unwavering support.

Luxembourg, 15 June 2026
On behalf of the Supervisory Board of Novem Group S.A.

Yours sincerely,

Dr. Stephan Kessel
Chairman of the Supervisory Board

NOVEM AND THE CAPITAL MARKET

Benjamin Retzer
Chief Financial Officer

Stock market

Building on last year's earnings, the stock market delivered a robust performance in 2025, continuing its positive momentum. Although the introduction of punitive tariffs by the US government in spring caused a temporary setback amid heightened uncertainty, major indexes recovered quickly after a partial reduction of tariffs in several regions. Despite ongoing geopolitical tensions, such as in the Middle East, markets proved resilient and largely absorbed volatility, making 2025 an exceptional year. Numerous assets, especially technology shares, reached all-time highs. From a broader market perspective, gold hit multiple record highs throughout the year, reflecting the tendency of both private and institutional investors to seek safe-haven assets such as precious metals amid elevated uncertainties in capital markets. This trend also supported the upward movement in the silver price, which was further strengthened by strong demand from the industrial sector. Over the course of 2025, as inflation moderated across major economies, central banks responded positively to the improving macroeconomic conditions. The Federal Reserve System (Fed) continued to lower interest rates in September, October and December, each by 25 basis points, which had a positive effect on the markets. Similarly, the European Central Bank (ECB) also eased interest rates by 25 basis points in June. At the beginning of 2026, stock markets recorded further gains. However, this trajectory was reversed by late February as intensified tensions in the Middle East led to rising energy prices, reintroducing uncertainty and raising concerns about increasing inflation, which in turn weighed on market sentiment in several regions.

Over the course of 2025, US equities sustained solid growth momentum, supported by strong gains in technology and artificial intelligence (AI)-driven shares, but not on par with other countries, partly reflecting the impact of a weaker US Dollar. International equities, particularly European or Japanese shares, outperformed US assets due to their relatively attractive valuation. Overall, European shares delivered solid returns amid geopolitical challenges, supported in part by a robust performance in the defence sector. China was able to build on last year's positive development in 2025. In particular, a range of government support measures contributed to stabilising its economy and strategic industries. Over the course of 2025, the MSCI China rose notably by 31.2%.

In 2025, production figures in the automotive sector regained slight upward momentum compared to the previous year, supported primarily by sustained growth in China, while Europe and the US showed a slight decrease. Nevertheless, macroeconomic headwinds, including tariff discussions, trade conflicts and rising protectionism, continued to put pressure on the industry.

During the reporting period (1 April 2025 to 31 March 2026), the broad MSCI World index increased significantly by 16.7%. The S&P500 also rose substantially by 15.9%, although its performance remained slightly behind. At the same time, the EURO STOXX 50 continued to advance and posted a solid growth of 4.7%. Looking at Germany, the blue chips in the DAX recorded a marginal yet positive increase of 0.6%, while the small caps in the SDAX achieved a somewhat stronger plus of 6.9%. Our benchmark index, the DAXsubsector Auto Parts & Equipment, showed a notable growth momentum, surging by 16.8%.

Stock performance

Novem opened its financial year 2025/26 with a share price of €4.22 on 1 April 2025. Following a period of sideways movement, the stock increased moderately and reached its peak at €4.64 on 28 May 2025. The share thereafter entered a downward trend, with a phase of recovery emerging at the end of December 2025. This development reversed in the first weeks of 2026. On 31 March 2026, the stock recorded its all-time low of €2.37 and closed the financial year at €2.48.

Annual General Meeting

On 21 August 2025, Novem's Annual General Meeting (AGM) was held and 85.7% of the voting share capital was represented. All agenda items were approved by a large majority. Amongst other things, the AGM approved the proposal of the Management Board not to distribute a dividend for financial year 2024/25 in view of the continued adverse market environment.

Dividend

In agreement with the Supervisory Board, the Management Board will propose not to distribute a dividend for the financial year 2025/26 at the AGM on 20 August 2026. The proposal is based on the underlying contractual regulations stipulated in the facilities agreement dated April 2026, which includes certain conditions, amongst others, regarding the distribution of dividends during the lifetime of the facilities. Based on the current assumptions as of the editorial deadline in late May 2026, Novem does not anticipate that a dividend will be payable for the financial year 2026/27.

Investor Relations activities

Given the dynamic market landscape, it was crucial for the Investor Relations (IR) team to uphold a continuous, transparent dialogue with capital market stakeholders. Maintaining equal treatment, timely disclosure of information and sustained engagement included numerous one-on-one meetings and conference calls alongside the regular quarterly investor and analyst conferences. Furthermore, Novem participated in a conference in Munich, facilitating one-on-one interactions with existing shareholders and potential investors. Novem is particularly keen on inviting investors and analysts to its central office to provide direct insights into the products and production processes, fostering a deeper understanding of the business model and potential.

" Securing refinancing underpins our financial stability and provides the visibility needed to manage our capital structure prudently and efficiently, while safeguarding long-term value amid ongoing market volatility. "

— Benjamin Retzer (CFO)

SHARE DATA
as of 31 March 2026

- Ticker symbol: NVM
- ISIN: LU2356314745
- WKN: A3CSWZ
- Frankfurt Stock Exchange
- Market segment: Prime Standard
- Number of shares: 43,030,303
- Dematerialised shares with no nominal value
- Market capitalisation: €106,715,151
- Highest price FY 2025/26: €4.64
- Lowest price FY 2025/26: €2.37
- Closing price: €2.48

Linen and viscose open pore

2 Non-financial Report

ORGANISATION

Business model

Founded in 1947, Novem can look back on a long history of success. Over the years, we have grown continuously, entered new markets and diversified our product and material portfolio. Novem is the global market leader for high-quality trim parts such as instrument panels, centre consoles, door trims or beltlines as well as decorative functional elements in car interiors. We also tapped into the premium exterior trim market, where we apply our experience from interior to exterior design. This year marked our initial entry into adjacent mobility segments, further broadening our portfolio. In 2025/26, we delivered around 16.0 million trim elements for a wide range of vehicles, with a strong focus on the premium car segment. Our customer base includes the world's leading premium car manufacturers.

Novem Group S.A. has been listed on the Frankfurt Stock Exchange since 19 July 2021.

Novem locations worldwide

- Europe: 2,005 employees
  - Pilsen (Czech Republic)
  - Eschenbach, Vorbach (Germany)
  - Contern (Luxembourg)
  - Žalec (Slovenia)
- Americas: 1,621 employees
  - Tegucigalpa (Honduras)
  - Querétaro (Mexico)
  - Atlanta, Cottondale, Detroit (USA)
- Asia: 456 employees
  - Langfang (China)

From our central office in Vorbach in Bavaria, Germany, we manage our global network of production, logistics and sales locations. The parent company Novem Group S.A. is located in Contern, Luxembourg. Across our 11 locations in Europe, Americas and Asia, we employ 4,082 people worldwide. Our international footprint enables us to be close to our customers and efficiently distribute our products on a global scale.

Companies of the Novem Group

- Novem Group S.A.
- Novem Group GmbH
- Novem Beteiligungs GmbH
- Novem Deutschland GmbH
- Novem Car Interior Design GmbH
- Novem Car Interior Design Vorbach GmbH
- Novem Car Interior Design Metalltechnologie GmbH
- Novem Car Interior Design S.p.A. Bergamo in liquidazione
- Novem Car Interior Design k.s.
- Novem Car Interior Design d.o.o.
- Novem Car Interior Design, Inc.
- Novem Car Interior Design Mexico S.A. de C.V.
- Novem Car Interior Design S. de R.L.
- Novem Car Interiors (China) Co., Ltd.

Economic stability and capacity for transformation

The automotive industry is undergoing a transformation driven by electrification, the advancement of self-driving cars and digitalisation, which are profoundly changing the vehicle design, manufacturing and usage. This shift also extends to the vehicle interior concept, as new surfaces and spaces emerge, creating an opportunity to redesign the interior. Furthermore, the increase in autonomous driving further adds an experiential dimension to this space, leading consumers' expectations to higher levels of functionality and comfort. In parallel, the overall market environment remains subdued, shaped by softer global demand and ongoing constraints in production capacities. These

DEMONSTRATING FUNCTIONALITY AND SUSTAINABILITY

Designed to enhance the user experience in future mobility, the demonstrator *authentic controls* unites smart innovations with unique materials. Building on our advanced expertise, it integrates features like a rotational physical control element with area heating technology, while customisable illuminated symbols and backlit aluminium underscore its forward-thinking approach. Genuine premium materials like wood and sustainably sourced loden create a refined, durable aesthetic that highlights our focus on renewable, resource-efficient solutions.

Craftsmanship meets advanced functions

developments continue to have an impact on automobile suppliers, underscoring the need for strategic resilience and further diversification.

As the global industry leader in high-end car interiors, Novem aims to actively shape this transformation. We are responding to the industry's change with targeted investments to prepare our employees and locations for future challenges while accelerating the development of new technologies and innovations. At the same time, we are strategically expanding our business into adjacent mobility segments, building on our core competencies to open new growth opportunities and further diversify our portfolio.

Sustainability plays a key role in our activities: with renewable and recycled raw materials as well as designing for circularity, we reduce our ecological footprint and create sustainable values for our customers. For instance, we are researching alternative materials such as bio-based synthetics, water-based lacquers and one-material concepts. We are also developing new designs that meet the rising demands of our customers for functionality, sustainability and quality. Our strong focus on research is evident in the numerous patents held by Novem.

A solid economic foundation enables us to make investments that secure our future viability as a company. In the financial year 2025/26, the Novem Group achieved sales of €510.9 million (PY: €541.5 million).

Product safety and quality

Our products do not represent safety-relevant components in the vehicle. However, we are committed to high quality and safety standards across the entire value chain – from planning and manufacturing to the delivery to our customers. We aspire to the highest quality and, therefore, use high-end materials and modern production processes. A quality management system certified in conformity with IATF 16949 is in place at all Novem locations. This is how we continuously improve our processes and ensure that our products comply with the high quality standards.

All safety and quality aspects are controlled by Central Quality Management, which defines the guidelines applicable to all locations in the Group. In addition, each location has a dedicated Quality Manager responsible for implementing all central regulations.

In line with our commitment to quality, many of our products are crafted by hand to a relatively high degree, adding a unique exclusivity. By combining different materials such as wood, aluminium, carbon and premium synthetics as well as using renewable raw materials, highly individual, innovative products are created. Besides this, at our *Novem Interior World* design centre, we work on ideas for new and sustainable surfaces.

Addressing the EU taxonomy

In accordance with the European Non-Financial Reporting Directive (NFRD), companies are required to include taxonomy disclosures in their non-financial reporting as of 2021. This also applies to Novem. For its EU taxonomy reporting, Novem applied Delegated Regulations (EU) 2021/2139, 2023/2485, 2023/2486 and 2026/73.

The EU taxonomy is a classification system for economic activities aimed at providing transparency in the capital market. The taxonomy regulation enables a unified definition of economic activities that are deemed environmentally sustainable. An economic activity contributes substantially to the achievement of one environmental objective (taxonomy alignment) if the technical screening criteria for this environmental objective are met, none of the other five environmental objectives is negatively affected by the economic activity (Do No Significant Harm (DNSH)) and the minimum safeguards are complied with. Companies are required to report the extent of taxonomy eligibility and alignment on the two climate-related objectives and eligibility on the other four environmental objectives.

Since the initial reporting in financial year 2021/22, Novem's business activities have been reassessed annually on the basis of the applicable EU taxonomy regulations. In financial year 2025/26, the review of the EU taxonomy business activities determined four activities as possibly eligible, which may result in potential material expenses for the reporting year:

- 6.5 Transport by motorbikes, passenger cars and light commercial vehicles
- 7.3 Installation, maintenance and repair of energy efficiency equipment
- 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
- 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings

In view of the newly introduced materiality threshold under Delegated Regulation (EU) 2026/73, we first determined Key Performance Indicators (KPIs) for turnover, capex and opex for the above-mentioned activities before proceeding with any possible qualitative

assessment. The results showed that each activity and KPI amounted to significantly less than the 10% threshold, and are therefore not material for Novem.

Further information on turnover, opex and capex can be found in chapter Consolidated financial statements of the Annual Report.

Novem proactively addresses sustainability regulation and is well prepared to fulfil the requirements in the areas of taxes, anti-corruption, fair competition and human rights. Novem has implemented the German Supply Chain Act (Lieferkettensorgfaltspflichtengesetz (LkSG)).

Proportion of turnover, capex, opex from products or services associated with taxonomy-eligible or taxonomy-aligned economic activities – disclosure covering FY 2025/26 (summary KPIs)

FY 2025/26														FY 2024/25	
					Breakdown by environmental objectives of taxonomy-aligned activities										
KPI	Total	Proportion of taxonomy-eligible activities	Taxonomy-aligned activities	Proportion of taxonomy-aligned activities	Climate change mitigation	Climate change adaption	Water	Circular economy	Pollution	Bio-diversity	Proportion of enabling activities	Proportion of transitional activities	Not assessed activities considered non-material	Taxonomy-aligned activities in previous financial year	Proportion of taxonomy-aligned activities in previous financial year
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Text	in € million	in %	in € million	in %	in %	in %	in %	in %	in %	in %	in %	in %	in %	in € million	in %
Turnover	510.9	-	-	-	-	-	-	-	-	-	-	-	-		
Capex	12.4	-	-	-	-	-	-	-	-	-	-	-	2.9%		
Opex	58.5	-	-	-	-	-	-	-	-	-	-	-	2.1%		

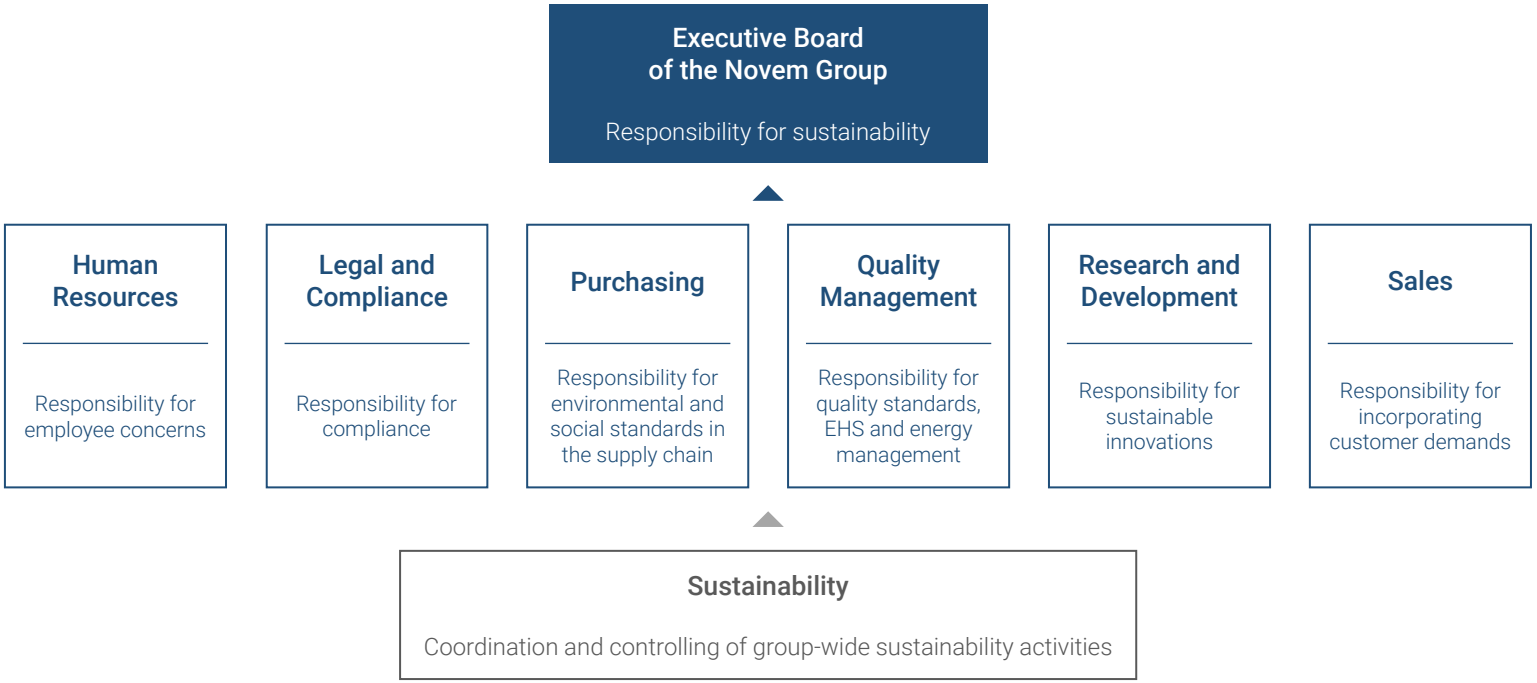
Sustainability management

Embracing social, environmental and sustainable economic responsibility will empower Novem and the entire automobile industry to move into the future. The benchmark for this at Novem is provided by regulatory requirements, customer targets and consumer aspirations, alongside major social developments.

As a core part of the Sustainability Board, the Sustainability team within Central Quality Management coordinates and controls global activities concerning sustainability topics. Together with representatives from the central functions Human Resources, Legal and Compliance, Purchasing, Quality Management, Research and Development as well as Sales, they oversee and coordinate the sustainability agenda for our operational activities.

The strategic responsibility lies with the Executive Board, which heads the Sustainability Board of the Novem Group. For this purpose, it maintains an ongoing dialogue with the relevant central functions and receives regular updates on all material sustainability-related matters. The Sustainability Board, comprising key central functions of the organisation, defines the strategic direction of the Group's sustainability agenda.

Sustainability Board of the Novem Group



Integration of stakeholders

As a global company, we maintain continuous dialogue with a wide range of stakeholders, including existing and potential employees, customers and consumers, suppliers and partners as well as policymakers and members of the general public. We keep our employees regularly informed about all key developments in the Group. We also foster close cooperation with customers, suppliers, partners and consumers. Through a mix of digital and traditional communication channels, we also take the opportunity to directly engage with stakeholders at events such as trade fairs, exhibitions and conferences. In addition, we maintain constant exchange with politicians and business leaders through our memberships in various associations and initiatives while also encouraging direct communication at local level.

Our formats for dialogue with stakeholders

Employees: intranet *NovemNET*, employee newspaper *inside*, Family Day, website, social media, employee portal

Applicants: cooperation with universities (e.g. OTH Amberg-Weiden, University of Bayreuth), job advertisements, website, social media, regional career fairs at institutes of higher education or as organised by supraregional associations

Customers and consumers: brochures, website, company presentations, corporate videos, roadshows (attendance or digital), personal customer appointments, dispatch of design samples and catalogues, trade fairs and exhibitions (e.g. with other suppliers or partners), presentations at international specialist conferences

Suppliers and partners: supplier portal, membership of various networks, trade fairs and exhibitions

Politics: associations, direct communication with local representatives

Press and media: reports, website, press releases, social media

Investors and analysts: investor relations website, publications, capital market presentations, conferences, investor relations newsletter, roadshows, calls and meetings

Memberships and partnerships (selection)

- Association of the Wood Industry and Plastics Processing Bavaria/Thuringia (Verband der Holzwirtschaft und Kunststoffverarbeitung Bayern/Thüringen e.V.)
- BF/M-Bayreuth Research Centre on Business Management for Questions of Medium-sized Enterprises (BF/M-Bayreuth Betriebswirtschaftliches Forschungszentrum für Fragen der Mittelständischen Wirtschaft e.V.)
- Federal Association for Supply Chain Management, Procurement and Logistics (Bundesverband Materialwirtschaft, Einkauf und Logistik e.V. (BME))
- German Association of the Automotive Industry (Verband der Automobilindustrie (VDA))
- German-speaking SAP User Group (Deutschsprachige SAP Anwendergruppe e.V. (DSAG))
- ofraCar – Automotive Network (ofraCar – Automobilnetzwerk e.V.)
- Partner Circle of the University of Applied Sciences (OTH) Amberg-Weiden
- Plastics Information Publishing Company (Kunststoff Information Verlagsgesellschaft mbH)
- Plastics Institute Lüdenscheid (Kunststoff-Institut Lüdenscheid)
- Reutlingen University
- University of West Bohemia in Pilsen
- VOICE – Federal Association of IT Users (VOICE – Bundesverband der IT-Anwender e.V.)

Determination of material sustainability topics

In 2020, we carried out an analysis to identify material topics in the area of sustainability. In this context, we evaluated a total of 13 topics in terms of their impact on people and the environment (inside-out perspective), taking into account the views of our stakeholders. In order to incorporate the outside-in perspective in terms of relevance to our business, a subsequent analysis was conducted with the input of managers who are involved in sustainability matters at Novem. Within the context of single materiality, eight topics were identified as material. These results were reviewed annually and updated to reflect respective developments. In line with this approach, the materiality analysis was revalidated by management again at the beginning of 2026.

Material non-financial topics

Material non-financial topics	Chapter	Non-financial aspects according to the Non-Financial Reporting Directive (NFRD)
High-quality Products and Customer Satisfaction Economic Stability Transformation Capability	Business model	Business model
Compliance	Responsible corporate governance	Combating corruption and bribery
Procurement and Supply Chain Management	Supplier management and sustainable procurement	Human rights
Decent Working Conditions and Human Rights	Supplier management and sustainable procurement Employees and society	Human rights Employee matters Social issues
Occupational Health and Safety	Employees and society	Employee matters
Energy and Emissions	Climate protection	Environmental concerns

COMPLIANCE

Responsible corporate governance

Value-based action is the foundation for our global business operations. *Responsibility* represents one of our four core values. This implies assuming responsibility for the impact of our business and always considering our stakeholders' expectations. Conscious and ethically correct behaviour towards employees, colleagues, business partners, society and the environment is integral to Novem's system of values. Each and every individual is required to act responsibly, fairly and in accordance with the rules.

The foundation of our actions

As a global player and a partner of leading automotive manufacturers in the premium segment, we are subject to many different statutory regulations and the high standards prevailing in the automobile industry. We are committed to complying with the applicable regulations, and we take responsibility for our actions. Our Quality Management has been certified in conformity with IATF 16949. This international standard, based on ISO 9001 merges existing general requirements for quality management systems in the automobile industry.

We have defined how we live up to our responsibility throughout the Group in our Code of Conduct. This document defines essential statutory regulations, ethical principles, values and ideals as well as internal and external guidelines for integrity of conduct. It applies equally to all the employees, management staff and executive managers who work at the Novem Group as well as to the supervisory boards elected at the individual companies. We also expect our business partners, suppliers and sub-suppliers to act in conformity with the principles defined therein, and we have incorporated these principles as binding contractual obligations throughout our supply chain. Any non-compliance with these principles may lead to legal consequences, up to and including the termination of the business relationship. Internal or external persons can report any breach or violation of those principles via our web-based whistleblower system, which can be used to submit reports anonymously and in encrypted form. These are then examined by the Corporate Legal and Compliance department and, where necessary, lead to corrective measures being taken in close coordination with the specialist units and the management under strict confidentiality. For the reporting year, we are not aware of any violations of the Code of Conduct principles.

The basis of our own corporate actions and collaborations with suppliers and partners lies in our commitment to universally valid human rights and recognised social standards. Therefore, the Code of Conduct and our Declaration of principles on the German Supply Chain Act (LkSG) reflect the principles relating to human rights and decent working conditions in accordance with the United Nations Charter of Human Rights and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work. In addition, the Code of Conduct adopts the content of various national regulations on conflict minerals as its guideline for a responsible procurement policy. Protecting the environment is likewise integrated into our Code of Conduct and our Declaration of principles on the German Supply Chain Act. Following the recent changes, our entire value chain is committed to ensuring compliance with all environmental regulations and further measures for continuous improvement of environmental and energy efficiency.

Elements of the Novem Code of Conduct

- Compliance with applicable laws on a local, national and international level
- General principles of conduct
- Working conditions and human rights
- Dealings with business partners and third parties
- Competition and corruption
- Protection of property
- Data privacy and data security
- Protection of the environment
- Communication and financial responsibility

Compliance

Conduct in accordance with integrity and statutory legislation forms the basis for our business operations. We have clearly formulated the ground rules for this behaviour in our Code of Conduct. Novem upholds fair and undistorted competition involving compliance with the relevant competition and antitrust regulations. Each Novem employee is responsible for acting in conformity with these principles. They are supported and advised by the relevant supervisors.

At Novem, the Corporate Legal and Compliance department, which reports directly to the Management Board, manages the issue of compliance. Compliance management supports adherence to ethical conduct in accordance with statutory regulations in the course of routine day-to-day business and ensures integrity at an organisational level. For this purpose, compliance management works closely with the specialist departments and operational business units. Furthermore, local compliance partners are available to provide advice at all locations worldwide. Employees, external business partners and any other stakeholders alike can report

any breaches or infringements of these principles by telephone, email or via the web-based whistleblower system linked on our website www.novem.com.

Our Compliance Policy provides our employees with concrete guidelines for acting harmoniously with the rules and regulations. This document can be viewed at any time on the intranet. In the reporting year, we offered further training on the content of the Code of Conduct, the issue of anti-bribery, competition and antitrust law, the General Act on Equal Treatment (AGG) as well as on IT, information security and data privacy. All were attended with high participation rates of well beyond 90%. These trainings help to sensitise our employees on how to deal with partners and suppliers while behaving with integrity and in compliance with the law. We continue to provide all relevant employees with training on these topics annually. For the reporting year, we are not aware of any incidence of corruption. We conduct workshops with the specialised departments to provide ongoing training on selected compliance-relevant topics at regular intervals.

In principle, we record potential corruption risks as part of our compliance risk management and assess them based on probability and damage consequences. We also conducted compliance risk workshops and analyses at all locations worldwide in the reporting year. The insights gained from these workshops are incorporated into the group-wide compliance management system.

Risk management

Novem deals with any and all risks that may exist or occur from and for its business activities as part of its central risk management in the Controlling department. We endeavour to continuously improve this risk management in accordance with the growth of the Group, for instance, by integrating sustainability aspects. This involves analysing matters such as transitory risks as a result of new statutory legislation and regulations on climate protection, such as the introduction of a CO2 tax or a ban on combustion engines in large cities. We also take technological innovations into account. From today's viewpoint, there are no specific ESG-related (Environmental, Social and Governance) risks or opportunities in association with Novem's own business activities, business relationships or products and services that could have a significant negative impact on the non-financial aspects in accordance with the NFRD. To keep track, we work with the *EcoVadis IQ* application, which is integrated into our supplier quality management system. We also use this tool for the ESG risk assessment of our own business area and the downstream value chain, among other things, to fulfil the obligations of the German Supply Chain Act.

Taxes

Operating globally, we are confronted with a wide range of complex tax regulations in the countries we do business in. The Novem Group and its companies have both unrestricted and restricted tax liability in various countries. Complying with the applicable tax laws and meeting the associated tax obligations is part of our fundamental principles. In financial year 2024/25, we released a comprehensive tax compliance handbook as part of our ongoing commitment to responsible corporate governance and transparent tax practices. With this initiative, the Group strengthens its efforts to align tax practices with its corporate values and to contribute to the sustainable development of the communities in which we operate.

At Novem, the Management Board is responsible for compliance with tax obligations. Based on the allocation of business activity, this responsibility is operationally the remit of the Senior Manager Corporate Tax. Novem is audited by the tax authorities in several jurisdictions on a regular basis. Information is continuously exchanged with the respective local and national tax authorities. Within the Group, we constantly identify and assess tax risks on the basis of management and controlling systems. The Senior Manager Corporate Tax and the Management Board report monthly to Supervisory Board committees on important tax issues and projects. If complex decisions must be made, expert reports and opinions are obtained from outside the company. The area of corporate taxes underlies a complex, fast-moving and highly regulated framework that requires constant review. On the one hand, this requires the area to be backed by educated and trained personnel and, on the other hand, efficient and effective processes are needed, which must be further enhanced and strengthened through system-oriented checks.

Data protection and information security

Protecting data and maintaining the confidentiality of information are integral parts of our corporate principles. We always adhere to the relevant laws and regulations on data protection whenever we collect, store, process or transfer personal data and information.

Protecting confidential and secret data is absolutely essential, particularly in our cooperation with business partners. When we exchange confidential information with our customers and suppliers, we conclude appropriate non-disclosure agreements to protect the secrecy of the shared information. To fulfil our responsibility, Novem has a dedicated IT and information

security team that is composed of representatives from IT Security and Compliance and reports to the Executive Board on a quarterly basis. We have also established a central notification office at Novem for IT issues and malfunctions relevant to security. The Novem Group is also supported by an external Data Protection Officer.

To safeguard the necessary IT and information security, Novem has implemented a certified information security management system in accordance with the TISAX Standard (Trusted Information Security Assessment Exchange). This is based on the ISO 27001 standard. In this context, we have implemented and tested technical and organisational measures. These are reviewed, improved and renewed continuously. In financial year 2025/26, we successfully recertified our plants in Atlanta, Langfang and Querétaro. In addition, we also continue to internally assess all plants and locations regarding IT and information security.

Every employee has an obligation to handle personal data responsibly in compliance with applicable statutory regulations and to safeguard confidential information. To facilitate this, we have summarised all provisions under data protection legislation and regulations on IT and information security in relevant guidelines. In addition, we have prepared a policy regarding the business use of Artificial Intelligence (AI) applications in the financial year 2025/26 in order to strengthen Novem for future initiatives. During regular online training sessions, our employees receive information on the topics of data protection, IT and information security. In the reporting year, well beyond 90% of employees with PC workstations at the European locations participated in online training on IT and information security. Furthermore, a continuously running phishing simulation was implemented and will be maintained globally to raise awareness for cybersecurity. Moreover, we entered a partnership with a leading cybersecurity vendor. Novem has completed a baseline hardening with external experts, which included a holistic evaluation of the security of its IT system and comprehensive measures to address potential vulnerabilities. In this context, network security was further enhanced through a more granular configuration of network segments, thereby strengthening protection against unauthorised access and limiting potential lateral movement. In parallel, we have initiated a strategic review of our overall wide area network (WAN) technology to ensure that the company is well positioned to meet increasing requirements for mobile working, scalability, flexibility, performance and security. Beyond that, an external penetration test was successfully conducted in mid-2025 and another external penetration test is scheduled for financial year 2026/27. In addition, we have further streamlined and standardised our group-wide information security risk management by implementing a dedicated Information Security Management System (ISMS) solution, providing greater transparency, consistency and comparability of information security risks across the organisation.

SUPPLY CHAIN

Supplier management and sustainable procurement

In light of the large variety of materials we use, our value chain is highly diverse. It is, consequently, essential for us to build stable, trusting and long-term relationships with our partners. This is the basis for purchasing materials that meet our demanding quality requirements. Close partnerships also enable us to rapidly adapt to changing and more stringent requirements.

The supply chain at Novem

During the reporting year, we purchased goods valued at €275 million (PY: €289 million). With regard to production materials, we maintain a global network of around 370 suppliers, ranging from small family businesses to large corporations. In terms of sales, the largest product groups include untreated, galvanised and painted plastic parts, electrical components, surface materials, granules, speaker grilles, aluminium sheets and veneers. Altogether, these account for around 84% (PY: 84%) of the total procurement volume.

Purchasing at Novem is organised centrally based on product groups. Moreover, local Purchasing departments support the procurement of goods. At Novem, the procurement strategy provides for sourcing the necessary materials for series production from national suppliers wherever possible. With this approach, the risk of delivery bottlenecks is minimised, long transport routes are avoided and the local economy is supported. However, the high requirements placed on our products by our customers mean that this is only feasible to a certain extent in some countries. The share of local sourcing totalled 70% (PY: 72%). For auxiliary and process materials, the figure increased by six percentage points to 95% (PY: 89%).

Guidelines for procurement

The Novem Code of Conduct as well as the Declaration of principles on the German Supply Chain Act define basic requirements that we apply to our cooperation with suppliers, such as the prohibition of child labour, respect for human rights, commitment to freedom of association and compliance with environmental regulations. We are not aware of any infringements of these requirements within the Novem supplier network in the reporting year. As part of the supplier management, we randomly review compliance with the Code of Conduct and our Declaration of principles on the German Supply Chain Act. Suspected breaches can be reported to our central compliance management by either internal personnel or external parties. Business partners, suppliers and third parties can also submit reports via our web-based whistleblower system. If infringements of the Code of Conduct and/or the Declaration of principles on the German Supply Chain Act are substantiated, Novem requests immediate compliance and reserves the right to impose sanctions as appropriate (e.g. new business on hold). This also includes the possibility of terminating the business relationship.

In our Supplier Manual, we describe specific, group-wide standards for supplier relationships. These include quality, environmental and health protection as well as compliance with the principles laid down in our Code of Conduct and the Declaration of principles on the German Supply Chain Act. In this context, our suppliers are expected to have an energy management system in place, implement the EU Chemicals Regulation (REACH), confirm the exclusion of conflict minerals and use reusable packaging.

Environmental and social standards

The Novem supplier network covers several countries, each with varying environmental and social requirements. Naturally, we always comply with national legislation in these areas. Wherever our internal rules transcend the relevant statutory regulations, we apply our higher standards. We have established the social and environmental requirements applicable to our suppliers in the group-wide Novem procurement conditions, the Supplier Manual, the Declaration of principles on the German Supply Chain Act and the Code of Conduct. All Novem employees worldwide undergo annual training on the Code of Conduct, covering human rights within our value chain.

All new suppliers of series materials are required by Novem to confirm compliance with the Code of Conduct and the Supplier Manual. In accordance with these requirements, new suppliers can only be incorporated into the system if they have made a commitment to compliance with the Code of Conduct. Environmental management also plays an important role when selecting new suppliers. Certification of specific suppliers in conformity with ISO 14001 and ISO 50001 has therefore been defined as an objective. Relevant suppliers are determined based on an assessment of the manufacturing processes for the supplied products each year.

The certification is included in the annual supplier assessment. Presently, 75% (PY: 76%) of the largest suppliers of series materials in terms of purchasing volume comply with the ISO 14001 standard, and 56% (PY: 44%) comply with the ISO 50001 standard. Failure on the part of a supplier to comply with this requirement has a negative impact on the supplier assessment in accordance with IATF 16949. Since financial year 2021/22, the evaluation of suppliers of relevant product groups includes whether they have realised a certified occupational health and safety management system in accordance with ISO 45001 standard.

In the reporting year, we successfully continued the evaluation of our suppliers by *EcoVadis IQ* platform. Suppliers accounting for 97% (PY: 97%) of annual turnover were assessed in financial year 2025/26. We have, thus, outperformed our target of evaluating suppliers that account for at least 90% of revenue. The Corporate Social Responsibility (CSR) assessment is incorporated into the general supplier assessment.

As required by the German Supply Chain Act, we have integrated the EcoVadis IQ tool into our risk-based approach and have been preparing the corresponding report annually in accordance with the statutory obligations since 2024. Although Novem is not any more subject to the statutory obligation to file report for the financial year 2025/26, we continue internally to closely monitor the relevant regulatory obligations. We estimate the risk of human rights violations in our supply chains as very low, given that most of our suppliers are well-established, globally recognised and certified companies within the automotive industry.

EMPLOYEES AND SOCIETY

Decent working conditions

Our employees, with their knowledge, their motivation and their commitment, constitute our most valuable asset. As outlined in our corporate policy, ensuring the health and safety of our employees is our top priority. We offer all our employees a working environment characterised by fairness and trust, irrespective of their location. Therefore, our overarching personnel strategy is based on the universally applicable corporate values of the Novem Group: *Responsibility, Excellence, Innovation* and *Commitment*.

Our Code of Conduct defines our way of working together across all our locations. To safeguard the standards and principles for personnel work in the interests of the Group, human resources at Novem are managed both centrally and decentrally at the different locations to ensure that all employees receive the best possible support and development at a local level. Every employee has a dedicated local contact to whom they can turn with their issues and concerns. We promote international communication through our worldwide HR Conferences and regular weekly meetings with the HR managers at our sites.

A total of 4,082 people were employed at our locations worldwide by the end of the financial year 2025/26. During this period, we were able to recruit a total of 339 new employees.

The undesired fluctuation rate among employees was around 0.9% for the central office in the reporting year (PY: 3.3%). To keep this fluctuation at a low level, we are increasing our efforts to develop up-and-coming junior staff and are focusing our human resources work on further training for managers. Furthermore, the undesired fluctuation rate in the central office was incorporated into the HR goals on a management level to increase the focus on this figure and to ensure we pay more attention to the reasons why employees decide to leave. This information is gained through exit interviews and analysis with the respective superiors. Where appropriate, we also use a tool that allows us to detect the risk of employees leaving the company at an early stage. The findings are used to define further measures to avoid undesired fluctuation.

Employees by region and gender at the Novem Group

	FY 2023/24	FY 2024/25	FY 2025/26
Europe			
Total	**2,434**	**2,126**	**2,005**
Female	43%	43%	43%
Male	57%	57%	57%
Americas			
Total	**1,780**	**1,804**	**1,621**
Female	47%	48%	48%
Male	53%	52%	52%
Asia			
Total	**673**	**579**	**456**
Female	37%	36%	38%
Male	63%	64%	62%
Total worldwide	**4,887**	**4,509**	**4,082**

Dialogue and communication

Our commitment to collective freedom of association is also included in our common purpose. We therefore promote close cooperation with employee representatives at several levels. The consideration of employee interests is anchored in our Code of Conduct and is equally valid at all locations. During the reporting period, there were no business locations where the right to freedom of association and collective bargaining was infringed or put at risk.

Depending on country and location, the form of direct and indirect participation of employees at Novem varies. In Germany, the Works Constitution Act regulates the corporate co-determination of employees. We also work with the local works councils at each location based on mutual trust. The economic situation of the business is regularly discussed on the Economics Committee. Potential workforce changes are always discussed with the works council. We inform our employees in good time of any operational changes that may have an impact on them by posting notifications on the bulletin board and on our intranet *NovemNET*. In the case of time-limited collective bargaining agreements and company agreements, we approach the respective contractual party in a timely manner to initiate the conclusion of new agreements as necessary.

We are also committed to working closely with employee representatives across our organisation, for example, with the local unions at our German sites in Eschenbach and Vorbach as well as at our international locations in Langfang, Querétaro and Žalec. Our approach is built on mutual respect and trust, and we strive to find solutions to issues and challenges that take appropriate account of all parties' interests.

Attractive employer

We offer our employees a working environment that also recognises their performance through financial rewards. We provide performance-based compensation systems worldwide through bonus systems that we have established in the individual countries. In Germany, around 90% of all employees are remunerated under collective bargaining agreements. In addition, there are non-payscale components that take into account the individual operational circumstances in the different departments.

Additional benefits complete our compensation package. In Germany, we offer to contribute to an additional pension plan for our employees. Besides this, we offer them capital-forming benefits under the collective bargaining agreement. We also provide a corporate benefits programme, fitness network membership and bike leasing programme for our employees in Germany. Beyond that, we acknowledge the changing needs of our employees and support a healthy work-life balance for combining career ambitions and familial responsibilities. We therefore support flexible working models and offer individual solutions in consultation with our employees.

We likewise provide our employees with remuneration packages that frequently extend beyond the local statutory regulations at our international locations. For example, Novem enables numerous employees in Mexico and Honduras to obtain health and life insurance. Novem also offers employees in these two countries financial benefits such as vacation and Christmas bonuses in addition to the statutory requirements.

Number of employees on parental leave

	FY 2023/24	FY 2024/25	FY 2025/26
Employees in Germany	1,146	1,024	935
On parental leave			
Female	34	33	29
Male	29	30	25
Total	**63**	**63**	**54**

With our attractive conditions, our goal is to retain our staff while also attracting new talents. This is increasingly important in view of the current labour market challenges: demographic change and the associated shortage of skilled workers are having an impact on Novem – especially when it comes to filling vacant positions. However, depending on the specific location and local economic conditions, it is becoming increasingly challenging to find specialists, particularly in the fields of engineering and IT. For this reason, we have implemented the *onboarding+* programme in our central office to ensure an even better onboarding of our valuable employees. During the programme, they not only get to know the company and its processes but also gain deep insights into how departments collaborate and become familiar with their own future role as members of a successful team. The great success of this programme provided the foundation for its subsequent implementation on a worldwide basis. Besides our *onboarding+* programme, we also want to attract new talents through alternative communication channels, such as Instagram. The account, successfully implemented in 2022, provides insights into working at Novem, the benefits we offer our employees and our understanding of teamwork. We also use this as a platform to show and remind our own employees of what Novem provides. At the same time, this allows us to reach younger target groups better, such as trainees, participants in dual study degree programmes and career starters. Furthermore, we started collaborating with an external agency to continue improving our employer branding and social media marketing. From September 2022 until the end of financial year 2025/26, we created 412 posts and gained more than 1,200 followers.

Health and safety

We protect the health and safety of our employees through a comprehensive health and safety management system. The topics of workplace safety and health protection within the Novem Group are managed by the central EHS team within the Central Quality Management. Additionally, each site has an EHS Officer who is responsible for implementing the central objectives and goals.

Novem has defined multilocational processes in the guideline for health and safety to comply with statutory requirements for health and safety. We have a certified occupational health and safety system in conformity with ISO 45001 in place since financial year 2022/23. The German locations in Eschenbach and Vorbach as well as the production sites in Langfang, Pilsen, Querétaro and Žalec were successively certified.

Safety in the workplace

We are obliged to comply with the legal requirements for health and safety. Furthermore, we want to contribute to improving systems and take appropriate action to prevent accidents from occurring. Our emphasis lies on correctly handling hazardous substances such as paints, coatings and finishes.

Our risk assessment process forms the basis for hazard- and accident-free work. Holistically designed, it covers all the key steps: hazards are determined, the level of risk is assessed and protective measures are defined on this basis. The method is strictly regulated and national, international and Novem-specific requirements are considered. This ensures a comprehensive view of the workplace while guaranteeing the highest possible level of safety. It can therefore be applied to all Novem locations and is correspondingly implemented everywhere. We review and update risk assessments on a regular basis, for example, when new work resources are introduced, when new workplace conditions arise, in response to accidents or to evaluate existing protective measures.

All our employees are consistently involved in workplace safety topics. Employees must immediately inform their supervisors of work-related risks or hazardous situations. As part of the quarterly occupational safety committee meetings held at our German locations, we provide an opportunity for employee and employer representatives to address current issues relating to health and safety. Similar meetings are also organised at our locations abroad.

We regularly train our employees in occupational safety matters, using digital training methods and practical instruction sessions at relevant potential hazard points. The relevant EHS departments prepare and conduct the training sessions, partly in cooperation with the specialist departments. Our employees in administration at the Group's central office receive annual safety briefings.

Besides this, we ensure that all third-party subcontractors can operate with maximum safety at Novem sites. A leaflet provides details regarding all relevant plant-specific regulations, along with instructions on workplace and plant safety, fire prevention and environmental protection. Simultaneously, we expect our suppliers to adhere to all statutory and country-specific regulations as well as plant-specific rules at Novem.

Indicators for health and safety at the Novem Group

per 1 million hours worked	FY 2023/24	FY 2024/25	FY 2025/26
Number of occupational accidents with a period of absence	76	55	56
LTIF (Lost Time Injury Frequency)	7.4	5.9	6.5
Number of fatal occupational accidents	0	0	0

Health promotion

Apart from prioritising workplace safety, we also actively promote the health of our employees. As a central component, our integrated Company Healthcare Management (CHM) goes beyond the statutory requirements and includes numerous measures for basic medical care and preventive health care.

In order to promote health awareness, Health Days are organised not only at our German locations from time to time. During these events, our employees have the opportunity to attend presentations or participate in health checks at various stations.

All Novem employees have access to an occupational health service. Every location has its own company doctor, who carries out all functions under the workplace safety laws and participates in tours of inspection to assess ergonomic conditions. The locations of Querétaro and Tegucigalpa have a medical service that also provides basic medical care. At the German sites and many locations abroad, the occupational healthcare service also offers vaccinations directly on-site.

Equal opportunity and diversity

Our Code of Conduct defines principles for a working environment that promotes diversity and guarantees equal opportunities and equal treatment, regardless of ethnic background, skin colour, gender, identity, disability, beliefs, religion, nationality, sexual orientation or social origin.

The Novem Group is opposed to all forms of discrimination. Every superior is urged to be the first point of contact for possible cases of discrimination. Internal and external notifications and infringements can also be reported confidently using the whistleblower reporting system on the company website or by email to Corporate Legal and Compliance. Besides this, any affected employee can consult the relevant works council. No cases of discrimination became known at Novem in the reporting year 2025/26.

At Novem, we support the principle of equal opportunities and equal treatment. Our employees receive the same remuneration for equivalent work, irrespective of gender. Across the world in 2025/26, the proportion of women directly reporting to the Management Board was 14% (PY: 22%). At the end of 2025/26, the share of women on the Management Board was 0% (PY: 20%), while the share of women on the Supervisory Board was 20% (PY: 20%).

We are also committed to encouraging young women for technical vocations and study courses, such as wood technology or mechanical engineering. As part of this initiative, Novem has already participated in *Girls' Day* several times and plans to do so again. The mix of technical and commercial fields of study is well-balanced, and both young women and men are highly dedicated and engaged in pursuing their respective studies together with Novem.

Inclusion also plays an essential role at Novem. We employ people with disabilities and thus promote their social participation. During the year under review, we exceeded the statutory quota in Germany for employing people with disabilities by around 90% (PY: 60%).

Commitment to society

Novem sees itself as a global corporate citizen and therefore as part of society. Consequently, we are committed to taking responsibility beyond the boundaries of our Group and to playing our part in ensuring that the communities at our locations continue to develop sustainably in the future. We contribute to a sustainable society above all through cash and in-kind donations, while also actively engaging with the communities in which we operate. The volume of donations and sponsorships for the financial year 2025/26 amounted to approximately €22,000. The Management approved and supported all activities in line with our business principles.

We see it as our responsibility to strengthen social, cultural and community life. Our donations and sponsorships focus on promoting local and regional facilities, associations and organisations at the individual sites where the Group is located. We support public organisations in the local communities, such as kindergartens, schools and sports clubs.

ENERGY AND EMISSIONS

Climate protection

Our corporate policy defines environmental protection, energy-saving and careful use of resources as essential to our identity. For us, optimising energy usage while minimising greenhouse gas emissions is indispensable.

The central EHS team, as part of Central Quality Management, covers the group-wide responsibility for environmental concerns. Each location also has an EHS Officer responsible for enforcing and monitoring central regulations and site-specific measures. They are appointed by the facility management and in agreement with central EHS at the Novem Group. The central EHS department, in cooperation with the Management Board, sets group-wide targets each year, on the basis of which the Novem locations define their own environmental targets and action plans.

All Novem production sites worldwide have certified environmental management systems in accordance with ISO 14001. This also applies to the identification of potential negative impacts. To record these throughout the individual stages, we have carried out a mandatory impact assessment at all our sites every year since 2009 to derive appropriate group-wide targets and measures. For each individual category of relevant environmental impact, including for instance waste, water and emissions, the severity and probability of occurrence are evaluated in conjunction with the applicable legal framework.

The EHS Officers at each plant report the environmental impacts to the respective Plant Manager and the central EHS Manager regularly. We also actively monitor ESG-related risks and opportunities and all relevant regulatory environmental risks impacting our business. We monitor national and international environmental legislation as well as customer-specific requirements, for example, along with other regulations, in order to exclude possible violations (Sustainability organisation of Novem).

Energy consumption

As a manufacturing company, the various stages in our production processes require a considerable amount of energy. The majority is used for surface manufacturing, injection moulding, pressing and milling operations, primarily sourced from electricity and natural gas.

Our German locations in Eschenbach and Vorbach as well as the production site in Žalec are certified in accordance with the energy management standard ISO 50001. At the Pilsen site, Novem operates an energy audit system compliant with ISO 16247.

In cooperation with the EHS and Maintenance teams at the plants, our central Energy Manager constantly reviews our overall energy consumption and the associated savings potential. Since October 2024, regular energy tables have been taking place at all Novem locations to exchange expertise, discuss challenges and share best practice measures to enhance the Group's overall energy performance. These activities are complemented by the use of an external energy data recording system at our sites in Eschenbach, Pilsen, Vorbach and Žalec. At the Querétaro site, the system has already been partially integrated and the remaining implementation steps are currently underway. The location also operates a Schneider metering system in line with federal regulations. Implementation of the external energy data recording system has also commenced at the site in Tegucigalpa.

Locations featuring integrated metering systems enable effective peak load management. Load profiles can be analysed and demand peaks identified to support better control of energy use and more stable consumption patterns. This contributes to the efficient utilisation of existing connection capacity, the reduction of energy related costs and stable operational conditions.

Modern and efficient technology is a top priority when implementing new infrastructure or upgrading the manufacturing process. This includes, for example, installing energy-efficient heating or cooling systems, air-heating pumps and LED lighting. Energy efficiency is an important driver in reducing the Group's operational greenhouse gas emissions. Improvements in energy performance contribute to lowering emissions and support the transition to low-carbon production processes in line with Novem's climate roadmap. The structured monitoring of consumption data, the use of metering technology and the introduction of peak load management provide a solid basis for informed decisions on energy sourcing, efficiency upgrades and future investments, while supporting transparent reporting and compliance with evolving regulatory expectations.

Energy consumption by energy source

in kWh	FY 2023/24	FY 2024/25	FY 2025/26
Consumption of non-renewable fuels (oil and gas)	25,485,119	22,546,908	19,714,204
Electricity, heat and cooling energy and steam purchased for consumption, individually (electricity and district heating)	110,412,711	97,256,148	95,612,980
Total energy consumption	**135,897,830**	**119,803,056**	**115,327,184**

Energy intensity

	FY 2023/24	FY 2024/25	FY 2025/26
Total consumption (in kWh)	135,897,830	119,803,056	115,327,184
Produced parts	24,326,075	19,658,760	17,866,593
Energy intensity ratio (kWh/part)	**5.6**	**6.1**	**6.5**

Greenhouse gas emissions

Greenhouse gas emissions arise from energy use at our production facilities as well as from upstream and downstream activities within our value chain. Managing and reducing these emissions is an integral part of our long-term corporate strategy. We achieved greenhouse gas neutrality in Germany by the end of calendar year 2025 and delivered on our climate commitment. By continuously reducing and offsetting emissions, we aim to achieve greenhouse gas neutrality at our European sites by 2030 and worldwide by 2035.

We calculate our greenhouse gas emissions in accordance with the Greenhouse Gas (GHG) Protocol. The calculation distinguishes between direct emissions (Scope 1), indirect emissions from purchased energy (Scope 2) and other indirect emissions along the value chain (Scope 3). Scope 1 emissions at Novem mainly result from the combustion of fuels at our sites, with natural gas and heating oil as the dominant sources. Scope 2 emissions originate from the electricity supplied to our production sites. Scope 3 emissions arise primarily from purchased raw materials, intermediate products and logistics activities. We are systematically recording Scope 1 and Scope 2 emissions for prioritised emission sources and are expanding our database across all scopes and entities to establish a comprehensive Corporate Carbon Footprint (CCF).

In the reporting year, the Group recorded a reduction in Scope 1 and Scope 2 emissions compared to previous year. This decline was driven by both lower operational volume effects and structural efficiency improvements. While reduced production volumes contributed to lower absolute emissions, a more favorable energy mix further supported the positive trend.

In parallel, additional efficiency measures were implemented. The intensified monitoring of thermal energy demand, combined with a temporary decline in capacity utilisation, enabled the consolidation of production areas and their partial decoupling from energy supply. In addition, the optimisation of heating system performance led to a structurally lower energy demand. Scope 1 and Scope 2 emissions were further reduced through numerous smaller, incremental efficiency initiatives implemented at several sites. Moreover, reduced business travel activities, particularly lower air travel volumes, had a minor supportive effect.

Transitioning to renewable electricity remained a key lever for reducing Scope 2 emissions. Since 1 January 2024, the Langfang site has met its entire electricity demand through renewable sources. The German sites in Eschenbach and Vorbach have followed since 1 January 2025. Further increasing the share of green electricity, for instance, supports our commitment of achieving greenhouse gas neutrality in Europe by 2030 and globally by 2035. This objective is pursued through energy efficiency in production and infrastructure, the progressive decarbonisation of our electricity supply, process optimisation and supplier collaboration to address upstream emissions.

In line with our strategy, Novem reached its 2025 commitment for climate neutrality in Germany by achieving greenhouse gas neutrality on an accounting basis in Eschenbach and Vorbach. The assessment was based on a comprehensive greenhouse gas inventory prepared in accordance with the GHG Protocol for the last financial year 2024/25. Building on the results, a verified and actionable reduction plan was developed. Following the completion of the certification process conducted by *Gesellschaft für Klimaschutz für die Holzindustrie*, Novem was awarded the right to use the label *Climate Neutral Company*.

Already collected data shows that purchased materials account for a substantial share of total greenhouse gas emissions in Scope 3. We therefore engage with

suppliers to obtain primary emission data for raw materials and intermediate products. This aims to enhance data quality, strengthen transparency and support effective reduction measures along the value chain.

Scope 1 – Direct GHG emissions

in tonnes of CO2 equivalent	FY 2023/24	FY 2024/25	FY 2025/26
Natural gas	4,972	4,319	3,340
Heating oil	1,831	1,741	1,554
LPG	221	237	262
Refrigerants	852	534	1,291
Fuels (company car fleet) incl. flights	1,347	1,464[1]	1,243[2]
Total Scope 1 emissions	**9,224**	**8,295**	**7,690**

1 Methodology according to VDR standard
2 Calculation based on a spend-based method

Scope 2 – Indirect GHG emissions

in tonnes of CO2 equivalent	FY 2023/24	FY 2024/25	FY 2025/26
Power[1]	56,305	33,434	26,116
Total Scope 2 emissions	**56,305**	**33,434**	**26,116**

1 The market-based method was applied for this calculation; value for FY 2025/26 by location-based method: 38,808t CO2 equivalent.

Scope 1 & 2 – GHG emission intensity

	FY 2023/24	FY 2024/25	FY 2025/26
Total GHG emissions (in t CO2 equivalent)	65,529	41,728	33,806
Produced parts	24,326,075	19,658,760	17,866,593
GHG emission intensity (t CO2 equivalent/part)	**0.00269**	**0.00212**	**0.00189**

Alaska ash open pore

3 Group Management Report

CORPORATE STRUCTURE AND BUSINESS ACTIVITIES

Novem Group S.A., Luxembourg, hereafter also referred to as the "Company", is a public limited liability company (Société Anonyme) incorporated in Luxembourg and governed by Luxembourg Law. The Company's registered office is at 19, rue Edmond Reuter, 5326 Contern, Luxembourg.

Novem Group S.A. is the parent of the Novem Group including its subsidiaries (hereinafter referred to as "Novem" or the "Group"). To ensure and maintain proximity to customers, the Group has a global presence with 11 locations in China, the Czech Republic, Germany, Honduras, Luxembourg, Mexico, Slovenia and the USA. The financial year of the Group is a 12-month period from 1 April until 31 March of the following year.

The Group did not purchase any own shares in the financial year ended 31 March 2026 and did not hold any own shares at that time.

As the global market leader in high-end vehicle interiors, the Group operates as a developer, supplier and system supplier for trim parts and decorative functional elements. Novem also conducts business in the premium exterior trim market, transferring its expertise in car interiors to exterior components. This year, the Group took its initial steps into adjacent mobility segments and is opening up further opportunities by leveraging its comprehensive knowledge. Novem's products combine valuable raw materials with the latest technology and processing. The customers include all major premium carmakers worldwide. The Group has an extensive and exclusive product portfolio of instrument panels, impact-resistant trim parts in the centre console, door trims, beltlines and decorative functional elements in the car interior and exterior. Premium materials are used to ensure high quality standards. The surfaces are versatile, ranging from fine woods, aluminium and carbon to premium synthetics or leather, and present a different feel depending on the selection.

For almost 80 years, the Group has successfully used wood as raw material, which has helped the Group become the world leader in fine woods through high quality and natural processing. With the help of new technologies, material combinations and surface finishes, there is a steady and consistent refinement of the processing of this raw material. Trims made of veneers are synonymous with exclusivity, as the natural growth and individual grain of the wood as raw material are unique.

The processing of lightweight metal aluminium is carried out through production processes that preserve the feel of this material. The trims are printed, painted, brushed, polished, galvanised or anodised using advanced methods. This creates surfaces that convey a feeling of sporty elegance and modernity in car interiors as well as exteriors.

Carbon remains a key material for lightweight and high-performance automotive interiors, continuously redefining premium design with its strength and elegance. Furthermore, as a material made of carbon fibres, carbon entails the attributes of impact resistance and temperature resistance. Through high-quality lacquering, priming and polishing processes, its premium finishing creates special 3D effects that give an impression of depth.

Premium synthetics enable versatile design and processing options. A variety of optical effects can be achieved through creative processing techniques. Modern injection moulding processes such as 2K technology ensure excellent profiling and customer-oriented adjustment.

Using novel materials such as rattan, linen or fibreglass, the Group creates a new atmosphere in the vehicle interior. In combination with light, this is how the Group's trendsetting designs are created.

The special material properties not only directly influence the design and atmosphere of the interior but are also specifically selected according to the criteria of sustainability, reduced weight and economy.

Research and development (R&D) plays a pivotal role in reinforcing Novem's position as the global market leader. The Group continuously invests in advanced technologies, materials science and process optimisation to anticipate future trends and meet evolving customer expectations. R&D activities include the development of bespoke solutions that integrate functionalities, such as ambient lighting and smart surfaces, as well as sustainable material alternatives. The Group's commitment to innovation and research is further evidenced by the numerous patents held.

Due to expert knowledge in handling different materials, the Group is able to meet customer requirements at the desired level, as it has done in the past. In order to continuously advance, the Group always uses materials in an innovative manner. This is also underlined by the certification of the Group plants according to IATF 16949 as well as DIN EN ISO 14001 and DIN EN ISO 50001. This ensures environmentally friendly production for the customer, combined with up-to-date quality and environmental requirements.

KEY EVENTS

Throughout the financial year, Novem operated in a challenging environment marked by volatile call-offs and delayed SOPs, requiring continuous adaptability. Moreover, the trading conditions were shaped by global disruptions, largely driven by rising geopolitical tensions and an increasingly fragmented international economic landscape.

Conflicts in key maritime regions, including the South China Sea, the Red Sea and Bab-el-Mandeb as well as the closure of the Strait of Hormuz in the Persian Gulf in late February 2026, severely disrupted global shipping, forcing extensive rerouting, causing delays, higher fuel consumption and congestion. At the same time, volatility in the ocean freight market and operational challenges at Northern European ports exacerbated bottlenecks on routes between Europe and Asia. As a result, many companies shifted time-critical or high-value goods to air freight, driving a notable increase in global air cargo volumes and prompting a reassessment of transport strategies.

Parallel to these logistical challenges, the regulatory and customs landscape became significantly more complex. Several major markets intensified their protectionist measures. These developments increased the demands on origin documentation, duty verification and customs classification, making stronger risk management, flexible planning and modernised customs processes essential. Especially, political and trade policy developments in the US have continued to shape the regional business environment, with elevated tariff risks and an increasingly volatile regulatory landscape. Besides that, new sustainability and ESG-driven import regulations, particularly enhanced obligations under the Carbon Border Adjustment Mechanism (CBAM), have imposed stricter reporting requirements on emissions-intensive imports. For globally active companies, this combination of geopolitical risk, market volatility and regulatory changes created a substantial need for action. Meanwhile, material prices remained stable and Novem achieved the full planned material cost reduction on Group level through specific activities.

Both the ECB and the Fed continued to reduce their respective prime rates over the course of the financial year 2025/26. In total, the ECB lowered its prime rate by additional 50 basis points, bringing it to 2.15%, a level that has remained unchanged since June 2025. The Fed implemented further cuts until December 2025, totalling 75 basis points, bringing the prime rate down to 3.75%. These levels represent the lowest points reached since the series of rate hikes that followed the Covid-19 pandemic in 2022. The outlook for prime rates remained broadly stable, supported by inflation returning to target levels and the absence of indications that further monetary intervention will be required. However, the foreign exchange market continued to exhibit heightened volatility, primarily driven by ongoing political disruptions and the resulting uncertainty regarding future developments.

The exchange rate of the Euro to the US Dollar reached a low of approximately 1.0788 in early April 2025, reflecting renewed tariff discussions and doubts about the US Dollar's continued role as a safe-haven currency. The exchange rate then strengthened steadily to 1.1974 in January 2026 before declining thereafter. With the onset of the conflict in the Middle East, the US Dollar regained value, leading to an exchange rate of 1.1498 at the end of the financial year.

During the financial year 2025/26, negotiations were conducted regarding the extension of existing syndicated loan facilities maturing in July 2026. By the end of April 2026, Novem secured the extension of current facilities until June 2028 and will reduce the volume of term debt by €90.0 million, demonstrating the Group's commitment to deleveraging and a conservative capital structure.

In the financial year 2025/26, Novem achieved a solid order intake. However, the trading environment for Novem has increasingly been shaped by subdued call-offs and shifts in SOPs, partly due to uncertainties among OEMs regarding the continuation of their Electric Vehicle (EV) strategy. As a result, forecast quantities were reviewed and, in many cases, revised downward. As in the last financial year, this combination of softer demand and buyer reluctance led to lower call-offs in 2025/26, despite overall stabilisation in production volumes. To mitigate the impact of these developments and stabilise profitability, further cost-control initiatives and restructuring measures were introduced at the German plants in Eschenbach and Vorbach, including a voluntary severance scheme. After the closure of the production site in Bergamo, Italy, in the financial year 2023/24, the liquidation of the local sales office has been started in December 2025 in response to persistently weak local demand and as part of measures to optimise the overall cost structure. Customer relations have since been managed from the central office in Vorbach.

Acquisitions in the financial year 2025/26 included new platforms from Genesis, General Motors, McLaren, Porsche, Stelato, Volvo and Voyah, among others. Moreover, Novem secured the first pre-development project with Harley-Davidson, opening the door to a new customer base and creating opportunities for further diversification. Besides this, maintaining focus on innovation and new developments remains important to support future growth. In sum, a total number of ten patents were granted during the financial year 2025/26.

Novem successfully launched its light simulation technology into series production to support customers at very early development stages with sketches that closely replicate real-world lighting effects. Furthermore, the first SOP for the Group's forged carbon technology was conducted after its pre-development phase. As an example of innovative capabilities, the newly unveiled centre console authentic control combines functionality and aesthetics for luxury mobility providers by uniting smart innovations with unique materials. Furthermore, Novem initiated a strategic cooperation with a renowned design studio based in Baden-Baden to research emerging interior design trends and innovative materials for both the automotive and aviation industry. For the first time, Novem participated in the Design Week in Baden-Baden and Shanghai, showcasing the latest collections to an international professional audience. The Group also took its initial steps into the aviation sector and demonstrated its capabilities at the Aircraft Interiors Expo (AIX). As one of the industry's leading trade fairs for aircraft cabin interiors, the AIX provided Novem with a platform to position itself as a potential partner for premium aircraft interior applications and to open new business opportunities. Moreover, the Group attended the RedCabin event for the first time, thereby expanding its visibility within the aviation industry at an established innovation forum. Beyond that, Novem increased its presence through coverage in relevant aviation industry publications.

In addition to its diversification initiatives, the new Future Lab department has been established to strengthen diversification from an organisational perspective. Starting at the beginning of the upcoming financial year, the employees of the Future Lab will leverage their expertise in manufacturing, engineering and design to support Novem as intrapreneurs in developing and unlocking new ideas. Apart from that, the introduction of group-wide leadership principles underscores Novem's commitment to optimising leadership performance and more effective HR management. The principles encourage executives to create meaning, for instance, as forming an emotional attachment to tasks, goals and challenges lays the foundation for a trusting, responsible working relationship with employees.

During the financial year 2025/26, all plants of the Novem Group were successfully recertified for the IATF 16949 certificate (International Automotive Task Force), which summarises several quality management systems. Holding up-to-date certificates is mandatory for securing contracts with customers in the automotive sector.

Being an automotive supplier, another important aggregation for Novem to obtain is the TISAX Certification, which ensures compliance with information security standards. In the financial year 2025/26, the recertification of Atlanta, Langfang and Querétaro was successfully completed. The planned recertification of the central office in Vorbach is scheduled for the upcoming financial year. To further enhance protection against phishing and other email-based attack vectors, Novem entered into a partnership with a leading cybersecurity vendor. Moreover, Novem is intensifying its activities in the field of production digitalisation to meet rising customer requirements and uphold its own high quality standards. As part of this effort, the plant in Pilsen has been integrated into the digital production network, accompanied by an expansion of the necessary infrastructure. Novem has also entered into a strategic partnership with a supplier of digital production systems, which will be rolled out gradually across all production sites over the coming years. Since March 2026, the Group has implemented a digital solution for travel expense accounting, reducing manual effort, increasing data transparency and automating processes.

In the financial year 2025/26, Novem successfully achieved greenhouse gas neutrality in Germany at the end of 2025 and fulfilled its climate commitment. By continuously reducing and offsetting emissions, Novem aims to achieve greenhouse gas neutrality in Europe by 2030 and worldwide by 2035. Following the completion of the certification process of the Gesellschaft für Klimaschutz für die Holzindustrie, Novem was awarded the right to use the label Climate Neutral Company. Novem has obtained recertification of the FSC certificate (Forest Stewardship Council®) at its central office in Vorbach and at its plants in Langfang and Pilsen. This process ensures that only exclusively certified veneers from controlled cultivation areas are used in the production process for specific customers. The increasing significance of environmental factors within supply chains requires companies to adapt their processes and seamlessly integrate these considerations into existing processes in order to comply with both legal and customer requirements. Novem is working closely with the respective suppliers to identify and validate alternative surface treatment materials, strengthening its sustainability efforts while preparing for coming amendments to REACH legislation. Besides that, Novem is using the Ecovadis platform to achieve further improvements in sustainability by rating and tracking suppliers. By the end of the financial year 2025/26, 97% of suppliers had been rated and developed using the Ecovadis system. In addition to the Ecovadis sustainability rating, which is now fully implemented, Novem has begun working with its suppliers to obtain specific C02 information. For around 25% of its supply chain, specific CO2 values are available.

BUSINESS AND GENERAL ENVIRONMENT

World economy

In 2025, the global economy expanded at a moderate pace, supported by a gradual easing of monetary policy in major economic regions and a further decline in inflation. Despite this stabilisation, the last year was marked by multiple pressures, which led to rising protectionism, new trade barriers and economic uncertainty.

Geopolitical tensions, regional crises and the economic policy direction of the new US government shaped the economic environment and, at the same time, increased uncertainty for internationally operating companies. Since Trump took office, average tariffs in the United States rose from 2.5% to 17.9% at the beginning of 2026, reaching their highest level since 1934. Following these developments, many governments and companies have adjusted their global supply chains and production networks.

In response to the new political landscape, the European Union sought to diversify its dependencies by establishing new trade relationships. Building on these efforts, the EU-Mercosur Partnership Agreement (EMPA) was concluded in early 2026 after more than 25 years of negotiations, sending a strong signal to both the European and global economy. Upon its ratification, it will establish one of the world's largest free trade zones and open up new economic opportunities. Around the same time, the conflict in the Middle East intensified at the beginning of 2026, fueling concerns about prolonged supply disruptions, driving energy prices significantly higher and putting pressure on financial markets.

As inflation rates declined, central banks continued to lower interest rates during 2025. In the United States, the Federal Reserve (Fed) cut the federal funds rate in three steps toward the end of 2025, each by 25 basis points, to a range of 3.50% to 3.75% in December 2025. In addition to the goal of price stability, this was also intended to counteract downward risks in the labour market. In March 2026, the Fed left the federal funds rate within the target range of 3.5% to 3.75% for the second consecutive time, as the economy is growing solidly but job growth remains subdued and inflation continues to be somewhat elevated. The impact of the war in the Middle East is uncertain. In parallel, the European Central Bank (ECB) pursued its approach of monetary easing in response to the continued decline in inflation in the Eurozone. The ECB lowered its interest rates eight times since the summer of 2024, most recently in June 2025. Since then, the ECB has paused its interest rate cuts to stabilise the inflation rate around its target of 2%. These developments highlight the ongoing efforts of central banks to balance the ongoing normalisation of inflation with the need to support economic activity. In particular, the war in the Middle East is creating significant uncertainty and poses upside risks to inflation and downside risks to economic growth.

Global inflation has continued its downward trend since its peak in 2022, even though overall levels remain elevated. The worldwide inflation rate was 4.1% in 2025, a significant decline compared to 5.7% in 2024. Consumer prices in Germany increased by 2.3% in 2025 in comparison to 2.5% in 2024.

The global economy showed tenuous resilience amid divergent forces and elevated uncertainty. In the calendar year 2025, the global gross domestic product (GDP) increased by 3.4%, remaining broadly unchanged from prior year's growth rate, while regional developments across major markets varied. The GDP rose by 1.4% in the Eurozone, 1.2% in Japan, 2.1% in the USA and 5.0% in China. Overall, despite easing but still elevated inflation, rising tensions and continued volatility, the global economy remained under pressure but proved resilient, with major regions developing differently.

In Germany, the GDP increased by 0.2% in 2025, a slight positive growth rate after two years of recession. Economic growth was driven primarily by higher private and public consumption, while export activities declined again due to higher US tariffs, a stronger Euro and increasing competition from China.

Automotive markets

The global automotive production recorded an increase in 2025 compared to 2024. Therefore, the global light vehicle production in 2025 amounted to 92.9 million, which marked an increase of 3.2% compared to the prior calendar year. However, there were regional differences in development. Asia closed 2025 with an increase in the volume of produced units, amounting to 55.5 million (PY: 52.2 million). Meanwhile, Americas' production volume slightly decreased by -1.5% to 15.1 million (PY: 15.4 million) units. Europe reported a slight decline of -1.7% over the year, with a total of 17.1 million (PY: 17.3 million) produced vehicles.[1]

The automotive industry is undergoing a profound transformation. Manufacturers are facing rising development costs, shifts in global demand, new software-driven business models and growing pressure to bring connected, intelligent vehicles to market. In 2025, the German automotive sector faced trade conflicts, reduced demand in Europe and the emergence of new competitors, especially from China, leading to decreasing profitability and

1 According to GlobalData as per April 2026

restructurings. Despite these challenges, investments in research and development remain essential, particularly in advancing new propulsion technologies, to preserve the industry's competitiveness.

In Germany, more vehicles were registered in 2025, corresponding to an increase of 1.4%. In contrast, there was a decline of -1.0% in the last year. Looking at registrations in Europe, battery-electric vehicles (BEVs) accounted for 17.4% (PY: 13.6%) of the market share in 2025, up from a low baseline one year earlier. Hybrid-electric car registrations captured 34.5% (PY: 30.9%) of the market, remaining the preferred choice among consumers in the EU. Meanwhile, the market share of petrol vehicles fell to 26.6% (PY: 33.3%) and that of diesel cars to 8.9% (PY: 11.9%).

Global demand for electric vehicles continued to grow but remained highly regionally diverse in 2025. While India, China, the UK and Germany were increasingly turning to electrified powertrains, EV adoption in the US showed only marginal growth, with consumers continuing to prefer combustion engines. At the same time, brand loyalty was declining in many markets, including Germany, as buyers paid more attention to price, technology and quality, and were therefore more willing to switch brands. Connectivity was particularly valued when it enhanced safety, while privacy concerns about connected vehicles remained widespread. Software-defined vehicles and OTA updates were particularly well accepted in emerging markets. In contrast, consumers in established markets are more sceptical; globally, service, quality, trust and transparency are the top priorities.

The overall situation on the automotive market remains tense, although a slightly positive trend is emerging. For the current calendar year 2026, the German Association of the Automotive Industry (VDA) forecasts a slight increase of 2.0% in sales for Germany, while sales in Europe are expected to rise by 2.0% and in China by 1.0%, but fall by -4.0% in the USA.

Forecast for global economic development 2026/2027

In spring 2026, the global economy is faced by a sharp rise in prices for crude oil and liquefied natural gas as well as by increased uncertainty stemming from the war in the Middle East. In general, the global economy will continue to grow at a modest pace, supported by strong momentum in trade and investment driven by the boom in artificial intelligence (AI). Monetary policy has been eased worldwide in recent years and is now broadly supporting economic activity in most countries. In addition, fiscal stimulus measures in several countries are driving economic recovery.

In March 2026, the annual inflation rate in the US jumped to 3.3%, a sharp increase from 2.4% in January and February and the highest level since May 2024. It is assumed that the inflation rate will be at 3.5% at the end of the second quarter of 2026 and will stabilise at 2.8% by the end of the year. The inflation trend is important for the US Federal Reserve's future interest rate decisions, which, in turn, have a major impact on the financial markets. The Fed's wait-and-see stance on monetary policy is maintaining. Additional uncertainty stems from the difficult-to-predict impact of the war in the Middle East on the already high inflation rate, which further challenges monetary policy decision-making. The central bank's latest key interest rate projections continue to call for only a 25-basis-point rate cut in 2026, remaining unchanged from the December projection. At present, the key interest rate set by the Fed is in the range of 3.50% to 3.75%.

The overall inflation rate for 2025 was 4.1%. For 2026, the International Monetary Fund (IMF) forecasts an overall inflation rate of 4.4% and a return to 3.7% for 2027. In Germany, the inflation rate remained at 2.2% in 2025, roughly at the same level as previous year. According to the OECD forecast, the rate will fall to 2.1% in 2026, which is close to the ECB's target of 2.0%. Following a phase of interest rate cuts by the ECB and the Fed in 2025, both central banks are currently pausing interest rate reductions. In this context, the ECB emphasises that its monetary policy decisions are based solely on well-founded data. The ECB has signalled its readiness to act to prevent another sharp rise in inflation, and a significant increase in interest rates is likely should the Strait of Hormuz remain closed.

In Germany, the economic output stabilised in 2025 and recorded positive GDP growth after two consecutive years of negative growth rates. Despite rising private and public consumption, GDP grew only marginally due to weak investment and a negative net export contribution. In January 2026, the German government expected a further economic recovery in the current year, with a slight GDP growth of 1.0%, which was revised downward to 0.5% in April 2026. The main cause is the sharp rise in energy and commodity prices resulting from the conflict in the Middle East. Despite the resulting decline in purchasing power, private consumption remains a key pillar of the German economy. In addition, tax incentives and public procurement, particularly in infrastructure and defence, are strengthening investment activity and contributing to economic recovery. Due to ongoing geopolitical uncertainties and existing trade restrictions, the economic recovery is expected to be driven primarily by domestic demand, while external economic pressures are projected to remain.

The IMF forecasts that German GDP will increase slightly by 0.8% in 2026. Global growth is expected to remain broadly steady at 3.1% this year and 3.2% in 2027. For the Eurozone, the IMF projects a 1.1% rise in GDP for 2026 and a 1.2% increase in 2027.

The global economic outlook suggests that global growth will amount to 3.1% in 2026, slightly below previous year's level of 3.4%. The global economy, which remained resilient last year despite higher trade barriers and increased uncertainty, now faces another major challenge due to the war in the Middle East, leading to an outlook marked by downside risks. A protracted or escalating conflict, ongoing geopolitical fragmentation, a revision of expectations regarding productivity gains from AI and a resurgence of trade tensions could significantly slow economic growth and put pressure on financial markets. At the same time, an economic upswing could occur if productivity gains driven by AI take effect more quickly or if trade tensions ease significantly.

According to the IMF, promoting resilience, maintaining credible policy frameworks and strengthening international cooperation are essential for overcoming current volatilities and preparing for future disruptions in an increasingly uncertain global environment.

FINANCIAL PERFORMANCE

in € million	FY 2024/25	FY 2025/26	Change	% change
Revenue	541.5	510.9	-30.5	-5.6%
Increase or (decrease) in finished goods and work in process	2.1	-5.0	-7.1	<-100.0%
Total operating performance	**543.5**	**505.9**	**-37.6**	**-6.9%**
Other operating income	17.3	11.7	-5.5	-32.1%
Cost of materials	-272.1	-256.4	15.7	-5.8%
Personnel expenses	-150.1	-153.3	-3.2	2.1%
Depreciation, amortisation and impairment	-32.1	-30.7	1.5	-4.5%
Other operating expenses	-63.3	-58.7	4.6	-7.3%
Operating result (EBIT)	**43.1**	**18.5**	**-24.6**	**-57.1%**
Finance income	4.7	20.1	15.4	>100.0%
Finance costs	-22.3	-15.9	6.4	-28.7%
Financial result	**-17.7**	**4.2**	**21.9**	**<-100.0%**
Income taxes	-9.3	-10.1	-0.8	9.0%
Deferred taxes	-5.1	-1.4	3.7	-72.7%
Income tax result	**-14.3**	**-11.5**	**2.9**	**-20.0%**
Profit for the period attributable to the shareholders	**11.1**	**11.3**	**0.1**	**1.1%**
Differences from currency translation	-8.7	-12.2	-3.6	41.4%
Items that may subsequently be reclassified to consolidated profit or loss	**-8.7**	**-12.2**	**-3.6**	**41.4%**
Actuarial gains and losses from pensions and similar obligations (before taxes)	2.2	2.2	0.1	3.5%
Taxes on actuarial gains and losses from pensions and similar obligations	-0.6	-0.1	0.5	-78.6%
Items that will not subsequently be reclassified to consolidated profit or loss	**1.6**	**2.1**	**0.5**	**33.6%**
Other comprehensive income/loss, net of tax	**-7.1**	**-10.1**	**-3.1**	**43.1%**
Total comprehensive income/loss for the period attributable to the shareholders	**4.1**	**1.1**	**-2.9**	**-72.3%**
Earnings per share attributable to the equity holders of the parent (in €)				
basic	0.26	0.26	0.0	1.1%
diluted	0.26	0.26	0.0	1.1%

Revenue

Total revenue of €510.9 million in financial year 2025/26 decreased by €-30.5 million or -5.6% compared to last year. Based on prior year (constant) exchange rates, revenue would have been higher by 4.2%. This currency impact was primarily influenced by the US Dollar and Chinese Renminbi. On a segmental basis, revenue in 2025/26 was generated in Americas (€251.7 million), followed by Europe (€213.2 million) and Asia (€46.0 million).

Revenue development

in € million	FY 2024/25	FY 2025/26	% change
Revenue Series	465.9	453.1	-2.7%
Revenue Tooling	75.6	57.8	-23.5%
Revenue	**541.5**	**510.9**	**-5.6%**

Revenue Series

Revenue Series slightly dropped in the financial year 2025/26 and recorded at €453.1 million, -2.7% or €-12.8 million below prior year (PY: €465.9 million). Revenue Series contributed 88.7% of total revenue and remained the key pillar of the business.

Revenue Tooling

Revenue Tooling contributed €57.8 million to total revenue in the current financial year (PY: €75.6 million). This led to a year-on-year decrease of €-17.8 million (-23.5%), mainly because of a different project phasing.

Change in finished goods and work in process

Change of finished goods and work in process decreased by €-7.1 million from €2.1 million in financial year 2024/25 to €-5.0 million in the current year resulting from lower tooling inventories (€-5.2 million), lower finished goods (€-2.9 million) as well as lower profit in stock elimination (€-0.1 million); positively affected by higher work in process (€+1.1 million).

Other operating income

Other income decreased by €-5.5 million from €17.3 million in prior year to €11.7 million in the financial year 2025/26. The negative deviation stemmed from lower income from release of accruals of €-5.8 million, lower income from exchange gains of €-0.6 million and lower other income of €-0.2 million; partly compensated by higher income from other periods of €1.1 million.

Cost of materials

Cost of materials decreased from €-272.1 million in the financial year 2024/25 to €-256.4 million in the current financial year 2025/26, resulting in a year-on-year change of -5.8%. Cost of materials to output (total operating performance) ratio increased by 0.6 percentage points to 50.7%.

Personnel expenses

Personnel expenses amounted to €-153.3 million in financial year 2025/26, up by €-3.2 million or 2.1% compared to financial year 2024/25 (PY: €-150.1 million). As a percentage of total operating performance, personnel expenses increased by 2.7 percentage points year-on-year to 30.3%. The deviation was primarily driven by costs related to additional restructuring measures, including a voluntary severance scheme in Germany.

Depreciation, amortisation and impairment

Depreciation, amortisation and impairment decreased by €1.5 million from €-32.1 million in financial year 2024/25 to €-30.7 million in financial year 2025/26. This development was mainly driven by lower depreciation on other equipment (€+0.8 million) and lower depreciation on buildings and machinery (€+0.7 million).

Other operating expenses

In financial year 2025/26, other operating expenses of €-58.7 million recorded €4.6 million below €-63.3 million in 2024/25. This positive deviation was primarily caused by lower loss allowances on receivables and lower order-related expenses; negatively affected by higher expenses related to other periods.

Finance income and costs

The financial result stood at €4.2 million in the financial year 2025/26 compared to €-17.7 million in the financial year 2024/25.

Novem reported finance income of €20.1 million in 2025/26 (PY: €4.7 million) and recorded €15.4 million above the period last year. This increase was predominantly driven by favourable currency translation effects but negatively affected by lower interest income.

Finance costs amounted to €-15.9 million in the period under review, a substantial decrease of €6.4 million compared to €-22.3 million in 2024/25. This deviation was mainly attributable to lower foreign currency translation effects as well as lower bank interests compared to previous year.

Income tax result

As EBIT declined, the income tax expense of €-11.5 million recorded €2.9 million lower than last year's income tax result of €-14.3 million because of decreased deferred tax expenses in the current financial year 2025/26.

Adjustments

Adj. EBIT

Adj. EBIT is defined as EBIT that has been adjusted by management primarily to exclude extraordinary items. As such, Novem adjusts certain one-off effects to better show the underlying operating performance of the Group. The adjustments made follow a pre-defined and transparent approach and form part of the regular monthly closing and reporting routines.

Adjustments

Adjustments of €13.3 million in the financial year 2025/26 were €7.5 million higher than prior year and contained €12.5 million restructuring costs for downsizing the footprint in Europe and Asia as well as €0.7 million project costs.

The Adj. EBIT margin of 6.2% in 2025/26 fell short of last year's figure of 9.0% by -2.8 percentage points. Therefore, the Adj. EBITDA margin of 12.2% also decreased compared to prior year's margin of 15.0%.

in € million	FY 2024/25	FY 2025/26	Change	% change
Revenue	**541.5**	**510.9**	**-30.5**	**-5.6%**
EBIT	**43.1**	**18.5**	**-24.6**	**-57.1%**
EBIT margin	8.0%	3.6%		
Restructuring	1.0	12.5	11.6	>100.0%
Single impairments	4.3	-	-4.3	-100.0%
Others	0.5	0.7	0.2	42.8%
Exceptional items	4.8	0.7	-4.1	-84.5%
Discontinued operations	-	-	-	-
Adjustments	**5.8**	**13.3**	**7.5**	**>100.0%**
Adj. EBIT	**48.9**	**31.8**	**-17.1**	**-35.0%**
Adj. EBIT margin	9.0%	6.2%		
Depreciation and amortisation	32.1	30.7	-1.5	-4.5%
Adj. EBITDA	**81.0**	**62.5**	**-18.6**	**-22.9%**
Adj. EBITDA margin	15.0%	12.2%		

FINANCIAL POSITION

Assets

in € million	31 Mar 25	31 Mar 26	Change	% change
Intangible assets	3.0	2.7	-0.3	-9.3%
Property, plant and equipment	171.4	151.5	-20.0	-11.6%
Trade receivables	45.1	41.3	-3.8	-8.5%
Other non-current assets	17.1	22.2	5.1	29.9%
Deferred tax assets	5.3	4.4	-0.8	-15.8%
Total non-current assets	**241.9**	**222.1**	**-19.8**	**-8.2%**
Inventories	95.3	85.7	-9.6	-10.1%
Trade receivables	37.2	44.8	7.6	20.5%
Other receivables	28.3	12.9	-15.4	-54.3%
Other current assets	15.3	13.4	-1.9	-12.5%
Cash and cash equivalents	150.1	175.2	25.1	16.7%
Total current assets	**326.2**	**332.0**	**5.8**	**1.8%**
Assets	**568.1**	**554.1**	**-14.0**	**-2.5%**

Equity and liabilities

in € million	31 Mar 25	31 Mar 26	Change	% change
Share capital	0.4	0.4	0.0	0.0%
Capital reserves	539.6	539.6	0.0	0.0%
Retained earnings/accumulated losses	-446.5	-433.5	13.0	-2.9%
Currency translation reserve	0.4	-11.8	-12.2	<-100.0%
Total equity	**93.9**	**94.7**	**0.8**	**0.8%**
Pensions and similar obligations	26.3	25.0	-1.3	-5.0%
Other provisions	2.3	3.2	0.9	39.4%
Financial liabilities	249.3	-	-249.3	-100.0%
Other liabilities	46.4	35.2	-11.1	-24.0%
Deferred tax liabilities	1.7	2.5	0.8	44.5%
Total non-current liabilities	**326.0**	**65.9**	**-260.1**	**-79.8%**
Tax liabilities	1.1	0.9	-0.2	-16.1%
Other provisions	29.2	35.4	6.2	21.3%
Financial liabilities	1.0	250.8	249.8	>100.0%
Trade payables	49.1	33.7	-15.4	-31.3%
Other liabilities	67.9	72.7	4.8	7.1%
Total current liabilities	**148.2**	**393.5**	**245.3**	**>100.0%**
Equity and liabilities	**568.1**	**554.1**	**-14.0**	**-2.5%**

Total assets

Total assets amounted to €554.1 million as of 31 March 2026, reflecting a decline of €-14.0 million or -2.5% compared to the end of last financial year 2024/25 (31 March 2025: €568.1 million).

Non-current assets

Non-current assets decreased from €241.9 million as of 31 March 2025 by -8.2% to €222.1 million as of 31 March 2026. The change was primarily driven by a €-20.0 million or -11.6% decline in property, plant and equipment, mainly reflecting lower investment activity and depreciation in the reporting period.

Current assets

Current assets increased to €332.0 million compared to the previous balance sheet date (31 March 2025: €326.2 million), up €5.8 million or 1.8%. This change was mainly driven by a higher cash position (€+25.1 million) and an increase in trade receivables (€+7.6 million). Reduced other receivables (€-15.4 million) due to lower VAT receivables and lower inventories (€-9.6 million) had an offsetting effect. Through non-recourse factoring, Novem sold trade receivables of €40.0 million as of 31 March 2026, a decrease of €-1.2 million compared to the end of last financial year (31 March 2025: €41.2 million).

Working capital

in € million	31 Mar 25	31 Mar 26	% change
Inventories	53.2	48.3	-9.1%
Trade receivables	25.3	32.2	27.3%
Trade payables	-43.8	-31.7	-27.6%
Trade working capital	**34.7**	**48.9**	**40.7%**
Tooling net	74.8	69.4	-7.3%
Contract assets	14.3	13.8	-3.2%
Total working capital	**123.8**	**132.1**	**6.7%**

Total working capital increased to €132.1 million as of 31 March 2026, up 6.7% from €123.8 million as of 31 March 2025. This increase was primarily driven by significantly lower trade payables and higher trade receivables, partly offset by a decrease in the tooling net position. The most significant changes in tooling net were attributable to a decline in tooling trade receivables of €-3.8 million, lower tooling inventories of €-3.8 million and a higher provision position of €1.8 million. The lower tooling-related trade payables had an offsetting effect of €3.3 million. Consequently, total working capital in % of LTM revenue increased by 3.0% percentage points to 25.9% (31 March 2025: 22.9%).

Equity

As of 31 March 2026, the equity position slightly improved to €94.7 million from €93.9 million at the end of the last financial year 2024/25. The increase was attributable to the profit generated in the financial year 2025/26 (€11.3 million), partially offset by the drop in the currency translation reserve, which fell by €-12.2 million to €-11.8 million as of 31 March 2026 (31 March 2025: €0.4 million).

Non-current liabilities

Non-current liabilities declined from €326.0 million as of 31 March 2025 by €-260.1 million to €65.9 million as of 31 March 2026. The significant reduction was primarily due to the reclassification of financial liabilities to current liabilities, as the term loan has a remaining maturity of less than one year, maturing in July 2026.

Net financial debt

in € million	31 Mar 25	31 Mar 26	% change
Liabilities to banks	250.3	250.8	0.2%
Lease liabilities	48.1	36.5	-24.1%
Gross financial debt	**298.3**	**287.3**	**-3.7%**
Cash and cash equivalents	-150.1	-175.2	16.7%
Net financial debt	**148.2**	**112.1**	**-24.4%**

Gross financial debt as of 31 March 2026 amounted to €287.3 million and therefore recorded a decline of €-11.0 million, mainly attributable to the decrease in lease liabilities of €-11.6 million. Cash and cash equivalents increased by €25.1 million compared to the end of the previous financial year 2024/25. Both effects contributed to the decrease in the net financial debt position by €-36.1 million.

Net leverage

in € million	31 Mar 25	31 Mar 26
Net financial debt	148.2	112.1
LTM Adj. EBITDA	81.0	62.5
Net leverage ratio	**1.8x**	**1.8x**

The net leverage ratio is defined as net financial debt divided by Adj. EBITDA for the last 12 months. The ratio remained stable at 1.8x Adj. EBITDA as of 31 March 2026 compared to the end of the last financial year 2024/25. The reduction in net financial debt was broadly in line with the decline in LTM Adj. EBITDA, keeping the ratio unchanged.

Current liabilities

Current liabilities amounted to €393.5 million as of 31 March 2026, up by €245.3 million compared to 31 March 2025 (€148.2 million). The increase was mainly attributable to higher financial liabilities of €249.8 million due to the reclassification of the term loan from non-current to current liabilities. The €-15.4 million decrease in trade payables had an offsetting effect.

CASH FLOWS

in € million	FY 2024/25	FY 2025/26	Change	% change
Cash flow from operating activities	**41.3**	**56.6**	**15.2**	**36.8%**
Cash flow used in investing activities	**-12.8**	**-8.4**	**4.4**	**-34.4%**
Cash flow used in financing activities	**-18.7**	**-23.2**	**-4.5**	**24.0%**
Net increase (+)/decrease (-) in cash and cash equivalents	**9.8**	**25.0**	**15.2**	**>100.0%**
Effect of exchange rate fluctuations on cash and cash equivalents	-1.2	0.2	1.4	<-100.0%
Cash and cash equivalents at the beginning of the reporting period	141.5	150.1	8.6	6.1%
Cash and cash equivalents at the end of the reporting period	**150.1**	**175.2**	**25.1**	**16.7%**

Cash flow from operating activities

Cash flow from operating activities showed the most significant deviation and developed positively from €41.3 million in the last financial year by €15.2 million to €56.6 million in the financial year 2025/26. The development was mainly attributable to a year-on-year improvement of €20.9 million in cash flows related to income taxes, driven by tax refunds and lower advance tax payments compared to previous year. In addition, the change in provisions of €24.0 million contributed positively to operating cash flow. The above-mentioned effects were partly offset by a higher cash out-flow for trade payables of €-25.8 million and a €-3.7 million decrease in the change in deferred taxes.

Cash flow used in investing activities

Cash out-flow for investing activities reached €-8.4 million in the financial year 2025/26 (PY: €-12.8 million). The cash flow was characterised by lower outflows for investments in property, plant and equipment in the amount of €4.7 million.

Cash flow used in financing activities

Cash out-flow for financing activities increased by €-4.5 million to €-23.2 million in the financial year 2025/26 (PY: €-18.7 million). The effect in cash paid for lease liabilities of €-10.0 million (PY: €-2.0 million) was driven by a cash-effective reduction of €-6.7 million (PY: €-7.7 million) and an additional currency effect of €-3.3 million (PY: €5.7 million). This was partially offset by a lower cash out-flow for interests of €3.9 million.

SEGMENT REPORTING

Europe

External revenue in Europe increased from €206.0 million in the financial year 2024/25 to €213.2 million in the financial year 2025/26 and therefore exceeded previous year by 3.5% or €7.2 million.

Revenue from Europe equalled 41.7% of total revenue in the financial year 2025/26 (PY: 38.0%).

Adj. EBIT in Europe came in at a loss position of €-15.6 million in the financial year 2025/26, reflecting a yearon-year decline of -52.4% (PY: €-10.3 million). As a result, the Adj. EBIT margin also worsened and stood at -6.8% compared to last year's -4.1%.

As total revenue in Europe decreased by -6.7% compared to previous financial year 2024/25 and fixed costs could not be scaled down accordingly, bottom line was again negatively affected. Further cost control initiatives, such as restructuring measures mainly in Germany, were implemented. In addition, operational result was negatively impacted by lower income from others, while favourable commercial items supported Adj. EBIT.

in € million	FY 2024/25	FY 2025/26	% change
External revenue	206.0	213.2	3.5%
Revenue between segments	42.0	18.2	-56.8%
Total revenue	**247.9**	**231.4**	**-6.7%**
Adj. EBIT	-10.3	-15.6	52.4%
Adj. EBIT margin	-4.1%	-6.8%	

Americas

External revenue in Americas declined by -10.4% or €-29.1 million from €280.8 million in the financial year 2024/25 to €251.7 million in the same period of 2025/26. The currency translation effect amounted to €-18.2 million.

In the financial year 2025/26, Americas accounted for 49.3% of total revenue (PY: 51.9%).

Adj. EBIT generated in Americas of €46.4 million in the financial year 2025/26 fell short of prior year (PY: €57.2 million). Consequently, the Adj. EBIT margin also decreased from 15.7% last year to 13.7%.

Shortfall in Americas was mainly driven by the drop in revenue, predominantly attributable to weaker Tooling business, while revenue Series remained stable at prior year's level. Unfavourable project phasing in Tooling as well as a negative FX effect negatively impacted the operating result, while favourable commercial items supported the Adj. EBIT.

in € million	FY 2024/25	FY 2025/26	% change
External revenue	280.8	251.7	-10.4%
Revenue between segments	84.6	86.2	1.9%
Total revenue	**365.3**	**337.9**	**-7.5%**
Adj. EBIT	57.2	46.4	-19.0%
Adj. EBIT margin	15.7%	13.7%	

Asia

External revenue in Asia decreased by -15.9% or €-8.7 million from €54.8 million last year to €46.0 million in the financial year 2025/26. The effect of currency translation amounted to €-3.0 million.

Revenue from Asia contributed 9.0% to total revenue in the financial year 2025/26 (PY: 10.1%).

Adj. EBIT in Asia amounted to €1.0 million in the current year 2025/26, which was -45.8% below prior year (PY: €1.9 million). Therefore, Adj. EBIT margin also dropped from 2.7% last year to 1.7%.

Series business affected revenue in Asia again negatively as a consequence of persistently weak call-offs in an overall highly competitive automotive market. However, consistent fix cost management helped to keep Adj. EBIT positive.

in € million	FY 2024/25	FY 2025/26	% change
External revenue	54.8	46.0	-15.9%
Revenue between segments	17.0	15.3	-10.0%
Total revenue	**71.7**	**61.3**	**-14.5%**
Adj. EBIT	1.9	1.0	-45.8%
Adj. EBIT margin	2.7%	1.7%	

STAND-ALONE RESULTS OF OPERATIONS AND FINANCIAL POSITION OF NOVEM GROUP S.A.

In accordance with the provisions of article 1720-1 (3) of the Law of 10 August 1915 in relation to commercial companies, the Company opted to present one annual report including the group management report and the management report on the annual accounts as one annual report only. For the annual accounts of Novem Group S.A., please refer to chapter Annual accounts.

The Company does not have any branches.

Results of operations

The Company's other income amounts to €5.8 million (PY: €2.3 million) and mainly results from services that are provided to other Novem Group entities based on the service agreement.

The external charges of €-5.2 million (PY: €-1.7 million) mainly included legal and advisory fees in accordance with the refinancing project as well as insurance, audit fees and tax services.

The interest income of €12.6 million (PY: €15.6 million) stemmed from an intercompany loan to another Novem Group entity. The total interest expenses of €-10.3 million (PY: €-13.5 million) occurred from interest expenses and fees to banks in loan related terms.

The profit for the financial year 2025/26 amounted to €1.1 million (PY: €0.7 million).

Financial position

Total assets and total capital, reserves and liabilities amounted to €931.1 million each (31 March 2025: €926.7 million).

Fixed assets essentially comprise shares in affiliated undertakings, which remained unchanged at €674.2 million (31 March 2025: €674.2 million) and a shareholder loan with a principal amount of €250.0 million (31 March 2025: €250.0 million).

Current assets amounted to €6.6 million (31 March 2025: €1.2 million) receivables from the service agreement, receivables from the tax authorities, receivables from cash pooling and the Company's cash position as well as receivables related to the recharge of costs associated with the refinancing project.

The Company's capital and reserves slightly increased to €675.6 million (31 March 2025: €674.5 million).

The amounts owed to credit institutions carried €250.1 million (31 March 2025: €250.1 million). In the course of the private placement and stock exchange listing in FY 2021/22, Novem Group S.A. entered into a facilities agreement comprising a term loan with a principal amount of €250.0 million and an undrawn revolving credit facility of €60.0 million. As part of the replacement of the former bond of Novem Group GmbH, the principal amount was transferred with the incorporation of a shareholder loan from Novem Group S.A. to Novem Group GmbH.

RISKS AND OPPORTUNITIES

Risk and opportunity management

Within its global footprint, Novem is exposed to dynamic conditions and thus faces several opportunities and risks. These include political and sector-specific risks, the risk of ensuring appropriate liquidity, currency risks, financial risks, business process risks, research and development risks, litigation risks, loss of know-how and IT risks. Realising any of these risks could have a material and adverse effect on business, financial condition and results of operations. Sustainable success is ensured through active risk management and the ability to correctly anticipate market trends and developments. Operational management is responsible for identifying and exploiting opportunities. The aim is to identify opportunities in a timely manner and to take appropriate measures to utilise them. Novem states in its long-term strategy the high relevance of identifying risks and opportunities arising from operations at an early stage, assessing them appropriately and mitigating them by specific measures. Compliance with economic, social and environmental standards is deeply rooted in the corporate philosophy. The Management Board makes use of various tools and control systems to prevent and, in case of the occurrence of an event, minimise the impact on the Group. Amongst the key components are continuous and detailed internal reporting, internal audits and controlling processes as a focus of risk management, which aim to identify risks to assets, income or liquidity as early as possible and to take appropriate and effective steps to manage risks and seize opportunities. By monitoring the market and all stakeholders, continuous optimisation and adaptation to current challenges are guaranteed. Novem's business opportunities and risks are recorded, analysed and evaluated through active multi-tiered planning, as well as information and control processes. The effectiveness and efficiency of the system are continuously adapted to new circumstances to provide a holistic picture of the situation at all times.

Legal risks

The Group's companies are and could become involved in legal, administrative and arbitration proceedings. These proceedings or potential proceedings could involve, in particular in the United States, substantial claims for damages or other payments. Based on a judgment or a settlement agreement, Novem could be obligated to pay substantial damages. The litigation costs and those of third parties could also be significant.

Doing business on a worldwide basis requires Novem to comply with the laws and regulations of various jurisdictions. The international operations are subject to applicable anti-corruption laws and regulations and economic sanctions programs. Such programs may restrict business dealings with certain sanctioned countries. As a result of doing business in foreign countries, Novem is exposed to a risk of violating anti-corruption laws and sanctions regulations applicable in those countries where Novem, its partners or agents operate. Worldwide operations increase the risk of violations of anti-corruption laws or similar laws. Some of the countries in which Novem operates still lack a developed legal system with high standards regarding anti-corruption and similar laws and are perceived to have high levels of corruption.

While there are policies and procedures in place that are designed to promote compliance with applicable anti-corruption laws and sanctions, there can be no assurance that the policies and procedures will be followed at all times or effectively detect and prevent violations of the applicable laws by one or more of the employees, consultants, agents or partners. As a result, Novem could be subject to penalties and material adverse consequences on the business, financial condition or results of operations if the Group failed to prevent any such violations.

Members of governing bodies, employees, authorised representatives or agents may intentionally or unintentionally violate applicable laws and internal standards and procedures, in particular in relation to anti-corruption, money-laundering, anti-trust and sanctions compliance, as well as compliance with laws and regulations regarding sales practices, products and services, environment, finance, employment and general corporate and criminal law. However, there can be no certainty that the internal controls, procedures, compliance systems and risk management systems will be able to identify such violations, ensure that they are reported in a timely manner, evaluate them correctly or take the appropriate countermeasures and that they will be adequate for an enterprise of Novem's scale and complexity.

There can further be no certainty that any countermeasures Novem implements will be appropriate to reduce the corresponding business risks effectively, that breaches of law, regulations or internal controls have not occurred in the past or that their discovery would not result in significant liability or reputational damage for the Group. Moreover, in light of continuously evolving legal and regulatory requirements and internal developments such as corporate reorganisations, there can be no certainty that the risk management systems, internal controls and compliance systems and related governance structures will adequately identify and address all relevant requirements.

Novem has to comply with different regulatory regimes across the world that change frequently and are continuously evolving and becoming more stringent, in particular with respect to environmental regulations, chemicals and hazardous materials, as well as health and safety regulations. This also applies to air, water and soil pollution regulations and to waste legislation and regulation, all of which have recently become more stringent through new laws.

Moreover, Novem globally faces increasing requirements regarding matters of corporate responsibility management, transparency and reporting obligations, not only with respect to expectations from internal stakeholders, customers, investors and the general public but also concerning legal requirements.

In addition, for the manufacturing facilities and operations, Novem requires various permits and has to comply with the requirements specified therein. In the past, adjusting to new requirements has necessitated significant investments, and the Group assumes that further significant investments in this regard will be required in the future.

The vehicle approval process (homologation) and the implementation of increasingly stringent emission and consumption regulations are becoming increasingly complex and time-consuming and may vary by country.

Furthermore, any additional requirements restricting or limiting car traffic with an aim at reducing greenhouse gas or other emissions could lead to a material decrease in car sales and consequently adversely affect demand for the Group's products and services.

Financial risks

Novem operates worldwide and is therefore exposed to financial risks arising from exchange rate changes. The primary exposure is to the Euro to US Dollar and US Dollar to Mexican Peso exchange rates. Currency exchange fluctuations could cause losses if assets denominated in currencies with a falling exchange rate lose value, while at the same time liabilities denominated in currencies with a rising exchange rate appreciate. In addition, fluctuations in foreign exchange rates could increase or reduce fluctuations in the prices of materials since Novem purchases some of the raw materials with foreign currencies. As a result of these factors, fluctuations in exchange rates and, in particular, a significant appreciation of the Euro against other major currencies could affect the results of operations.

External and internal transactions involving the delivery of products and services to and/or by third parties result in cash in-flows and out-flows, denominated in currencies other than the Euro or the functional currency of the respective subsidiary dealing with such cash flow. To the extent that cash out-flows are not offset by cash in-flows resulting from operational business in such currency, the remaining net foreign currency exposure is not neutralised.

While the Group hedges a portion of the exposure to the exchange rate of the Euro to the US Dollar, US Dollar to Mexican Peso and Euro to Czech Koruna, Novem currently does not hedge all foreign exchange risks. In addition, a number of the consolidated companies report in currencies other than the Euro, which requires Novem to convert the respective financial information into Euro when preparing the consolidated financial statements.

Even if Novem enters into certain further hedging arrangements in the future, there can be no assurance that hedging will be available on commercially reasonable terms. In addition, if the Group were to use any hedging transactions in the future in the form of derivative financial instruments, such transactions may result in mark-to-market losses.

Liquidity and credit risks

Working capital requirements can vary, depending in part on the level, variability and timing of customers' vehicle production, the number of new platform launches and the payment terms with customers and suppliers. Liquidity could also be adversely impacted if suppliers were to suspend normal trade credit terms and require payment in advance or on delivery. If the available cash flows from operating activities are not sufficient to fund ongoing cash needs, Novem would be required to seek available borrowings under the current senior facilities agreement to meet those needs. There can be no assurance that Novem, its suppliers or customers will continue to have access to these or other sources of liquidity. This may increase the risk that the Group cannot produce products or will have to pay higher input prices, which may not be recovered in selling prices.

Novem's suppliers typically seek to obtain credit insurance for deliveries of raw materials and components to Novem. If, for any reason, the suppliers were not able to obtain such credit insurance, or not at commercial terms, they may not be able to offer the same payment terms that the Group has historically received, which could significantly increase working capital requirements.

Any significant change in the needs for or the availability of working capital financing or credit insurance may have a material adverse effect on liquidity. To strengthen the working capital structure, Novem practices a silent and non-recourse factoring programme with a limit of €65.0 million. In case of liquidity shortages, Novem possesses further facilities of €53.0 million.

As of April 2026, Novem secured the extension of its existing syndicated loan facilities with a total volume of €210.0 million, thereof €160.0 million term loan facility, until June 2028.

Interest rate risks

Novem faces moderate interest rate risks, which mainly derive from obligations based on reference interest rates. Such variable interests affect the factoring programme as well as the senior facility agreement. The two decisive reference interest rates are the 3-month Euribor relating to factoring fees for EUR-receivables and interest expenses for the senior facility agreement and the SOFR, which represents the base rate for factoring fees resulting from USD-receivables. The continued interest rate decline by the European Central Bank in 2025 led to a material decrease in financial expenses arising from the senior facility agreement. Nevertheless, a further 10% increase in both reference rates from today would have no material impact regarding the senior facility agreement and the factoring programme.

The interest rate risk regarding pension obligations is also moderate as their share of total assets is less than 5%.

Financial market opportunities

Favourable developments in interest rates and exchange rates can have a positive impact on Novem's financial result and earnings. The Group constantly monitors the financial markets in order to identify potential impacts in a timely manner and to determine any need for action.

Tax risks

Novem is subject to taxation in, and to the tax laws and regulations of, multiple jurisdictions as a result of the international scope of the operations and corporate and financing structure. Thus, the effective tax rate varies in each jurisdiction where Novem conducts business. Changes in the mix of earnings between jurisdictions with lower tax rates and those with higher tax rates could have a material adverse effect on profitability, similar to a rise in tax rates in individual jurisdictions.

In addition, the tax authorities in any applicable jurisdiction may disagree with the positions Novem has taken or intends to take regarding the tax treatment or characterisation of any transactions, including the tax treatment or characterisation of indebtedness or the deduction of interest expenses. Some Novem subsidiaries have loss carryforwards and/or interest carryforwards as a result of applying the statutory interest ceiling rules that limit the deduction of net interest expenses for tax purposes. The absence of taxable profits or relevant interest expenses could limit the benefit of such carryforwards. The Group could also fail, whether inadvertently or through reasons beyond its control, to comply with tax laws and regulations, which could result in unfavourable tax treatment.

Novem could accrue unanticipated tax expenses in relation to previous tax assessment periods which have not yet been subject to a tax audit or are currently subject to a tax audit. It cannot be ruled out that ongoing and/or future tax audits may lead to an additional tax expense and/or payment, which may be accompanied by potential double taxation, penalties or interest on tax payments and may, therefore, negatively impact Novem's financial performance, financial position and cash flow.

Tax risks are identified, regularly monitored and assessed by the Tax department and necessary measures are taken.

Customs risks and opportunities

The sales volume of Novem's products and services depends upon the general global economic situation, which continues to be shaped by a challenging international trade environment. Geopolitical tensions, shifts in global trade routes and persistently rising transportation as well as customs costs led to a significant tightening of market conditions. Novem may increasingly face a volatile environment that could necessitate strategic adjustments across the entire supply chain. International trade in raw materials and finished parts will become more complex with regard to foreign policy developments.

Globally announced tariff increases, most notably those from the United States, are having a growing impact on international trade. These developments are intensifying uncertainty within global supply chains and driving a restructuring of established sourcing and production networks. For Novem, these developments create both risks and opportunities: Risks arise primarily from

rising import costs, higher administrative burdens and additional regulatory obligations. Nevertheless, Novem is well positioned to leverage its early alignment with global compliance standards, its enhanced sustainable procurement initiatives, and the ongoing professionalisation of customs processes to achieve long-term operational resilience and competitive advantage.

Natural disasters, climate-related extreme weather events, global pandemics and disruptions to the energy supply can lead to problems such as a shortage of cargo space, extreme delays and fluctuations in delivery times and customs clearance, among others. This poses the risk of price increases, the normalisation of which can be unpredictable. During the financial year, the European Union implemented several far-reaching trade and customs reforms, representing some of the most substantial regulatory changes in recent years. These include the introduction of stricter documentation and customs controls for imports, rolled out progressively since 2024 and fully effective in 2025, and the continued implementation of the EU Deforestation Regulation (EUDR), which obliges companies to provide comprehensive proof that relevant products are free from deforestation. In addition, the mandatory application of the EU emission calculation methodology under the Carbon Border Adjustment Mechanism (CBAM) is noteworthy, as it introduces enhanced reporting and data submission requirements via the CBAM registry.

The increase in regional or international trade barriers, including anti-dumping tariffs and the withdrawal of countries from bilateral and multilateral trade agreements, could have a negative impact on the global economic environment and can thus lead to lower demand for the Group's products. The automotive industry supply chain has developed over decades and relies on existing trade arrangements to provide for cross-border supplies of raw materials, automotive parts and other components.

Extreme risks from acts of war can no longer be ruled out in the future and may also influence Novem's further development. This could lead to a tightening of export controls, political and economic sanctions against countries as well as entities and massive barriers to importing and exporting goods. Also, the supply of strategic raw materials could be restricted and thus become more expensive. The termination of existing trade agreements could significantly disrupt supply chains and lead to immediate shortages of crucial parts and components needed to manufacture cars and other vehicles.

Ongoing monitoring of market and regulatory developments, combined with the continuous optimisation of internal customs procedures, remains essential to reducing risk exposure and ensuring long-term operational stability.

Research and development risks and opportunities

Future success depends on the ability to anticipate market trends as well as technological changes and to develop and bring new and improved products to the market in a timely manner. The automotive market, in particular, is characterised by progressive development towards more driver and passenger comfort features, digital user experience and assistance systems.

There can be no assurance that Novem will be successful in developing new products or systems or in bringing them to market in a timely manner or at all. Furthermore, it cannot be guaranteed that products or technologies developed by others will not render offerings obsolete or non-competitive or that customers will not substitute the Group's products with competing products. Additionally, there is no certainty that the market will accept Novem's innovations, that competitors will not be able to produce non-patented products more inexpensively from other sources or that the Group will be able to adjust its cost structure in the event of contraction of demand. Should Novem fail to develop appropriate strategies as a response to these or other market trends and should fail to enhance existing products, develop new products or keep pace with evolving market trends or technology, growth opportunities could be lost or the Group could lose the chance to win new platforms from existing customers. Furthermore, suppose Novem devotes resources to the pursuit of new technologies and products that fail to be accepted in the marketplace or that fail to achieve high process robustness, all or part of these engineering and development expenses may be lost.

A trend to highly integrated products on the OEM side, including mechanical and electronic components, can lead to a trend where only full system suppliers will be Tier-1 suppliers. Novem's business requires a high level of technical expertise in product design, development and manufacturing. Novem invests in technology, new materials and innovation, which the Group believes will be critical to long-term growth. Furthermore, it needs to continually adapt its expertise in response to technological innovations, industry standards and customer requirements or preferences.

The ability to anticipate changes in technology and market trends and to successfully develop and introduce new and enhanced products or manufacturing processes on a timely basis will be a significant factor

in the ability to remain competitive. New technologies, materials or changes in industry and customer requirements may render one or more of the current offerings obsolete, excessively costly or otherwise unmarketable. Another factor that poses challenges is the trend towards reduced development times. Especially EV companies and Asian OEMs reduce the time to market for innovations. Therefore, the maturity level of offerings must increase significantly. If there is a shift away from the use of materials or technologies in which Novem invests, the costs may not be fully recovered, including, for example, the costs and expenses incurred in connection with the development of or investment in such material or technology. Novem may be placed at a competitive disadvantage if other materials or technologies emerge as industry-leading. One important future challenge is sustainability, where OEMs already demand a high degree of recycled raw materials and a precise action plan towards CO2-neutrality. The focus on sustainability is seen as essential for the long-term success of the Group.

Additionally, private users increasingly use modes of transportation other than the private automobile, especially in connection with growing urbanisation and car sharing. An increased use of car sharing concepts and new city-based car rental schemes could reduce dependency on private automobiles and demand for customised premium vehicles. On the other hand, the trend towards shared mobility can lead to a need for more premium interiors as a differentiation method for mobility providers.

Premium surfaces are expected to be a significant added value not only in the automotive industry but also in others. They are seen as a way to differentiate products in a competitive market and attract discerning consumers who value quality and craftsmanship. In the overall area of mobility, high-quality materials can elevate the aesthetic appeal and convey a feeling of luxury and sophistication, opening up opportunities beyond the automotive sector for Novem to explore.

Customer and market risks and opportunities

Novem's products are highly competitive in terms of price, quality, delivery performance, innovation, product design, engineering capability and service. They face significant competition in all regions within each major product category.

Some of Novem's competitors, in particular in the Asian market, have in the past engaged, and may in the future continue to engage, in highly competitive strategies, such as predatory pricing or mergers and acquisitions, to gain market share. While Novem currently holds a strong market position in the market for premium decorative interior trim elements, if consolidation continues in the automotive components sector, the Group may find itself competing against growing competitors who benefit from increased economies of scale or are part of large integrated groups and who may possess greater financial and other resources or a broader global footprint. Such competitors may also be less margin-sensitive than Novem and attempt to increase their market share through pricing below cost. The overall rise in cost pressures from Asia, particularly from Chinese OEMs, may also represent a substantial risk as competitively lower-priced offerings increasingly reshape the automotive industry. However, in times of market downturn, as recently observed, these circumstances may present an opportunity, as Novem might be able to capitalise on shifts in the competitive landscape, driven by players who previously pursued such aggressive pricing strategies during more favourable market conditions. In addition, suppliers that do not currently compete with Novem could expand their product portfolios to include products that are in direct competition. Changes in the product focus of larger suppliers could also result in such suppliers establishing relationships with customers that reduce or entirely replace Novem's business with those customers. Given the Group's strong market position, OEMs have in the past awarded and may in the future award certain platforms to competitors to diversify their supplier portfolio, which has resulted in or may result in the loss of nominations in the future and which may limit the potential for future growth of Novem's market share.

The financial condition of customers is affected by the sales of their vehicles, which may be impacted by several factors, including general economic conditions. In particular, purchases of the customers' products may be limited by their customers' inability to obtain adequate financing for such purchases or by decreasing customer demand for light vehicles in general.

The Group may not fully or accurately assess the creditworthiness of customers. In particular, the financial condition of and demand for Novem's products from OEM customers have been and continue to be affected by the consequences of the current low BEV demands. Recent political and trade policy developments in North America have continued to shape the foreign and global business environment with elevated tariff risks and an increasingly volatile regulatory landscape. In response, Novem is proactively pursuing measures to mitigate tariff exposure. Wherever feasible, tariffs are either passed on to customers or offset through applicable governmental programs, thereby reducing the direct financial impact on the Group.

However, a noticeable contraction in the overall market environment is evident, reflecting weaker global demand trends. At the same time, ongoing constraints in global production capacity, tighter liquidity and rising capital costs continue to put pressure on the automotive industry. These factors have historically contributed to financial strain among OEMs, suppliers and other market participants and similar pressures may persist given the current economic and geopolitical backdrop.

Although Novem supplies products to almost all leading premium OEMs, the Group depends on certain large customers for a significant proportion of revenue. In the financial year 2025/26, the three largest customers represented approximately 66% of revenue. The loss of all or a substantial portion of the revenue from any large-volume customers could have a material adverse impact on Novem's business, financial condition and results of operations. At the same time, Novem expanded its customer base during the reporting period, thereby strengthening diversification and partially offsetting the concentration risk associated with large-volume customers. This risk could also materialise if the content per vehicle awarded to Novem were to decrease or if a lower amount of content per vehicle than expected is awarded. While Novem has generally benefited from increasing content per vehicle in the past, there have also been platforms that have decreased content per vehicle.

In addition, the market for premium vehicles is significantly consolidated with a limited number of premium OEMs primarily based in Europe. Novem's strong reliance on European, primarily German, OEMs directly links its performance to the recent difficult market conditions, reinforcing its vulnerability to regional weaknesses. Beyond that, the volume of business with Asia-based OEMs generally lags that of the largest customers in Europe, partly due to the existing relationships these OEMs maintain with their preferred suppliers from Asia. Therefore, Novem's limited customer base and relatively small business footprint in Asia may further restrict access to a region with dynamic automotive growth.

Market-specific opportunities primarily relate to consumer spending trends concerning the automotive industry. The trend for interior design is to view the car more as a wellness oasis on wheels. Interior design and details set standards and decisively influence consumer behaviour. Novem's objective is to stabilise and maintain its attained growth and to generate future profitable growth. Management pays close attention to how the automotive and other interesting markets respond to developments in consumer confidence. The Group's product and service range put Novem in a good position to benefit from expected future trends. Leveraging this, Novem may explore opportunities to diversify its business base, including potential expansion into adjacent mobility segments, while its global presence enables the Group to shift activities across markets to realise cost-efficiency gains and enhance customer proximity. As part of its strategic direction, Novem is evaluating potential developments, for instance, expanding into adjacent mobility segments, that may contribute to further diversification and continued long-term positioning. A potential entry into adjacent mobility segments may open additional opportunities for Novem by applying its surface expertise to a new business area and leveraging strengths developed in the automotive industry. By transferring this know-how into additional fields of application, new paths for growth and differentiation may emerge. At the same time, it may provide a platform to demonstrate the Group's high quality standards and strong service capabilities to an even broader set of potential customers and partners.

Material and supplier risks

Prices of certain raw materials and the energy the Group relies on are linked to commodity markets and thus subject to fluctuation. The primary raw materials and components used in the products are chrome and plastic parts, wood, aluminium, granulates, glue and synthetic materials. The prices of such raw materials have fluctuated significantly in recent years. Compared to last year, some of the prices for the materials and components used in Novem's products have decreased, while all the others have reached a stable price level. In addition, Novem uses large amounts of energy in the manufacturing process, the price of which is also subject to significant volatility. Such volatility in the prices of these commodities could increase the costs of manufacturing products. In addition, supply shortages or delays in the delivery of raw materials, components or energy can also result in increased manufacturing costs. Novem does not actively hedge against the risk of rising prices of raw materials or energy. Contracts with customers do not include pass-through mechanisms regarding inflationary price increases on raw materials or energy prices and if Novem is not able to compensate for such price increases or undertake cost-saving measures elsewhere in operations, they could have a material adverse impact on the financial results.

Logistics risks

Complex supply and delivery chains make logistics processes in Novem's industry very vulnerable to disruptions. Conflicts complicate and delay this exchange of goods.

In general, supply chain disruptions may result from many reasons, including closures of supplier facilities or critical manufacturing facilities due to strikes, mechanical breakdowns, electrical outages, fire and explosions, as well as logistical complications resulting from weather or other natural disasters, mechanical failures, border controls, health checks and delayed customs processing or due to limitation of travel in logistics caused by a pandemic.

The logistics and transportation sectors faced a business environment characterised by economic headwinds, geopolitical uncertainties and structural bottlenecks across global value chains. Forecasts indicated only moderate industry growth, while persistent labour shortages and rising operational demands continued to weigh on the sector.

Key challenges include volatile trade flows resulting from geopolitical tensions, leading to higher freight rates, delivery delays and reduced planning reliability as well as the ongoing digitalisation of logistics processes. While digital transformation enables significant efficiency improvements, it simultaneously requires investments in systems, data infrastructures and skilled personnel. For Novem, this environment results in several potential risks: supply shortages, capacity constraints among logistics service providers, extended material lead times and increasing end-to-end supply chain costs. At the same time, relevant opportunities emerge. These include, in particular, the accelerated digitalisation of supply chain processes, the optimisation of customs-related workflows and the strengthening of resilience through diversified supplier networks and regional sourcing strategies.

To avoid production interruptions or critical delivery delays on the customer side, enhancing supply chain transparency and maintaining a proactive, structured risk management approach remain central strategic priorities for Novem.

Personnel risks and opportunities

Novem's success depends on attracting and retaining managing directors, executive officers, senior management, key employees and other skilled personnel and potentials. The loss of such key employees could have a material adverse effect on the Group's market position. Due to intense competition within the industry, there is a risk of losing qualified employees to competitors or being unable to find a sufficient number of appropriate new employees. Considerable expertise could be lost or access thereto gained by competitors.

There is no assurance that the Group will be successful in retaining its executives and employees in key positions or in attracting new employees with corresponding qualifications. Although Novem tries to retain qualified executives and key employees through a trustful, individualised leadership relationship, open-minded, diverse and fault-tolerant culture as well as performance-based remuneration systems, there is a risk that any such individuals will leave the Group, including as a result of collective bargaining on terms that may be considered below market standard by employees.

The manufacture of many of the Group's products requires significant technical skills and expertise. The success of the operations and growth strategy will therefore also depend on attracting and retaining skilled and qualified personnel maintaining high quality standards globally. The labour markets for production staff in some of Novem's regions, such as the Czech Republic, Germany, Mexico or Slovenia, are characterised by very low unemployment rates and strong historic employment growth, resulting in intense competition for qualified personnel and an increased turnover rate.

The business could be adversely impacted by strikes, labour disputes and natural disasters.

Novem operates a large, global business, with 4,082 employees (excluding leased workers, interns and students) as of 31 March 2026. The labour force in the automotive industry, including Novem's, is highly unionised, especially in Europe and Mexico. Over the past several years, the Group's industry and the industries in which Novem's customers operate have experienced strikes or refusals to work. Although in the recent past the Group has not experienced, and at present is not experiencing any major labour disputes, the relationships with employees and unions at various locations could deteriorate in the future, and the Group could experience strikes, further unionisation efforts or other types of conflicts with labour unions or employees. Refusals to work or work downtime experienced by customers or other suppliers could result in delays, decreased productivity or closures of assembly facilities where the Group's products are needed for assembly.

Increasing labour costs due to inflation in many countries where the Group operates, such as China, the Czech Republic, Mexico or Slovenia, may erode the

profit margins and compromise price competitiveness. Recent wage increases have increased average wage expenses per employee. Although Novem undertakes various incentive programs to improve the productivity of employees, as well as cost-effective automation initiatives designed to reduce labour costs, these measures may be insufficient to offset increases in personnel costs or the Group may be unable to manage these increases in the future effectively.

Personnel development and apprenticeship programmes are a specific chance to retain a high standard and knowledge within Novem's workforce.

The development of employees is a key issue. This is all about giving people the skills to pursue entrepreneurial goals while simultaneously combining this with the specific development aspirations of individual needs. Alongside the annual employee appraisal interviews, regular feedback talks and development discussions are held at Novem. As part of their discussions, supervisors and their employees identify the necessary areas for action and therefore create individually tailored programmes.

Novem believes that the responsibility for independent career development is with individual employees. Supervisors and Human Resources see themselves as facilitators by making instruments, training courses and feedback talks available. These include, amongst others, development meetings that enable Novem to identify employees' career aspirations and agree on a plan of action. Through continuous learning, the Group prepares its employees for future challenges. Thinking ahead and strengthening the development of individuals is a key strategy for Novem to shape future talents.

Quality risks and opportunities

As a supplier of premium trim parts for the car interior and exterior, one of the determining factors for Novem's customers in purchasing components and systems is the high quality of products and manufacturing processes. A decrease in the actual or perceived quality of products and processes could damage Novem's image and reputation as well as those of the products. In addition, defective products could result in loss of sales, loss of customers and loss of market acceptance or could damage the Group's reputation and market perception.

At some locations, certain product certifications with regard to specifications and quality standards are considered a necessity or premise for the acceptance of products by customers and markets. As such, Novem must obtain and maintain the relevant certifications to be nominated as a supplier as well as for an ongoing business relationship. Maintaining such standards, which are regularly reviewed by customers, is essential to building long-term customer relationships.

As a manufacturer, Novem is subject to product liability lawsuits and other proceedings alleging violations of due care, violation of warranty obligations (implied and expressed), treatment errors, safety provisions and claims arising from breaches of contract or fines imposed by government or regulatory authorities. Given the large amounts of products manufactured and distributed to a variety of customers in the automotive sector, Novem is from time to time faced with liability claims related to actual or potentially deficient charges of products and may therefore be held liable in cases of death, bodily injury or damage to property caused by a defective product manufactured by the Group. The risks arising from such warranty and product liability lawsuits, proceedings and other claims are insured up to levels the Group considers economically reasonable. Still, the insurance coverage could prove insufficient in individual cases.

Furthermore, Novem manufactures many products pursuant to customer specifications and quality requirements. If the products manufactured and delivered do not meet the requirements stipulated by the customers at the agreed date of delivery, production of the relevant products is generally discontinued until the cause of the product defect has been identified and remedied. Novem's customers could also potentially claim damages for breach of contract, even if the cause of the defect is remedied at a later point in time. In addition, failure to perform with respect to quality requirements could negatively affect market acceptance of the Group's other products and market reputation in various market segments.

Environmental, health and safety risks

Many of the sites at which Novem operates have been used for industrial purposes for many years, leading to contamination risks and resulting in site restoration obligations. In addition, under federal and state environmental laws and regulations (including state property transfer laws), the Group could be held responsible for the remediation of off-site areas impacted by its sites and operations, natural resource damages and/or third-party claims (e.g. for bodily injury or property damage). Regulatory authorities could assert claims against Novem as the current or former owner or tenant (operator) of the affected sites or as the party that caused or contributed to the contamination, for the investigation or remediation or containment of such soil or groundwater contamination or other environmental media

(e.g. surface waters), including related to Novem's use of nonowned treatment, storage and disposal sites or order the Group to dispose of or treat contaminated soil excavated or water encountered in the course of construction. Novem could also be liable to the owners or occupants of sites leased, sites the Group sells or other impacted properties. Costs typically incurred in connection with such claims are generally difficult to predict. Also, if any contamination were to become a subject of public discussion, there is a risk that the reputation or relations with customers could be harmed.

Greenhouse gas emissions have increasingly become the subject of substantial international, national, regional, state and local attention. Greenhouse gas emission laws and regulations have been promulgated in some of the jurisdictions in which Novem operates, and additional greenhouse gas requirements are in various stages of development. In addition, the US Environmental Protection Agency (EPA) has issued regulations limiting greenhouse gas emissions from mobile and stationary sources pursuant to the US Clean Air Act. The final Carbon Pollution Standards for new, modified and reconstructed power plants reflect the degree of emission limitation achievable through the application of the best system of emission reduction that the EPA has determined has been adequately demonstrated for each type of unit. Novem's customers may seek price reductions to account for their increased costs resulting from greenhouse gas requirements.

As one of the measures intended to meet national climate targets, Germany expanded its national CO2 pricing and trading system to include emissions from burning fossil fuels by vehicles. The system entails mandatory emission certificates that must be acquired by sellers of fossil fuels and the costs of which are expected to be passed on to end consumers, i.e. vehicle users. The new system has already resulted in higher fuel prices in Germany and is expected to have a further impact in the future, which could in turn harm the demand for vehicles in Germany.

Growing pressure to reduce greenhouse gas emissions from mobile sources could reduce automobile sales, thereby reducing demand for products and ultimately revenue.

The nature of operations subjects Novem to various statutory and regulatory compliance and litigation risks under health, safety and employment laws. There can be no assurance that there will be no accidents or incidents suffered by employees, contractors or other third parties on the Group's sites. If any accidents or incidents occur, Novem could be subject to prosecution and litigation, which could result in fines, penalties and other sanctions and could cause damage to the reputation.

Implementing and maintaining management systems for environment, health and safety are required to fulfil legal and customer obligations. Ongoing audits from third parties must confirm the effectiveness of these systems to validate these certificates and for Novem to be recognised as a supplier.

IT risks

Novem relies heavily on centralised, standardised information technology systems and networks to support business processes, as well as internal and external communications. Any failure in the operation of these IT systems could result in material adverse consequences, including disruption of operations, loss of information or an unanticipated increase in costs.

In addition, from time to time, the Group is required to make investments to maintain and/or upgrade the IT systems and networks, including those related to digital transformation efforts, and such investments may be significant. As digitalisation accelerates, Novem faces both risks and opportunities in leveraging new technologies to support growth and innovation. Initial digitalisation projects have already been launched, offering the potential to streamline processes, enhance data management and increase overall efficiency. Risks may arise from cybersecurity threats and data privacy concerns.

The risk of computer viruses, cyber attacks and security breaches is further increased as a growing number of employees work remotely. A significant or large-scale malfunction or interruption of one or more IT systems could adversely affect the ability to keep operations running efficiently or at all and affect product availability. On top, it is possible that a malfunction of data security measures or a cyber attack could enable unauthorised persons to access sensitive business or personal data, including information on the Group's intellectual property or business strategy or those of customers. Such failure could cause economic loss for which Novem could be liable and may expose the Group to governmental investigations, disciplinary actions, fines and reputational damage, which could harm the business.

At Novem, extensive certifications according to the TISAX (Trusted Information Security Assessment Exchange) standard, which are each tailored to the specific requirements of the automotive sector, complement the measures related to information security. Equally important is raising employees' awareness of handling all business-relevant information with care. In this context, internal communication and training

campaigns are conducted, and measures are implemented to ensure that the confidentiality of information is maintained through appropriate technical support.

More and more partners request to collaborate closely on online platforms. While this brings more efficiency to established processes, it also requires strict technical and organisational policies to ensure the security of data and knowledge.

The potential implementation of artificial intelligence (AI) may present opportunities, including possible efficiency gains, enhanced data-driven support for decision-making and the automation of selected routine activities, which could, under certain conditions, liberate resources. At the same time, such technologies may involve risks, for example, regarding data protection, increased reliance on complex digital systems and considerations related to the transparency and responsible use of AI-generated outputs. In light of these factors, a balanced and prudent approach aligning technological ambition with appropriate governance measures must be considered.

CORPORATE GOVERNANCE STATEMENT

The Company is a Luxembourg public limited liability company (Société Anonyme) and as such is subject to the corporate governance regime as set forth in particular in the Companies' Law.

As the Company's shares are listed on a regulated market, the Company is further subject to the provisions of the Shareholders' Rights Law.

Being a Luxembourg public limited liability company, with its shares exclusively listed on a regulated market in Germany, the Company is neither required to adhere to the Luxembourg corporate governance regime applicable to companies admitted to the regulated market in Luxembourg nor to the German corporate governance regime applying to stock corporations organised in Germany.

The Company has set up its own corporate governance structure in order to address its own specific needs and interests and has, for such purpose, adopted and chosen to abide by its own corporate governance rules, as further described below, rather than to voluntarily apply either of the Luxembourg or Germany governance regimes, and to set up its corporate governance structure.

As the German corporate governance code (GCGC) does not apply to the Company, it does not have to issue a declaration of conformity with the GCGC under section 161 of the German Stock Corporation Act (Aktiengesetz).

Solely for purposes of section 4.1.1.1 of the Guide to the DAX Equity Indices of STOXX Ltd., the Company declares that it does not deviate from recommendations C.10, D.3, D.9 and D.11 of the GCGC, in each case applied accordingly to a public limited liability company (Société Anonyme) with a two-tier governance system under Luxembourg Law.

The Company's Supervisory Board or its Audit and Risk Committee arranges for the Company's external auditors to inform it and note in the Audit Report if, during the performance of the audit, the external auditors identify any facts that indicate an inaccuracy in adhering to the recommendations in C.10, D.3, D.9 or D.11 of the GCGC, in each case applied accordingly to a public limited liability company (Société Anonyme) with a two-tier governance system under Luxembourg Law.

For the avoidance of doubt, the Company is subject to Luxembourg Law with respect to, among others, the accounting principles relating to its annual accounts and therefore does not fall within the application of the German Commercial Code (Handelsgesetzbuch). As a result, recommendation D.3 of the GCGC was followed by the Company to the extent possible.

By virtue of European and Luxembourg Law, Novem Group is obliged to report on non-financial and diversity information relating to it. Novem's Non-financial Report will be published together with this Annual Report, i.e. on 25 June 2026. In accordance with Article 7a of the Shareholders' Rights Law, the Company must further draw up a Remuneration Policy for the Supervisory Board and the Management Board of Novem Group S.A. reflecting the principles and measurement for the remuneration of the members of such boards. The Company must as well publish a Remuneration Report in accordance with Article 7b of the Shareholders' Rights Law, which will be published separately from this Annual Report on the Novem IR website on 17 July 2026. The Remuneration Policy can already be accessed on the Novem IR website.

The internal control systems and risk management for the establishment of financial information are described in the section Risk and opportunity management. According to the Articles of Association, the Management Board must be composed of at least two members, whereas the Supervisory Board must be composed of at least three. The Supervisory Board has set up the following committees in accordance with the Articles of Association: the Audit and Risk Committee and the Nomination and Remuneration Committee. The Audit and Risk Committee is responsible for the consideration and evaluation of the auditing and accounting policies and the Company's financial controls and systems. The Remuneration Committee is responsible for making recommendations to the Supervisory Board and the Management Board on the terms of appointment and the benefits of the members of the Management Board of the Company. Further details on the composition and purpose of these committees and the Supervisory Board are described in the section Report of the Supervisory Board as well as in the section Setup and organisation of the Management Board regarding the Management Board. The Annual General Meeting shall be held at such time as specified by the Management Board and/or the Supervisory Board in the convening notice.

The Management Board and Supervisory Board may convene extraordinary general meetings as often as the Company's interests so require. An extraordinary general shareholders' meeting must be convened upon the request of one or more shareholders who together represent at least one-tenth of the Company's share capital.

Each share entitles the holder to one vote.

The right of a shareholder to participate in a General Meeting and to exercise the voting rights attached to their shares are determined with respect to the shares held by such shareholder on the 14th day before the General Meeting.

Each shareholder can exercise their voting rights in person, through a proxy holder or in writing (if provided for in the relevant convening notice).

The information required pursuant to Article 10.1 of Directive 2004 / 25 / EC on takeover bids which has been implemented by Article 11 of the Takeover Law is set forth here below under Disclosure Regarding Article 11 of the Luxembourg Law on Takeovers of 19 May 2006.

Disclosures pursuant to Article 11 of the Luxembourg Law on Takeovers of 19 May 2006

A) For information regarding the structure of capital, reference is made to section 3.8 of the Consolidated financial statements.

B) The Articles of Association of the Company do not contain any restrictions on the transfer of shares of the Company.

C) According to the voting rights notifications received until 31 March 2026, the following shareholders held more than 5% of total voting rights attached to Novem shares: COFRA Holding (indirect: 33,505,583 voting rights attached to shares or 77.87% of total voting rights).

D) The Articles of Association of the Company do not contain any restrictions on voting rights.

E) There are no agreements with shareholders which are known to the Company and may result in restrictions on the transfer of securities or voting rights within the meaning of the Transparency Directive.

F) Rules governing the appointment and replacement of Management Board members and the amendment of the Articles of Association:

- The members of the Management Board are appointed by the Supervisory Board, or in the case of a vacancy, by way of a decision adopted by a majority of the remaining Management Board members for the period until the next Supervisory Board Meeting.
- Management Board members are appointed for a term not exceeding six years and are eligible for re-appointment.
- Management Board members may be removed at any time with or without cause by the Supervisory Board by a simple majority of the votes.
- Resolutions to amend the Articles of Association may be adopted in the manner foreseen by the Companies' Law, i.e. by a majority of two-thirds of the votes validly cast, without counting the abstentions, if the quorum of half of the share capital is met. If the quorum requirement of half of the share capital of the Company is not met at the Annual General Meeting, the shareholders may be re-convened to a second General Meeting. No quorum requirements apply with respect to such second General Meeting and the resolutions are adopted by a majority of two-thirds of the votes validly cast, without counting the abstentions.

G) Powers of the Management Board:

- The Company is managed by a Management Board under the supervision of the Supervisory Board.
- The Management Board is vested with the broadest powers to perform or cause to be performed any actions necessary or useful in connection with the purpose of the Company.
- All powers not expressly reserved by the Companies' Law or by the Articles of Association to the General Meeting or the Supervisory Board fall within the authority of the Management Board.
- Certain measures are subject to the prior approval of the Supervisory Board on the terms set out in the Articles of Association and the Rules of Procedure of the Management Board.
- The Management Board may appoint one or several persons, including but not limited to members of the Management Board or shareholders, at the exclusion of any member of the Supervisory Board, who shall have full authority to act on behalf of the Company in all matters pertaining to the daily management and affairs of the Company.
- The Management Board is also authorised to appoint one or several persons, either members of such board or not, at the exclusion of any member of the Supervisory Board, for the purposes of performing specific functions at every level within the Company.
- The Management Board may also appoint committees to which it may delegate some of its tasks and the members of which may, but do not have to be members of the Management Board, at the exclusion of any member of the Supervisory Board.

- The Management Board is authorised to issue shares in the Company under the Articles of Association, which set the authorised capital of the Company, including the issued share capital at €520,000, represented by 52,000,0000 shares. Such authorisation has been granted for a period of five years beginning on 30 June 2021. During such period, the Management Board, with the consent of the Supervisory Board, may issue new shares under the authorised share capital, limit or cancel any preferential subscription rights.
- The Articles of Association of the Company allow for a redemption of shares within the limits of the law, however, there is currently no buyback authorisation for the Management Board in place.

H) The Company is, given the nature of its business and its field of activity, party to agreements which would take effect, alter or terminate upon a change of control of the Company following a takeover bid, as is usual in the sector in which it operates.

I) There are no agreements between the Company and its Management Board members or employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a takeover bid.

SUBSEQUENT EVENTS

The Management Board announced on 27 April 2026 that Novem Group S.A. has extended its existing syndicated loan facilities with a total amount of €210.0 million and a new maturity date of 30 June 2028. The syndicated loan comprises a term loan facility of €160.0 million and a revolving credit facility of €50.0 million. As a result, the total volume of the existing term debt has been reduced by €90.0 million.

There were no further events or developments that could have materially affected the measurement and presentation of the Group's assets and liabilities as of 31 March 2026 other than disclosed in note 5.15 of the Consolidated financial statements.

OUTLOOK

Throughout the financial year 2025/26, persistent geopolitical tensions and uncertainties continued to shape global markets. Most recently, the conflict in the Middle East has led to disruptions in energy supplies and key regional trade routes. These pressures have already negatively affected the global economy, contributing to elevated inflationary pressures and increased market volatility. As a result, economic momentum has weakened, dampening growth.

The automotive industry continues to undergo a profound transformation, driven primarily by electrification, connectivity and autonomous driving, while facing persistently soft demand in certain regions. Following an increase in light vehicle production in 2025/26, available data indicate continued, but moderate, growth for the financial year 2026/27. The market environment will continue to present challenges for Novem, which the company aims to address with focus and resilience. Navigating this environment will require maintaining balanced and disciplined cost management while also advancing targeted initiatives to set the right course for the future, particularly in adjacent mobility segments.

In light of the factors outlined above, the environment is expected to remain characterised by elevated volatility. These external conditions continue to limit the ability to provide a reliable outlook and are likely to exert pressure on Novem's performance. The Group continues to uphold its medium-term guidance, supported by a solid order intake for the financial year 2025/26.

4 Consolidated financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the financial year ended 31 March 2026

in € thousand	Note	FY 2024/25	FY 2025/26
Revenue	4.1	541,464	510,925
Increase or (decrease) in finished goods and work in process		2,068	-5,042
Total operating performance		**543,531**	**505,882**
Other operating income	4.2	17,255	11,713
Cost of materials	4.3	-272,085	-256,394
Personnel expenses	4.4	-150,119	-153,325
Depreciation, amortisation and impairment	4.5	-32,122	-30,661
Other operating expenses	4.6	-63,327	-58,692
Operating result (EBIT)		**43,133**	**18,524**
Finance income	4.7	4,688	20,130
Finance costs	4.7	-22,342	-15,919
Financial result		**-17,654**	**4,211**
Income taxes	4.8	-9,263	-10,095
Deferred taxes	4.8	-5,085	-1,390
Income tax result		**-14,348**	**-11,485**
Profit for the period attributable to the shareholders		**11,132**	**11,251**
Differences from currency translation	3.8	-8,651	-12,231
Items that may subsequently be reclassified to consolidated profit or loss		**-8,651**	**-12,231**
Actuarial gains and losses from pensions and similar obligations (before taxes)	3.9	2,154	2,229
Taxes on actuarial gains and losses from pensions and similar obligations		-579	-124
Items that will not subsequently be reclassified to consolidated profit or loss		**1,576**	**2,105**
Other comprehensive income/loss, net of tax		**-7,075**	**-10,126**
Total comprehensive income/loss for the period attributable to the shareholders		**4,056**	**1,124**

Earnings per share attributable to the equity holders of the parent (in €)			
basic	4.9	0.26	0.26
diluted	4.9	0.26	0.26

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of 31 March 2026

Assets

in € thousand	Note	31 Mar 25	31 Mar 26
Intangible assets	3.1	2,987	2,708
Property, plant and equipment	3.2	171,431	151,463
Trade receivables	3.4	45,121	41,276
Other non-current assets	3.7	17,108	22,225
Deferred tax assets	4.8	5,267	4,437
Total non-current assets		**241,914**	**222,108**
Inventories	3.3	95,285	85,668
Trade receivables	3.4	37,171	44,790
Other receivables	3.5	28,334	12,944
Other current assets	3.7	15,270	13,358
Cash and cash equivalents	3.6	150,097	175,219
Total current assets		**326,156**	**331,980**
Assets		**568,070**	**554,088**

Equity and liabilities

in € thousand	Note	31 Mar 25	31 Mar 26
Share capital	3.8	430	430
Capital reserves	3.8	539,594	539,594
Retained earnings/accumulated losses	3.8	-446,514	-433,506
Currency translation reserve	3.8	434	-11,797
Total equity		**93,944**	**94,721**
Pensions and similar obligations	3.9	26,316	25,005
Other provisions	3.11	2,273	3,170
Financial liabilities	3.12	249,288	-
Other liabilities	3.13 3.14 3.16	46,366	35,237
Deferred tax liabilities	4.8	1,716	2,480
Total non-current liabilities		**325,959**	**65,892**
Tax liabilities	3.10	1,056	886
Other provisions	3.11	29,216	35,424
Financial liabilities	3.12	984	250,800
Trade payables	3.15	49,061	33,696
Other liabilities	3.13 3.14 3.16	67,851	72,669
Total current liabilities		**148,168**	**393,475**
Equity and liabilities		**568,070**	**554,088**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 31 March 2026

in € thousand	Note	FY 2024/25	FY 2025/26
Profit for the year		11,132	11,251
Income tax expense (+)/income (-)	4.8	9,263	10,095
Financial result (+)/(-) net	4.7	17,654	-4,211
Depreciation, amortisation and impairment (+)	4.5	32,122	30,661
Other non-cash expenses (+)/income (-)		6,633	10,411
Increase (-)/decrease (+) in inventories	3.3	3,996	8,496
Increase (-)/decrease (+) in trade receivables	3.4 5.2	3,149	-4,535
Increase (-)/decrease (+) in other assets	3.7	3,401	14,191
Increase (-)/decrease (+) in deferred taxes	4.8	5,085	1,368
Increase (-)/decrease (+) in prepaid expenses/ deferred income	3.16	42	-3,721
Increase (+)/decrease (-) in provisions	3.11	-15,767	8,263
Increase (+)/decrease (-) in trade payables	3.15	-198	-25,984
Increase (+)/decrease (-) in other liabilities	3.13 3.14	-12,219	2,277
Gain (-)/loss (+) on disposals of non-current assets		9	99
Cash received (+) from/cash paid (-) for income taxes	5.6	-22,950	-2,082
Cash flow from operating activities		**41,348**	**56,578**
Cash received (+) from disposals of property, plant and equipment		3	92
Cash paid (-) for investments in intangible assets	3.1	-838	-437
Cash paid (-) for investments in property, plant and equipment	3.2	-16,684	-11,986
Interest received (+)	4.7	4,671	3,898
Cash flow used in investing activities		**-12,849**	**-8,434**

in € thousand	Note	FY 2024/25	FY 2025/26
Cash repayments of loans and other financing activities		-	-386
Cash paid (-) for lease liabilities	3.13 5.6 5.10	-1,986	-9,952
Interest paid (-)	4.7	-16,714	-12,841
Cash flow used in financing activities		**-18,700**	**-23,179**
Net increase (+)/decrease (-) in cash and cash equivalents		**9,799**	**24,965**
Effect of exchange rate fluctuations on cash and cash equivalents		-1,216	157
Cash and cash equivalents at the beginning of the reporting period	3.6	141,514	150,097
Cash and cash equivalents at the end of the reporting period	3.6	**150,097**	**175,219**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 March 2026

in € thousand	Note	Share capital	Capital reserves	Retained earnings/ accumulated losses	Currency translation reserve	**Equity**
Balance as of 01 Apr 24		**430**	**539,594**	**-459,222**	**9,085**	**89,887**
Profit or loss for the year		-	-	11,132	-	11,132
Other comprehensive income or loss	3.8 3.9 4.8	-	-	1,576	-8,651	-7,075
Comprehensive income or loss for the year		**-**	**-**	**12,707**	**-8,651**	**4,056**
Balance as of 31 Mar 25		**430**	**539,594**	**-446,514**	**434**	**93,944**
Balance as of 01 Apr 25		**430**	**539,594**	**-446,514**	**434**	**93,944**
Profit or loss for the year		-	-	11,251	-	11,251
Other comprehensive income or loss	3.8 3.9 4.8	-	-	2,105	-12,231	-10,126
Comprehensive income or loss for the year		**-**	**-**	**13,356**	**-12,231**	**1,124**
Reclassifications		-	-	-347	-	-347
Balance as of 31 Mar 26		**430**	**539,594**	**-433,506**	**-11,797**	**94,721**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 General information

1.1 Reporting entity

Novem Group S.A. was originally formed as a private company (Société à responsabilité limitée) for an unlimited period of time under the laws of Luxembourg on 12 July 2011 pursuant to a deed of incorporation published in the Mémorial, Recueil des Sociétés et Associations C on 28 September 2011, number 2306. At that time, the Company's legal name was Car Interior Design (Luxembourg) S.à r.l.

On 30 June 2021, the extraordinary General Shareholders' Meeting converted the Company's corporate form from a private limited liability company (Société à responsabilité limitée) to a public limited liability company (Société Anonyme). As a consequence, the shares (parts sociales) were also converted and became actions with no nominal value. The Company's corporate name was amended to *Novem Group S.A.*

Novem Group S.A. (hereinafter also referred to as the "Company") is domiciled in Contern, Luxembourg, and is registered in the commercial register of Luxembourg under register file number B 162.537. The Company's registered office is at 19, rue Edmond Reuter, 5326 Contern, Luxembourg. The Group's principal place of business is Vorbach, Germany.

The Company's financial year is from 1 April to 31 March of the following year (12-month period). The consolidated financial statements include Novem Group S.A. and its subsidiaries (hereinafter also referred to as "Novem" or the "Group").

Novem operates as a developer, supplier and system supplier for trim parts and decorative functional elements in vehicle interiors, technology-matching exterior parts in the premium sector as well as trim elements in adjacent mobility segments. The products combine valuable raw materials with the latest technology and processing. Typically, the products are used as instrument panels, impact-resistant trim parts in the centre console, door trims, beltlines and decorative functional elements in the car interior.

The consolidated financial statements were authorised for issue by the Management Board on 15 June 2026.

Under Luxembourg Law, the consolidated financial statements are approved by the shareholders at their Annual General Meeting.

The official version of the accounts is the ESEF version available with the Officially Appointed Mechanism (OAM) tool.

1.2 Basis of preparation and presentation method

These consolidated financial statements have been prepared on the basis of historical costs. This excludes derivative financial instruments and trade receivables that are sold under factoring agreements. These are measured at fair value through profit or loss.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value can either be directly observable or otherwise be estimated using a valuation technique. When measuring fair value using a valuation technique, it has to be categorised into one of the following levels depending on the available observable parameters and the significance of these parameters for measurement as a whole:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, or can be derived indirectly from other prices.
- Level 3 inputs are unobservable inputs for the asset or liability.

The Group recognises reclassifications between different levels at the end of the reporting period in which the change occurred.

The Group classifies assets and liabilities as current if they are expected to be realised or settled within 12 months after the reporting date. If assets and liabilities have both a current and non-current component, they are broken down into their maturity components and reported as current and non-current assets or liabilities in accordance with their accounting classification.

These consolidated financial statements are presented in Euro, the Company's functional currency. All amounts are rounded to the nearest thousand Euro unless otherwise indicated. Totals in tables were calculated on the basis of exact figures and rounded to the nearest thousand Euro. For computational reasons, there may be rounding differences to the exact mathematical values in tables and references (monetary units, percentages, etc.). The Group has consistently applied the accounting and consolidation policies to all periods presented in these consolidated financial statements.

The consolidated statement of comprehensive income has been prepared using the nature of the expense method. For the methods used in the consolidated statement of cash flows, please refer to section 5.6.

The consolidated financial statements as of 31 March 2026 have been prepared in accordance with the International Financial Reporting Standards (IFRS) Accounting Standards issued by the International Accounting Standards Board (IASB), as adopted by the European Union (EU). The term *IFRS Accounting Standards* includes all applicable International Accounting Standards (IAS) as well as all interpretations and amendments by the International Financial Reporting Standards Interpretations Committee (IFRS IC) – formerly the International Financial Reporting Interpretations Committee (IFRIC).

Novem Group S.A. has prepared the consolidated financial statements as of 31 March 2026 on a going concern basis. From the current perspective, there are no risks to the continued existence of the Company. In its assessment, management considered the profit for the last years as well as the strong cash positions. The current assets are significantly lower than current liabilities. Nevertheless, the consolidated financial statements are prepared by using the equity method. The management also considered the positive cash inflow from operating activities. For information on the subsequent agreement reached for refinancing, please refer to section 5.15. Further references are made to section 3.6 and section 3.8.

1.3 Effects of new financial reporting standards

The IASB has issued or revised a number of reporting standards and interpretations that will not become effective until a future date. These new standards and interpretations will not be applied by the Group before they become effective in the EU.

The following table shows the new or amended standards, including their effects expected from first-time adoption. If the Group does not expect any effects on the consolidated financial statements from first-time adoption, this is due to the fact that the transactions, other events or conditions affected by the new IFRS Accounting Standards do not currently exist within the Group.

Effective date	New standards or amendments	Potential impact on the consolidated financial statements
Annual periods beginning on or after 1 January 2026	Amendment to IFRS 7 and IFRS 9: Classification and Measurement of Financial instruments	In review
Annual periods beginning on or after 1 January 2026	Amendment to IFRS 7 and IFRS 9: Contracts Referencing Nature-dependent Electricity	In review
Annual periods beginning on or after 1 January 2026	Annual Improvements to IFRS Accounting Standards – Volume 11	Negligible
Annual periods beginning on or after 1 January 2027	IFRS 18 Presentation and Disclosure in Financial Statements: Replacement of IAS 1	Presentational changes expected to the primary statements and notes to the financial statements
Annual periods beginning on or after 1 January 2027[1]	IFRS 19 Subsidiaries without Public Accountability: Disclosures	Negligible
Annual periods beginning on or after 1 January 2027[1]	Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures	Negligible
Annual periods beginning on or after 1 January 2027[1]	Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency	Negligible
Deferred indefinitely	Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Negligible

1 EU endorsement still pending

The Group observed all standards and interpretations adopted by the International Accounting Standards Board (IASB) and the EU that are mandatory as of 1 January 2025. The following table shows the new or amended standards effective in 2025. Applying the new standard has not significantly impacted these consolidated financial statements.

Effective date	New standards or amendments	Impact on the consolidated financial statements
Annual periods beginning on or after 1 January 2025	Amendments to IAS 21: The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	Negligible

1.4 Consolidated entities and basis of consolidation

Consolidated entities

In addition to Novem Group S.A., the consolidated financial statements include all subsidiaries that can be controlled by the Group. According to IFRS 10, a company controls an entity when it has the power over the entity, is exposed or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The consolidated financial statements include Novem Group S.A. as well as 13 international subsidiaries.

	Registered office	Ownership interest in %
Novem Group GmbH	Vorbach, Germany	100
Novem Beteiligungs GmbH[1]	Vorbach, Germany	100
Novem Car Interior Design GmbH[1]	Vorbach, Germany	100
Novem Car Interior Design Metalltechnologie GmbH[1]	Vorbach, Germany	100
Novem Car Interior Design Vorbach GmbH[1]	Vorbach, Germany	100
Novem Deutschland GmbH	Vorbach, Germany	100
Novem Car Interiors (China) Co., Ltd.	Langfang, China	100
Novem Car Interior Design k.s.	Pilsen, Czech Republic	100
Novem Car Interior Design S.de R.L.	Tegucigalpa, Honduras	100
Novem Car Interior Design S.p.A. Bergamo in liquidazione[2]	Bergamo, Italy	100
Novem Car Interior Design S.A. de C.V.	Querétaro, Mexico	100
Novem Car Interior Design d.o.o.	Žalec, Slovenia	100
Novem Car Interior Design Inc.	Detroit, USA	100

1 Entities included in the consolidated financial statements according to IFRS Accounting Standards that have exercised the exemption clauses under §264 (3) HGB.
2 Closure of the site and discontinuation of business operations as of 31 December 2025.

Basis of consolidation

Subsidiaries are entities controlled by Novem Group S.A., Luxembourg. A company controls an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the Company's returns.

In assessing control, all facts and circumstances are considered. This particularly includes the purpose and structure of the investee. For example, changes to decision-making rights can mean that the relevant activities are no longer directed through voting rights, but instead, other agreements, such as contracts, give another party or parties the current ability to direct the relevant activities. The assessment of control requires the consideration of all facts and circumstances at the discretion of management.

If necessary, the financial statements of group entities are adapted to the accounting policies of Novem Group S.A. The financial statements of the group entities Novem Car Interiors (China) Co., Ltd., China, and Novem Car Interior Design S.A. de C.V., Mexico, whose legal statutory reporting date is 31 December, are adapted to the parent company's reporting date. The deviating reporting dates compared to the parent company result from the respective national legislation.

1.5 Foreign currency translation

The consolidated financial statements are prepared in accordance with the functional currency concept. The consolidated financial statements are presented in Euro, the parent company's functional currency.

Transactions in foreign currencies are translated into Euro at the exchange rate applicable on the transaction date. In subsequent reporting periods, monetary assets and liabilities denominated in foreign currencies are translated at the closing rate. Any resulting gains and losses are recognised in the consolidated statement of comprehensive income. Non-monetary assets and liabilities are translated into Euro at the exchange rate applicable on the transaction date.

Assets and liabilities of foreign subsidiaries whose functional currency is not the Euro are translated into Euro at the closing rate on each reporting date. Equity items are translated at historical exchange rates. The income statements and statements of cash flows are translated into Euro at the applicable average exchange rates for the period. The resulting foreign currency translation differences are presented in the *currency translation reserve* in *other comprehensive income or loss*.

The Group used the following major exchange rates for currency translation:

Currency	Closing rate		Average rate	
EUR 1 equals	31 Mar 25	31 Mar 26	2024/25	2025/26
CNY	0.12827	0.12610	0.13020	0.12217
CZK	0.04006	0.04079	0.03978	0.04079
HNL	0.03604	0.03281	0.03721	0.03307
MXN	0.04522	0.04847	0.04882	0.04667
USD	0.92464	0.86972	0.93138	0.86609

2 Material accounting policies

2.1 Use of judgments and estimates

In preparing the consolidated financial statements in accordance with IFRS Accounting Standards, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Due to unforeseeable developments beyond the control of management, the actual figures may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised in accordance with IAS 8 in the period in which they occur and in each subsequent period affected by the revisions.

The most important forward-looking assumptions and other major sources of estimation uncertainty on the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year are explained below.

Measuring the fair value of financial instruments

If the fair values of financial assets and financial liabilities cannot be measured using quoted prices in active markets, they are determined by applying valuation techniques including the discounted cash flow method. The inputs used in the model are based – to the extent possible – on observable market data. If such data is unavailable, fair value is determined to a considerable extent based on judgment. Judgments concern inputs such as liquidity risk, credit risk and volatility. Changes in the assumptions for these inputs may affect the recognised fair values of financial instruments. Please refer to section 5.2 for an overview of the financial instruments measured at fair value.

Impairment of non-financial assets

At the end of each reporting period, management assesses whether there is any objective evidence that assets are impaired. Any intangible assets not yet available for use as of the reporting date in the form of capitalised development costs are also tested for impairment annually. Further tests are conducted when there is objective evidence of impairment. Other non-financial assets or cash-generating units are tested for impairment when there is evidence that the carrying amount is not recoverable. The recoverable amount of an asset or a cash-generating unit is the higher of fair value less costs to sell and value in use. The measurement of fair value less costs to sell is based on available data from binding sales transactions between independent business partners for similar assets or observable market prices less costs directly attributable to the sale of the asset. The discounted cash flow method is used to measure value in use. Cash flows are derived from the budget for the next five years, which does not include restructuring measures to which the Group has not yet committed and material future investments that will increase the profitability of the tested cash-generating unit. The recoverable amount depends on the discount rate used in the discounted cash flow method as well as the expected future cash in-flows and the growth rate used for extrapolation purposes.

Capitalisation of development costs

When capitalising development costs, management's estimates regarding the technical and economic feasibility of the development projects are considered in the recognition decision. This is usually the case when an internal development project has reached a specific milestone in the existing project management model. Measurement of the capitalised development costs depends on assumptions regarding the amount and period of expected future cash flows as well as discount rates to be applied. For more details, please see section 3.1.

Net realisable value of inventories

Inventories are stated at the lower of cost and net realisable value. The measurement of net realisable value requires assumptions by management, particularly on the development of sales prices and costs still to be incurred until sale. Refer to section 3.3 for further details.

Loss allowances on receivables

Estimates regarding the amount and necessary scope of loss allowances on receivables sometimes require subjective assessments with regard to the creditworthiness of customers. These are therefore subject to the inherent uncertainty of judgment. Please refer to section 3.4 and section 5.4 for further details.

Deferred tax assets on tax carryforwards

Deferred tax assets are recognised to the extent that it is considered likely that the related tax benefits will be realised through future taxable profits based on management's profit forecasts for the group entities. The determination of deferred tax assets requires significant judgment by management with regard to the expected occurrence and amount of future taxable income as well as future tax. Please refer to section 4.8 for further details.

Provisions

Significant estimates are required in the determination of provisions related to pensions and other obligations, contract losses, warranty costs and legal proceedings. Please refer to section 3.9 and section 3.11 for further details.

Determination of the term of leases with extension/ termination options

The Group determines the term of its leases based on the non-cancellable period of the lease as well as the periods arising from the option to extend the lease, provided it is reasonably certain that it will exercise this option, or the periods arising from the option to terminate the lease, provided it is reasonably certain that it will not exercise this option. The Group has concluded several leases that include extension and/ or termination options. It exercises judgment in determining whether it is reasonably certain that the option to extend or terminate the lease will or will not be exercised. That is, it considers all relevant criteria that create an economic incentive for it to exercise either the extension or termination option. After the commencement date, the Group re-determines the lease term if there is a significant event or change in circumstances that is within its control and has an effect on whether or not it will exercise the option to extend or terminate the lease (e.g. major leasehold improvements or material adjustment of the underlying asset).

Please refer to section 5.10 for details on potential future lease payments for periods after the date of exercising the extension and termination options that are not taken into account in the lease term.

Revenue recognition

For the purpose of revenue recognition, it is necessary to identify all distinct performance obligations within a contract with a customer. The assessment of whether a performance obligation is distinct requires judgment by management.

Moreover, determining and allocating the transaction price to distinct performance obligations of a contract requires assumptions and estimates by management. This particularly concerns scenarios in which a stand-alone selling price for a good or service is not directly observable and must therefore be estimated or cases in which the transaction price includes variable components. In addition, management must assess whether there is participation in the development costs of automobile manufacturers in exchange for goods or services transferred by customers to the Group, which is customary in the automotive industry. Should this not be the case, estimates of the future contract volume under the contracts with customers involving such participation are necessary.

Furthermore, determining whether a performance obligation is satisfied at a point in time or over time also requires management judgment. This particularly concerns the assessment of whether the criteria for recognition of revenue over time are satisfied in the individual case.

Climate change

Increasing expectations from stakeholders require explaining how climate-related matters are considered in preparing the consolidated financial statements to the extent they are material. Climate change and potential future developments on the entity, including the sustainability of its current business model, are for sure important but not expected to have a significant impact on the financial reporting judgments and estimates so far, consistent with the assessment that climate change is also not expected to have a significant impact on the Group's going concern assessment nor viability of the Group. There are certainly potential risks (e.g. limitations on car traffic with the aim of reducing greenhouse gases potentially affecting the overall demand), but also clear opportunities (e.g. expansion of the product portfolio by bio-based, recycled or upcycled decors) which may change in the future both in terms of materiality and likelihood of occurrence and may have a corresponding impact on judgments and estimates. Still, these have been classified as not material for this year's consolidated financial statements. Any trends and developments are continuously monitored and investigated in order to identify any effects on the business model at an early stage. This includes an analysis of transitional risks arising from new statutory requirements and climate protection regulations, such as the potential introduction of a CO2 tax, restrictions on diesel or combustion engine vehicles in urban areas or cross-border mechanisms like the EU Carbon Border Adjustment Mechanism (CBAM). Furthermore, we assess risks and opportunities stemming from technological innovations and regulatory developments.

Underlying, the Group actively contributes to reducing the footprint of CO2-neutral production by improving manufacturing processes with modern and efficient technology. Sustainability is also reflected in product innovations and concepts, which may potentially even create a competitive advantage for acquiring new projects.

Geopolitical and macroeconomic environment

The increasingly complex and uncertain macroeconomic and geopolitical environment, particularly due to the Ukraine war, the ongoing conflict in the Middle East and tensions between China and Taiwan, requires continuous and close observation by the management. Major global elections influenced the political and economic direction of the affected countries. The Group was impacted by ongoing uncertainties related to trade tariffs and weak economic growth, particularly in the automotive sector. The further stabilisation of inflation and the decrease in key interest rates constitute a solid basis for future positive developments. Recently rising tensions in the Middle East led to higher energy prices, requiring continued observation amid renewed uncertainty and potential inflationary risks.

Those trends could affect the fair values and carrying amounts of assets and liabilities, as well as the amount and timing of Novem's results of operations and cash flows. Estimates and assumptions are generally based on existing knowledge and the best information available.

The management has regularly reviewed the implications of the changing geopolitical and macroeconomic conditions and has not identified a going concern or significant issue beyond the general scope of impact on the performance and financial position of the Group as of today. Management continues to monitor the current developments and their potential impact on the Group.

2.2 Intangible assets

Purchased intangible assets

Intangible assets acquired for valuable consideration are recognised at cost. If they have a finite useful life, these intangible assets are amortised on a straight-line basis over these useful lives. After initial recognition, intangible assets are recognised at cost less accumulated amortisation and any accumulated impairment losses. Amortisation and impairment losses are recognised in profit or loss.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset it relates to. All other expenses are recognised as expenses in the period in which they are incurred.

The useful lives of software and licenses are estimated at two to five years.

Amortisation methods and useful lives are reviewed at each reporting date and adjusted as necessary.

Internally generated intangible assets

In order to continuously assess the need to capitalise development expenditure, ongoing development projects are monitored at a central level and broken down into multi-stage project phases. If the requirements according to IAS 38 are fulfilled from a particular project phase, the associated expenditure is capitalised as internally generated intangible assets. Otherwise, the expenses for research and non-capitalised development services are recognised in profit or loss as incurred.

Capitalised development expenditure is amortised on a straight-line basis over its useful life of three to seven years. The useful life is determined on the basis of the estimated use of the technologies in line with technical progress or on the basis of the specific application of the development on current platforms. Amortisation methods and useful lives are reviewed at each reporting date and adjusted as necessary.

Intangible assets from development projects not yet available for use are tested for impairment annually.

2.3 Property, plant and equipment

Property, plant and equipment, except from right-of-use assets under leases (IFRS 16), are measured at cost less any accumulated depreciation and any accumulated impairment losses.

To the extent relevant, cost includes the estimated costs of site dismantlement, removal and restoration of the asset.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their useful lives and is generally recognised in profit or loss. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Useful lives of property, plant and equipment	
Buildings	10 to 33 years
Furniture and fixtures, office equipment	3 to 13 years
IT equipment	4 years
Leasehold improvements	10 years

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment. These gains and losses are recognised in *other operating income* or *other operating expenses*.

The residual values, useful lives and depreciation methods of assets are reviewed at the end of each financial year and adjusted as necessary.

2.4 Impairment of assets

Non-financial assets

According to IAS 36, non-financial assets with finite useful lives are assessed at the end of each reporting period to determine whether there is any indication that an asset may be impaired, e.g. particular events or market developments indicating a possible impairment. The carrying amounts of intangible assets with indefinite useful lives as well as intangible assets not yet available for use are tested for impairment at the end of each reporting period.

For impairment testing, assets that cannot be individually assessed are grouped into the smallest identifiable group of assets generating cash in-flows through continuing use, which are largely independent of the cash in-flows from other assets or groups of assets (cash-generating units).

Within the Group, the smallest identifiable group of assets is usually at the level of individual entities.

If any such indication exists, or in cases where annual impairment testing is required, the recoverable amount of the asset is estimated. If the recoverable amount of an asset or corresponding cash-generating unit is less than its carrying amount, an impairment loss is recognised. The resulting difference between the carrying amount and recoverable amount is recognised as an expense in profit or loss.

Measuring recoverable amount

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. Value in use is measured by discounting the estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For assets to which cash flows cannot be directly allocated, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

Financial assets

The Group mainly recognises allowances for expected credit losses for:

- trade receivables measured at amortised cost
- contract assets

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit losses (ECL). Lifetime expected credit losses are ECL that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

To assess whether the credit risk of a financial asset since initial recognition has significantly increased and to evaluate expected credit losses, the Group considers reasonable and supportable information which is relevant and available without undue cost or effort. This covers both quantitative and qualitative information and analysis which is based on past experience of the Group and in-depth assessments, including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly when it is more than 30 days past due.

The Group considers a financial asset in default when it is unlikely that the borrower will be able to repay its loan commitment to the Group in full, without the Group having to resort to measures such as the sale of collateral (should it exist).

Measurement of expected credit losses

Expected credit losses are defined as the weighted average of credit losses with the respective risks of a default occurring as the weights. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between all contractual cash flows that are due to an entity in accordance with the contract and all cash flows that the entity expects to receive).

Expected credit losses are measured within the Group based on a classification of trade receivables and assets by customer, refer to section 5.4 for further details.

Presentation of impairment for expected credit losses in the statements of financial position and consolidated statement of comprehensive income

Impairment losses on trade receivables measured at amortised cost and on financial assets are deducted from the gross carrying amount of the assets.

The expected credit losses are presented in *other operating expenses* of the Consolidated statement of comprehensive income.

Impairment

The gross carrying amount of a financial asset is fully or partially impaired if – according to an appropriate assessment – the Group does not assume that the financial asset can be partly or wholly recovered. In this regard, the Group makes an individual assessment as to the point in time and amount of the impairment.

2.5 Leases

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease.

For all classes of assets in the context of leases, the Group has decided – pursuant to IFRS 16.15 – not to separate non-lease components and instead to recognise lease and non-lease components as a single lease component.

At the commencement date, the Group recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at cost commensurate with the initial measurement of the lease liability, adjusted by the payments made on or before the commencement date plus any initial direct costs and estimated costs for the dismantling or removal of the underlying assets or the restoration of the underlying assets or site where the asset is located, less any received lease incentives.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term unless the lease transfers ownership of the underlying asset to the Group at the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case, the right-of-use asset is depreciated over the useful life of the underlying asset, which is determined in line with the requirements for property, plant and equipment. In addition, the right-of-use asset is continually tested for impairment where necessary and adjusted by specified remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

To determine its incremental borrowing rate, the Group obtains interest rates from a bank and makes corresponding adjustments to account for the lease conditions and type of asset.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments resulting from a change in an index or (interest) rate, when there is a change in the Group's estimate of the amounts expected to be payable under a residual value guarantee, when the Group changes its assessment of whether it will exercise a purchase, renewal or termination option or when there is a revised in-substance fixed lease payment.

The Group presents right-of-use assets for leases in property, plant and equipment and lease liabilities in other financial liabilities.

Furthermore, the Group has decided not to report right-of-use assets and lease liabilities for leases based on low-value assets as well as for short-term leases pursuant to IFRS 16.6. The Group recognises the lease payments associated with these leases in the Consolidated statement of comprehensive income as *other operating expenses* on a straight-line basis over the term of the lease.

2.6 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the moving average cost method.

Inventories also include tools at Novem as the beneficial ownership of tools does not usually lie with Novem. The tools must be presented as inventories under current assets until they are transferred to the OEM. In accordance with IAS 2.10, the cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

2.7 Other assets

One-off participations in the development costs of automobile manufacturers are recognised as assets by the Group. The exclusive position occupied vis-à-vis business partners means that these payments are recouped through future serial business and the resulting revenue. Based on these contract conditions, payments are recognised continually as reducing revenue from the start of serial production and the asset is correspondingly written down. The write-down is recognised in this regard as the ratio of goods already supplied to the expected total amount of goods to be provided.

Furthermore, contract assets are created through the production of customised serial parts, as there is no alternative use for these serial parts. In this regard, a legal claim exists for payment of the work rendered thus far should the customer terminate the contract. Consequently, control over these goods (pursuant to IFRS 15) is transferred over time, which is also why the corresponding revenue is to be recognised over time. If the Group has not yet received consideration in this regard for the transferred goods and at the same time there is no unconditional right to payment, the corresponding contract assets are recognised.

Additional payments to the customer may qualify as costs of contract fulfillment. Where such payments are incurred exclusively for the purpose of fulfilling a contract, they may be recognised as an asset related to contract fulfillment. This asset is required to be amortised over the period during which the associated goods or services are transferred to the customer.

2.8 Cash and cash equivalents

Cash and cash equivalents mainly include cash and other highly liquid financial investments with a term of not more than three months. Petty cash and cash in banks are stated at nominal value.

2.9 Financial instruments

Definition of initial recognition

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument in another entity. Financial instruments are recognised as soon as the Group becomes a party to the financial instrument contract. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value. In the case of an item not measured at fair value through profit or loss, transaction costs are added that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. Subsequently, financial assets and liabilities are measured according to the category to which they are assigned to.

Financial assets

All purchases and sales of financial assets are recognised as of the trading day, i.e. on that date upon which the Group is obliged to acquire the assets. Financial assets with a remaining maturity of more than one year are classified as non-current.

All financial assets not classified as measured at amortised cost (FAAC) or financial assets measured at fair value through other comprehensive income (FAFVOCI) based on their contractual cash flow characteristics and the business model they are held in are classified as financial assets measured at fair value through profit and loss (FAFVTPL). This includes all derivative financial assets and trade receivables sold in the context of factoring agreements.

The following is applicable for the subsequent measurement of financial assets and the associated gains and losses:

Financial assets at amortised cost are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses as well as impairment losses are recognised as other operating expenses or income. A gain or loss from derecognition is recognised in profit or loss (in *other operating income* or *other operating expenses*).

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred.

Assets are also derecognised when the Group neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the transferred asset.

In order to recognise incoming payments in a timely manner, the Group partially sells its trade receivables – mainly from automobile manufacturers and their suppliers – to a bank. Due to Novem's continuing involvement, the trade receivables are to be derecognised except for the amount of the first loss guarantee. The so-called *Seller Guarantee* is a limited default guarantee under which Novem is liable for up to 2% of the average monthly outstanding trade receivables in the total portfolio. This amount continues to be recognised as an asset and as a liability to banks.

Financial liabilities

Except for derivative financial instruments, the Group measures financial liabilities at amortised cost (FLAC) using the effective interest method.

Derivative financial instruments

The Group uses derivative financial instruments to hedge currency risks resulting during the course of operations.

Derivative products are measured at fair value upon initial recognition. Derivatives are subsequently measured at fair value (FLFVPL/FAFVPL). Any changes therein are generally recognised in other operating expenses or other operating income. The Group does not apply hedge accounting according to IFRS 9.

2.10 Other provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation, whose amount can be estimated reliably, and it is probable that an out-flow of economic benefits will be required to settle the obligation (probability of occurrence is greater than 50%).

Warranty obligations may arise on account of statutory stipulations, an agreement or ex-gratia arrangements. Provisions are recognised for expected claims arising from warranty obligations. Utilisation of the provision can be expected in particular if the warranty has not yet expired, if warranty expenditure was incurred in the past or if there are specific signs of warranty cases. Depending on the facts of the situation, the warranty risk is derived either using individual estimates or empirical values from the past, for which a corresponding provision is recognised. The Group does not offer any further warranties beyond this in terms of additional maintenance and services. Thus, the warranties are Assurance Type Warranties, which – in accordance with IAS 37 – are to be recognised and which do not fall within the scope of IFRS 15.

Provisions for restructuring expenses are recognised when the Group has set up and communicated a detailed formal plan for restructuring and has no realistic possibility of withdrawing from these obligations.

Should the recognition criteria for provisions not be satisfied, then a contingent liability is shown in the notes if certain conditions are met.

2.11 Employee benefits

There are defined benefit obligations within the Group. Pursuant to IAS 19, pension obligations are measured using the projected unit credit method on the basis of actuarial reports. The present value of beneficiaries' future claims is estimated using actuarial methods on the basis of the benefits earned by staff in the current and preceding periods. The required actuarial calculations are made in the Group by external actuaries.

Actuarial gains and losses from measuring the obligation are recognised in other comprehensive income and shown separately in the consolidated statement of comprehensive income. Expenses from the unwinding of discounts on defined benefit obligations as well as interest income (net interest expense) are shown under *finance income/costs*. The service cost is taken into account in personnel expenses, although past service costs are recognised immediately in profit or loss.

Payments to defined contribution plans are recognised as an expense when employees have rendered the work entitling them to the benefits. To the extent necessary, these are shown as a liability on the reporting date.

2.12 Profit-sharing rights of members of management

The Group established cash-settled share-based payment agreements for members of the Management

Board. The Performance Share Plan is granted in annual tranches of virtual shares with a respective performance period of four years.

According to IFRS 2, for cash-settled share-based payment transactions, the Group has to measure the liability incurred at the fair value of the liability. The fair value of the share-based payments of the Performance Share Plan has been measured at the end of each quarter by using a Monte-Carlo-Simulation. Any changes in the liability are recognised in profit or loss.

2.13 Revenue recognition

Revenue is recognised for all contracts with customers on the sale of goods or rendering of services according to the five-step model specified under IFRS 15.

The model specifies that revenue as of a point in time (or over time) of transfer of control of the goods or services from the entity to the customer is to be recognised in the amount to which the entity is expected to be entitled.

The Group usually concludes multiple-element contracts with customers which contain more than one performance obligation. In this regard, two or more agreements are generally combined as these are negotiated as a package with one single economic purpose. The agreements relate to the sale of trim and function elements, the provision of development services as well as construction of tools necessary for the production of the trim and function elements. Whereas in the case of the agreements for providing development services and the construction of tools, signing of the contract generally satisfies the criteria of an agreement pursuant to IFRS 15, a contract within the meaning of IFRS 15 is typically established for agreements for the delivery of serial parts only as of the date of initial delivery of serial parts. In the case of subsequent, later deliveries, this then involves contract modifications that are to be accounted for separately from the contracts.

As part of multiple-element contracts, the Group has identified the following performance obligations:

- the provision of development services and the sale of tools necessary for the production of serial parts
- sale of serial parts
- with respect to the sale of tools, the Group carries out maintenance of these tools, which will be invoiced separately to the OEM

Warranty obligations always constitute assurance-type warranties that are recognised according to IAS 37.

The transaction price includes the fair value of the received or receivable consideration, taking into account rebates or volume discounts granted in the serial process, which – to the extent necessary – are estimated based on historical experience, as well as an appropriate allocation of one-off payments rendered upfront (e.g. participation in the development work of the OEM). When determining the transaction price, the promised consideration is adjusted for the interest effect of any potentially existing financing component.

To account for the time value of money (adjustment of promised consideration), the group uses a discount rate that would be reflected in a separate financing transaction.

In subsequent periods, interest income is recognised on an accrual basis using the effective interest method and presented as finance income.

The expected-cost-plus-a-margin approach is used for estimating the stand-alone selling prices as part of allocating the transaction price to the individual performance obligations.

The one-off payments to be paid by the Group grant the Group an exclusive position as supplier and can be recouped through sales from the related agreement.

In terms of the type of revenue recognition, it is necessary to differentiate between performance obligations that are fulfilled over time and those that are fulfilled at a point in time.

Performance obligations that are satisfied at a point in time

The Group is commissioned by customers to develop special tools, which are sold to the customer upon completion. In such constellations, the development work and subsequent sale of the tools constitute one single performance obligation. The associated revenue is recognised upon completion and sale of the tool to the customer, i.e. at a point in time.

The point in time of revenue recognition from the sale of tools generally corresponds – depending on the respective customer contract and respective order – to the date of delivery or acceptance, as control of the good transfers as of this point in time to the customer and the Group has thus fulfilled its contractual performance obligation.

Advance payments received from customers for tools are shown as contract liabilities under other liabilities.

Performance obligations that are satisfied over time

The Group is commissioned by the customer to manufacture customised serial parts. An asset with no alternative use generally arises when the serial part is highly customised for a particular customer. Furthermore, in such cases, the Group has an enforceable right to payment for services rendered to date. As a result, revenue for these serial parts is recognised over time and the contract asset for this is recognised, amounting to at least any costs of performance completed to date plus a reasonable profit margin.

The payment terms contractually agreed on with all customers (series and tools) are generally between 30 and 90 days.

Revenue from service agreements is recognised over time in those periods in which the service is rendered.

2.14 Finance income/costs

The Group's finance income and finance costs include:

- interest income
- interest expenses
- foreign currency gains and losses
- expenses and income from measuring certain financial instruments at fair value

Interest income and expense are recognised on an accrual basis using the effective interest method.

2.15 Income taxes

The tax assessment is generally made at the level of the individual circumstances, taking into account any interactions that may exist. If the recognition of the tax treatment is probable, the current and deferred taxes are recognised on this basis. If, on the other hand, recognition is uncertain (not probable), the most probable amount that would be recognised for tax purposes is used, unless the expected value of different scenarios leads to more meaningful results. Full knowledge of the facts by the tax authorities is always assumed. The assumptions and decisions made are reviewed at each reporting date and, if necessary, adjusted on the basis of new findings.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the financial year, based on the tax rates applicable or shortly to become applicable on the reporting date, and any adjustment to tax payable for prior years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Deferred taxes

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and the amounts used for taxation purposes.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the associated tax benefits will be realised. Impairment losses are reversed if the probability of generating taxable earnings in the future increases.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

3 Notes to the consolidated statements of financial position

3.1 Intangible assets

The development of the Group's carrying amounts of intangible assets is shown in the following table for financial years 2024/25 and 2025/26:

in € thousand	Concessions, industrial property rights and similar rights and assets as well as licenses to such rights and assets acquired for a consideration	Internally generated intangible assets	Advance payments and assets under construction	**Intangible assets**
Cost				
As of 01 Apr 24	6,249	2,307	542	**9,099**
Currency differences	-16	-	-	**-16**
Additions	671	108	59	**838**
Disposals	-211	-	-	**-211**
Reclassifications	477	-	-477	**-**
As of 31 Mar 25	7,170	2,415	123	**9,709**
As of 01 Apr 25	7,170	2,415	123	**9,709**
Currency differences	-33	-	-	**-33**
Additions	304	127	6	**437**
Disposals	-441	-	-	**-441**
Reclassifications	123	-	-123	**-**
As of 31 Mar 26	**7,123**	**2,542**	**6**	**9,673**
Accumulated amortisation				
As of 01 Apr 24	5,295	968	-	**6,262**
Currency differences	-14	-	-	**-14**
Amortisation expenses	458	227	-	**685**
Disposals	-211	-	-	**-211**
As of 31 Mar 25	5,528	1,195	-	**6,722**
As of 01 Apr 25	5,528	1,195	-	**6,722**
Currency differences	-29	-	-	**-29**
Amortisation expenses	554	159	-	**713**
Disposals	-441	-	-	**-441**
As of 31 Mar 26	**5,611**	**1,354**	**-**	**6,965**
Carrying amount				
As of 31 Mar 25	**1,642**	**1,220**	**123**	**2,987**
As of 31 Mar 26	**1,512**	**1,188**	**6**	**2,708**

Additions to intangible assets in the financial year 2025/26 amounted to €437 thousand compared to €838 thousand in the financial year 2024/25. The additions included €6 thousand (PY: €59 thousand) from advance payments and assets under construction. The reclassification of advance payments and assets under construction of €-123 thousand resulted from capitalisation of the SAP S/4HANA project, which represented the final remaining component of the overall SAP S/4HANA transformation and had been capitalised in the financial year 2024/25.

Purchased intangible assets

Purchased concessions, patents, licenses, trademarks and similar rights and assets mainly concern expenses for third parties in connection with the acquisition of application software.

No impairment losses were recognised for purchased intangible assets in the financial years 2024/25 and 2025/26.

Internally generated intangible assets

Research costs and non-capitalisable development costs are expensed as incurred. Internally generated intangible assets amounted to €1,188 thousand as of 31 March 2026 (31 March 2025: €1,220 thousand). This largely involves the development of electronic components in the trim part, lighting concepts in car interiors, the development of sensor elements as well as developments in adjacent mobility segments.

The Group differentiates between customer-based and non-customer-based (internal) development work in this regard. Internal development work that can be used across customers is recognised as internally generated intangible assets if the corresponding recognition criteria are met and the assets are amortised over their expected useful life.

No impairment losses were recognised for internally generated intangible assets in the financial years 2024/25 and 2025/26.

In the financial year 2025/26, the Group recognised research and development expenses of €901 thousand (PY: €1,123 thousand), which are included in *other operating expenses*. Amortisation expenses for capitalised internal development projects amounted to €159 thousand (PY: €227 thousand).

3.2 Property, plant and equipment

in € thousand	31 Mar 25	31 Mar 26
Land, leasehold rights and buildings, including buildings on third-party land	82,126	72,311
Thereof right-of-use assets from leases	38,278	30,235
Technical equipment and machinery	71,025	62,127
Thereof right-of-use assets from leases	18	10
Other equipment, operating and office equipment	11,523	10,256
Thereof right-of-use assets from leases	4,764	3,640
Advance payments and assets under construction	6,757	6,769
Property, plant and equipment	**171,431**	**151,463**

Property, plant and equipment include right-of-use assets due to the application of IFRS 16 (Leases). Please refer to section 5.10 for additional information on future lease payments.

During the financial year 2025/26, the Group invested €14,100 thousand (31 March 2025: €20,351 thousand) in property, plant and equipment. The additions included €4,203 thousand (31 March 2025: €4,508 thousand) from advance payments and assets under construction.

No impairment losses were recognised in the financial years 2024/25 and 2025/26.

The development of the Group's carrying amounts of property, plant and equipment is shown in the following table for the financial years 2024/25 and 2025/26.

in € thousand	Land, leasehold rights and buildings, including buildings on third-party land	Technical equipment and machinery	Other equipment, operating and office equipment	Advance payments and assets under construction	**Property, plant and equipment**
Cost					
As of 01 Apr 24	179,285	285,885	54,785	7,722	**527,678**
Currency differences	-6,770	-1,653	-591	-214	**-9,228**
Additions	2,704	8,964	4,175	4,508	**20,351**
Disposals	-4,054	-536	-3,258	-2	**-7,850**
Reclassifications	1,057	4,074	86	-5,217	**-**
As of 31 Mar 25	172,221	296,734	55,198	6,797	**530,950**
As of 01 Apr 25	172,221	296,734	55,198	6,797	**530,950**
Currency differences	1,523	-2,336	-193	74	**-878**
Additions	1,961	4,669	3,267	4,203	**14,100**
Disposals	-8,011	-6,926	-6,168	-	**-21,105**
Reclassifications	803	3,090	372	-4,305	**-40**
As of 31 Mar 26	**168,550**	**295,232**	**52,477**	**6,769**	**523,028**
Accumulated depreciation					
As of 01 Apr 24	81,346	210,714	41,497	214	**333,771**
Currency differences	-681	-1,077	-277	-1	**-2,036**
Depreciation expenses	9,535	16,426	5,476	-	**31,436**
Disposals	-104	-525	-3,021	-2	**-3,652**
Reclassifications	-	171	-	-171	**-**
As of 31 Mar 25	90,095	225,709	43,675	40	**359,519**
As of 01 Apr 25	90,095	225,709	43,675	40	**359,519**
Currency differences	124	-1,879	-226	-	**-1,931**
Depreciation expenses	9,143	16,044	4,762	-	**29,949**
Disposals	-3,175	-6,767	-5,991	-	**-15,932**
Reclassifications	-	-1	1	-40	**-40**
As of 31 Mar 26	**96,239**	**233,106**	**42,222**	**-**	**371,565**
Carrying amount					
As of 31 Mar 25	**82,126**	**71,025**	**11,523**	**6,757**	**171,431**
As of 31 Mar 26	**72,311**	**62,127**	**10,256**	**6,769**	**151,463**

3.3 Inventories

in € thousand	31 Mar 25	31 Mar 26
Raw materials and consumables	31,124	28,862
Work in process	9,910	10,181
Finished goods and merchandise	12,135	9,272
Tools	40,837	37,009
Advance payments for tools	1,240	312
Advance payments for raw materials	39	32
Inventories	**95,285**	**85,668**

The majority of inventories consisted of tools as well as raw materials and consumables.

Inventories that are expected to be turned over within 12 months amounted to €85,668 thousand (31 March 2025: €95,285 thousand). As of 31 March 2026, the inventories included write-downs amounting to €4,602 thousand (31 March 2025: €4,931 thousand). The change is reflected in *increase or (decrease) in finished goods and work in process* and *cost of materials*. In the case of write-downs, marketability, age as well as all apparent storage and inventory risks are taken into account.

Since there is no alternative use option for the finished parts on stock as of the reporting date, for which there are also firm purchase commitments by the OEMs, an adjustment was made to the inventories in the amount of €6,937 thousand (31 March 2025: €8,665 thousand), which is reflected in *decrease in finished goods and work in process* based on recognition of revenue over time under IFRS 15, together with the recognition of

contract assets amounting to €7,891 thousand (31 March 2025: €10,162 thousand), which is reflected in *revenue*.

3.4 Trade receivables

Trade accounts receivables included the following items:

in € thousand	31 Mar 25	31 Mar 26
Trade receivables	82,609	86,370
Expected credit losses on trade receivables	-317	-305
Trade receivables	**82,292**	**86,066**
Non-current	45,121	41,276
Current	37,171	44,790

Trade receivables are mainly receivables from contracts with customers.

The increase in receivables was primarily driven by higher business volumes.

Factoring

Two of the Group's subsidiaries, Novem Car Interior Design GmbH and Novem Car Interior Design Inc., participate in a revolving multi-seller securitisation vehicle for its trade receivables.

In conjunction with a factoring agreement, receivables were sold to a bank at a purchase price of €39,977 thousand as of 31 March 2026 (31 March 2025: €41,214 thousand), of which €900 thousand (31 March 2025: €900 thousand) represented a limited Seller Guarantee (2% of the average outstanding nominal amount of the European sold receivables). The Seller Guarantee represents the Group's maximum exposure to any losses in respect of trade receivables previously sold under the factoring programme.

These receivables were carried at fair value through profit or loss until the date of their disposal.

The Group concluded that it does not control, and therefore should not consolidate, the securitisation vehicle. Taken as a whole, the Group does not have power over the relevant activities of the securitisation vehicle.

Expected credit losses

Trade receivables are written down in full or in part when there are indications that they are not recoverable. Furthermore, in accordance with IFRS 9, expected credit losses for trade receivables which are not measured at fair value through profit or loss are calculated on a portfolio basis (refer here also to section 5.4). For this purpose, Novem groups the receivables by individual customers. The expected default rates for each counterparty are provided by an external rating agency. This individual probability of default per customer is applied uniformly throughout the Novem Group. Current external credit information and ratings that reflect the prevalent expectations regarding the potential impact of global economic developments were used for the consolidated financial statements as of 31 March 2026. An additional adjustment of the valuation allowance was thus not required under this model.

The allowances for trade accounts receivables developed as follows:

in € thousand	FY 2024/25	FY 2025/26
	Loss allowance	Loss allowance
As of 01 Apr	336	317
Additions	16	8
Reversals	-34	-18
Used	-	-
Exchange rate effects	-1	-2
As of 31 Mar	**317**	**305**

For receivables due within one year, the expected credit losses were higher due to a slight increase in receivables. In contrast, the long-term receivables had a lower expected credit losses value due to lower amortisation.

3.5 Other receivables

The Group's other receivables comprise the following components:

in € thousand	31 Mar 25	31 Mar 26
From VAT	15,736	6,846
From employees	424	503
From payroll tax	17	2
From social security	111	303
From advance payment receivables	383	229
From financial assets	1,432	76
Others	10,231	4,985
Other receivables	**28,334**	**12,944**

The majority were receivables from tax authorities. This resulted from regular offsetting and notification of paid and received VAT. The decrease in financial assets was caused by derivatives. As of 31 March 2026, the amounts shown in the column *Others* included income tax receivables primarily resulting from advance tax payments in the amount of €4,310 thousand (31 March 2025: €9,527 thousand) and other operating receivables amounting to €675 thousand (31 March 2025: €704 thousand).

3.6 Cash and cash equivalents

in € thousand	31 Mar 25	31 Mar 26
Cash on hand	29	27
Cash at banks	150,068	175,192
Cash and cash equivalents	**150,097**	**175,219**

Cash and cash equivalents are not subject to any restrictions. The amount corresponds to the value shown in the Consolidated statement of cash flows. Cash and cash equivalents are concentrated at Novem Beteiligungs GmbH, which operates a group-wide cash pooling system.

3.7 Other assets

in € thousand	31 Mar 25			31 Mar 26		
	Current	Non-current	**Total**	Current	Non-current	**Total**
Prepaid expenses	1,206	8	**1,214**	1,459	15	**1,474**
Miscellaneous other assets	-	260	**260**	-	266	**266**
Contract assets	12,268	1,983	**14,251**	10,486	3,314	**13,800**
Contribution to develop for future supply contracts	1,796	14,857	**16,653**	1,350	12,210	**13,560**
Costs related to contract execution	-	-	**-**	63	2,687	**2,750**
Transaction costs	-	-	**-**	-	3,733	**3,733**
Other assets	**15,270**	**17,108**	**32,378**	**13,358**	**22,225**	**35,583**

Other assets contain only non-financial assets.

Other non-financial non-current assets of €22,225 thousand (31 March 2025: €17,108 thousand) primarily comprised development contributions for future supply contracts, contract assets, costs related to contract execution and transaction costs.

The presented other non-financial current assets amounting to €13,358 thousand (31 March 2025: €15,270 thousand) mainly included prepaid expenses as well as contract assets, i.e. acquired right to consideration for already satisfied performance obligations from contracts with customers as of the reporting date.

Contract assets are reclassified as trade receivables as soon as there is an unconditional right to receive cash, which is obtained upon invoicing the customer for the quantities actually delivered. In this regard, €10,097 thousand were reclassified in 2025/26 (31 March 2025: €12,431 thousand) from contract assets to trade receivables. The expected credit losses on

contract assets (refer also to section 5.4), which are shown within *other operating expenses*, developed as follows on Group level:

in € thousand	FY 2024/25	FY 2025/26
As of 01 Apr	8	5
Additions	1	1
Reversals	-4	-
Used	-	-
As of 31 Mar	**5**	**6**

3.8 Equity

Please refer to the Consolidated statement of changes in equity for detailed information on changes in consolidated equity. Overall, the equity position changed from €93,944 thousand at the end of the last financial year to €94,721 thousand, which mainly resulted from profit for the year and, on the contrary, from changes in other comprehensive income or loss.

Share capital

As of 31 March 2026, the share capital of the Company amounted to €430 thousand (31 March 2025: €430 thousand) and is divided into 43,030,303 ordinary shares (31 March 2025: 43,030,303 ordinary shares) in a dematerialised form with no nominal value. All ordinary shares rank equally with regard to the Company's residual assets. Each share represents a par value of €0.01 in the Company's share capital. All shares are fully paid. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

Authorised capital

The authorised capital of the Company is set at €520,000 thousand divided into 52,000,000 shares with no nominal value. The Management Board is authorised to increase the current issued capital up to the amount of the authorised capital, in whole or in part, from time to time during five years following the according General Shareholders' Meeting on 30 June 2021.

Authorisation for repurchase of own shares

On 30 June 2021, the extraordinary General Shareholders' Meeting of the Company resolved to authorise the Management Board to effect on one or several occasions repurchases and disposals of shares on the regulated market on which the Company's shares are admitted for trading, or by such other means resolved by the Management Board during a period of five years from the date of the General Shareholders' Meeting, for a maximum number corresponding to 20% of the ordinary shares of the Company, within a price range from a price per share not lower than 10% below the shares' official price reported in the trading session on the day before carrying out each individual transaction; to a price per share no higher than 10% above the shares' official price reported in the trading session on the day before carrying out each individual transaction.

During the financial year 2025/26, the Company did not buy any of its own shares.

Capital reserves

The capital reserves amounted to €539,594 thousand as of 31 March 2026 (31 March 2025: €539,594 thousand). Directly attributable transaction costs of €1,209 thousand (31 March 2025: €1,209 thousand) were recognised and thus diminished the capital reserves. In this context, deferred tax assets of €103 thousand (31 March 2025: €103 thousand) were recognised.

Retained earnings/accumulated losses

Retained earnings amounted to €-433,506 thousand as of 31 March 2026 (31 March 2025: €-446,514 thousand). Retained earnings comprise the past undistributed net income and other comprehensive income of the companies included in the consolidated financial statements. The negative amount primarily resulted from a recapitalisation and a related Group re-organisation in the financial year 2019/20.

Difference in equity from currency translation

The statements of financial position and of total comprehensive income for all foreign subsidiaries whose functional currency is not the Euro are translated into Euro. The currency translation differences arising are recognised in other comprehensive income and reported in the *currency translation reserve* in equity; they amounted to €-11,797 thousand as of 31 March 2026 (31 March 2024: €434 thousand). The change resulted from differences in currency translation of €-12,231 thousand (31 March 2025: €-8,651 thousand).

Dividend

The Management Board, in agreement with the Supervisory Board, will propose the suspension of the dividend payment for the financial year 2025/26 at the Annual General Meeting on 20 August 2026.

At the Annual General Meeting on 21 August 2025, the shareholders approved the Management Board's proposal not to distribute a dividend for the financial year 2024/25.

3.9 Employee benefits

The Group grants its staff in and outside of Germany pension and other post-employment benefit entitlements, which are either defined contribution or defined benefit pension plans. In this regard, besides the ongoing contributions, the defined contribution plans do not lead to any further payment obligations. The pension provision for the defined benefit plans is generally calculated using the projected unit credit method. Under this projected unit credit method, expected future increases in salaries and pensions are taken into account in addition to the pensions and vested entitlements known as of the reporting date. The present value of the obligation (Defined Benefit Obligation or DBO) is determined by discounting the future expected cash out-flows using a discount rate that is based on the returns on high-quality fixed-rate corporate bonds in the same currency. In doing so, the underlying corporate bonds are used to derive a yield curve and the related discount rate is determined using the term of the future obligations.

Defined benefit plans

The significant defined benefits are in Germany and include staff's entitlements to retirement benefits in the case of disability or upon reaching retirement age – and also in the event of death in individual cases. The general commitment specifies payments for a standard basic sum, which rises by a fixed amount for each year of service completed. Furthermore, there are various individual commitments in Germany based on final salary. The benefit entitlements applicable to Germany encompassed defined benefit obligations amounting to €24,299 thousand as of 31 March 2026 (31 March 2025: €24,830 thousand) and thus accounted for 91.0% of the total obligation (31 March 2025: 91.5%). The defined benefit obligations in Germany included €1,806 thousand as of 31 March 2026 (31 March 2025: €812 thousand) in respect of partial retirement (Altersteilzeit or ATZ) arrangements, which are treated as *other long-term benefits* for IAS 19 purposes. There are retirement benefit obligations in Slovenia and Mexico with entitlement to capital sums based on statutory regulations. In addition, employees in Mexico are entitled to a statutory seniority provision termination benefit, which functions in a similar way to the retirement indemnity and is also included with an amount of €1,003 thousand (31 March 2025: €504 thousand). The retirement benefit plan in Italy was fully settled as of 31 December 2025.

The risks associated with the defined benefit plans essentially include the usual risks of defined benefit pension plans relating to possible changes to the discount rate and, to a lesser extent, inflation trends and longevity. In order to limit the risks of changing capital market conditions and demographic developments, the most recent general pension plan was closed to new entrants in Germany in 2015. The specific risks of salary-based obligations within the Group are minimal.

The present value of the defined benefit obligations developed as follows:

in € thousand	FY 2024/25	FY 2025/26
Present value of the benefit obligations on 01 Apr	28,942	27,128
Current service cost	957	1,538
Past service cost (credit)	-297	-
Interest expense	1,089	1,118
Employer's direct benefit payments	-1,176	-1,573
Actuarial gains (-)/ losses (+)	-2,154	-1,481
Thereof on account of changes to demographic assumptions	-41	-494
Thereof on account of changes to financial assumptions	-1,938	-1,267
Thereof on account of experience-based adjustments	-175	280
Effects of changes in foreign exchange rates	-233	81
Present value of the benefit obligations on 31 Mar	**27,128**	**26,811**

The employee benefit expense for defined benefit plans recognised in profit or loss consisted of the following:

in € thousand	FY 2024/25	FY 2025/26
Current service cost	957	1,538
Past service cost (credit)	-297	-
Service cost	**660**	**1,538**
Interest expense	1,089	1,118
Remeasurements of other long-term benefits	347	401
Pension and similar obligations expense for benefit plans	**2,096**	**3,057**

The remeasurements recognised in profit or loss relate to partial retirement (Altersteilzeit or ATZ) arrangements in Germany, which are treated as other long-term benefits for IAS19 purposes.

The pensions and similar obligations provision was as follows:

in € thousand	FY 2024/25	FY 2025/26
Present value of benefit entitlements from benefit plans	27,128	26,811
Financing status	**27,128**	**26,811**
Pension and similar obligations provision on 31 Mar	**27,128**	**26,811**

The benefits paid out in the financial year 2025/26 amounted to €1,573 thousand (PY: €1,176 thousand). Payments amounting to €2,000 thousand are expected for 2026/27, which are directly rendered by the employer.

The pensions and similar obligations provision developed as follows:

in € thousand	FY 2024/25	FY 2025/26
Pension and similar obligations provision on 01 Apr	28,942	27,128
Pension expense	1,749	3,057
Actuarial gains (-)/losses (+) recognised in other comprehensive income	-2,154	-1,882
Employer's direct benefit payments	-1,176	-1,573
Effects of changes in foreign exchange rates	-233	81
Pension and similar obligations provision on 31 Mar	**27,128**	**26,811**

Actuarial gains and losses are recognised directly in *other comprehensive income*. They are part of *retained earnings* and will never be reclassified to profit or loss.

The actuarial assumptions for calculating the Group's pension and similar obligations are shown below:

	31 Mar 25	31 Mar 26
Discount rate	4.2%	4.6%
Salary trend/growth of pension expectancies	2.8%	2.7%
Future pension growth	2.0%	2.0%
Life expectancy from age 65 (in years) – Obligations in Germany		
Retiring today (member age 65) – male/female	21.0 / 24.4	21.2 / 24.5
Retiring in 20 years (member age 45) – male/female	23.8 / 26.6	23.9 / 26.7

The financial assumptions shown above are rounded weighted averages.

The discount rate for liabilities relating to Germany was set to 4.34% (31 March 2025: 3.97%), including 4.46% for pension benefits and 2.83% for partial retirement benefits. For Slovenia, the discount rate used on 31 March 2026 was 3.89%. (31 March 2025: for Italy 3.07% and for Slovenia 3.81%). For Mexico, a discount rate of 9.25% was used on 31 March 2026 (31 March 2025: 10.50%).

Heubeck's 2018 G guideline tables were used as the demographic basis for calculations in Germany – the resulting life expectancy figures as of 31 March 2026 and 31 March 2025 are shown in the previous table for comparison.

An increase or decrease in the discount rate by 25 basis points would impact the present value of the total benefit entitlements as of 31 March 2026 as follows:

in € thousand	31 Mar 26
Change in present value of the benefit entitlements if the	
discount rate were to be 25 basis points higher	-788
discount rate were to be 25 basis points lower	832

A decrease or increase in assumed life expectancy by one year would impact the present value of the benefit entitlements in Germany[1] as of 31 March 2026 as follows:

in € thousand	31 Mar 26
Change in present value of the benefit entitlements if the	
life expectancy were to be 1 year higher	858
life expectancy were to be 1 year lower	-876

An increase or decrease in the pension progression by 25 basis points would impact the present value of the benefit entitlements as of 31 March 2026 as follows:

in € thousand	31 Mar 26
Change in present value of the benefit entitlements if the	
pension progression were to be 25 basis points higher	622
pension progression were to be 25 basis points lower	-597

The weighted average duration of the defined benefit obligations on 31 March 2026 was 13 years (31 March 2025: 15 years).

Defined contribution plans

The amounts for the Group's statutory pension insurance are treated as defined contribution plans pursuant to IAS 19. Expenses amounting to €8,577 thousand were reported in the financial year 2025/26 (PY: €8,822 thousand) in the Czech Republic, Germany, Italy, Luxembourg, Slovenia and the US, which are reflected in *personnel expenses*.

3.10 Tax liabilities

in € thousand	Current income tax liabilities
Change in tax liabilities	
As of 01 Apr 24	7,591
Used	-11,630
Addition	5,156
Exchange rate difference	-61
As of 31 Mar 25	1,056
As of 01 Apr 25	1,056
Used	-4,653
Addition	4,464
Exchange rate difference	19
As of 31 Mar 26	**886**

The amount presented under *used* includes tax payments made during the period, some of which relate to advance payments for future tax periods. As a result, the amount shown in the *used* column may exceed the opening balance.

The Group is subject to income taxes in different jurisdictions. Therefore, key assumptions are necessary to consider the various tax legislations and determine the global income tax liability.

The Group might be subject to tax risks attributable to previous tax assessment periods and might be subject to unanticipated tax expenses in relation to previous tax assessment periods that have not yet been subject to a tax audit or are currently subject to a tax audit. It cannot be ruled out that tax authorities may apply a different approach in ongoing and/or future tax audits from the one adopted by the Group, which may lead to an additional tax expense and/or payment, which could have a material and adverse effect on the business, financial condition and results of operations.

The Group recognises potential risks related to uncertain tax positions, if relevant, in accordance with IFRIC 23. Pillar 2 is not applicable as the conditions for its application are not met.

1 Since changes in life expectancy have no or minimal impact on capital commitments outside of Germany, the benefit entitlements abroad are not taken into account.

3.11 Other provisions

The provisions cover all identifiable risks and other uncertain obligations. The provisions are shown in the following in each case broken down into non-current and current provisions.

The non-current provisions developed as follows:

in € thousand	Employee benefits	Other risks	**Other non-current provisions**
As of 01 Apr 24	1,329	955	**2,284**
Used	-131	-301	**-432**
Reversal	-	-103	**-103**
Addition	629	-	**629**
Discounting of provision	-	-	**-**
Exchange rate difference	-	-95	**-95**
Reclassification to current provisions	-10	-	**-10**
As of 31 Mar 25	1,817	456	**2,273**
As of 01 Apr 25	1,817	456	**2,273**
Used	-320	-54	**-374**
Reversal	-	-	**-**
Addition	1,242	-	**1,242**
Discounting of provision	-	-	**-**
Exchange rate difference	-	29	**29**
Reclassification to current provisions	-	-	**-**
As of 31 Mar 26	**2,739**	**431**	**3,170**

The non-current provisions amounted to €3,170 thousand as of 31 March 2026 (31 March 2025: €2,273 thousand) and are expected to fall due between one and five years.

Of this amount, €2,739 thousand (31 March 2025: €1,817 thousand) were attributable to provisions in the personnel area. This amount is divided into jubilee provisions and partial retirement obligations that exist in Germany (refer to section 3.9). These personnel-related obligations relate to long-service awards, which are calculated using actuarial reports. A further amount of €431 thousand (31 March 2025: €456 thousand) was attributable to provisions for dismantling obligations of leased buildings. The decline of this provision resulted from the closure of the site in Bergamo (Italy) by the end of calendar year 2025.

The development of current provisions is set out in the table below:

in € thousand	Obligations from sales	Employee benefits	Other risks	**Other current provisions**
As of 01 Apr 24	33,592	2,498	2,777	**38,867**
Used	-1,735	-1,104	-66	**-2,905**
Reversal	-12,789	-170	-1,601	**-14,560**
Addition	6,826	873	378	**8,077**
Exchange rate difference	-110	-163	-	**-273**
Reclassification from non-current provisions	-	10	-	**10**
As of 31 Mar 25	25,784	1,944	1,488	**29,216**
As of 01 Apr 25	25,784	1,944	1,488	**29,216**
Used	-1,539	-1,603	-5	**-3,147**
Reversal	-7,813	-	-380	**-8,193**
Addition	8,247	7,074	2,734	**18,055**
Exchange rate difference	-526	60	-41	**-507**
Reclassification from non-current provisions	-	-	-	**-**
As of 31 Mar 26	**24,153**	**7,475**	**3,796**	**35,424**

Current provisions as of 31 March 2026, which were recognised for uncertain obligations within one year, included in particular provisions from obligations from the personnel and sales areas as well as other risks of €35,424 thousand (31 March 2025: €29,216 thousand).

The provisions attributable to the sales area included especially risks arising from warranty claims, price risks and not yet finalised customer debit notes.

The outstanding customer debit notes recognised in the consolidated financial statements relating to price or quantity differences, as well as quality deficiencies, were based on assumptions or estimates made on account of ongoing customer negotiations or previous experience with customers.

The personnel-related obligations related largely to provisions for partial retirement benefits, severance payments and performance-based obligations.

Management's best estimate was used as a basis when measuring warranty provisions. These are estimated based on past experience with respect to the Group's liability. Specific individual cases are also taken into account.

The remaining risks primarily involved a number of discernible individual risks and uncertain liabilities that were accounted for at their probable settlement amounts. The largest part of the provisions that were recognised are uncertain liabilities.

In financial year 2025/26, restructuring measures were initiated in Eschenbach and Vorbach (Germany), due to unfavourable economic developments in the automotive industry. This resulted in expenses for severance payments related to the reduction in personnel. At the end of the financial year, an amount of €5,898 thousand remains outstanding. The affected employees will leave the Group and receive their payments in the financial year 2026/27.

It is expected that all current provisions will be used during the course of the following financial year.

3.12 Financial liabilities

in € thousand	31 Mar 25			31 Mar 26		
	Current	Non-current	**Total**	Current	Non-current	**Total**
Liabilities to banks	984	249,288	**250,272**	250,800	-	**250,800**
Financial liabilities	**984**	**249,288**	**250,272**	**250,800**	**-**	**250,800**

Total current and non-current financial liabilities amounted to €250,800 thousand as of 31 March 2026 (31 March 2025: €250,272 thousand).

In June 2021, a term loan agreement for €310,000 thousand in total (€250,000 thousand as a term loan and €60,000 thousand as a revolving credit facility) was entered into between Novem Group S.A. and an international syndicate of banks. Accordingly, the refinancing was implemented as of 23 July 2021 by the drawdown of the term loan of €250,000 thousand and matures in July 2026.

For information on the subsequent agreement reached for refinancing, refer to section 5.15.

After the deduction of transaction costs, €249,822 thousand (31 March 2025: €249,288 thousand) of the liabilities to banks of €250,800 thousand (31 March 2025: €250,272 thousand) related to the utilised term loan. The remaining amount of €978 thousand (31 March 2025: €984 thousand) mainly resulted from the Seller Guarantee derived from factoring as described in section 3.4.

3.13 Other financial liabilities

Other financial liabilities were composed as follows:

in € thousand	31 Mar 25	31 Mar 26
Other current financial liabilities		
Lease liabilities	6,503	5,721
Other non-current financial liabilities		
Lease liabilities	41,562	30,761
Other financial liabilities	**48,065**	**36,482**

The liabilities to leases contained changes due to cash out-flow of €9,952 thousand in the financial year 2025/26 (PY: €1,986 thousand), which resulted from an adverse effect of a cash-effective reduction of €-6,666 thousand and negative currency effects of €-3,286 thousand. The reduction of the total lease liabilities resulted primarily from contract modifications to building contracts and other current leases as well as from a currency translation effect in the amount of €1,238 thousand (PY: €3,294 thousand).

The lease liabilities of €36,482 thousand as of 31 March 2026 (31 March 2025: €48,065 thousand) primarily arose from leasing land and buildings (refer to section 5.10).

3.14 Other non-financial liabilities

Other non-financial liabilities break down as follows:

in € thousand	31 Mar 25	31 Mar 26
Other current liabilities		
Personnel-related liabilities	5,551	6,481
VAT	2,987	6,439
Other liabilities	8,583	8,232
Contract liabilities	13,190	12,697
Other current liabilities	**30,311**	**33,849**
Other non-current liabilities		
Other liabilities	2,890	3,030
Other non-current liabilities	**2,890**	**3,030**

Current non-financial liabilities amounted to €33,849 thousand as of 31 March 2026 (31 March 2025: €30,311 thousand). This item included especially contract liabilities in the form of advance payments received for tools, VAT liabilities as well as personnel-related liabilities, which were recognised in the context of social security for social insurance contributions still outstanding. In addition, the OEMs' development contributions are shown under other liabilities.

Non-current non-financial liabilities amounted to €3,030 thousand as of the reporting date (31 March 2025: €2,890 thousand). These primarily related to the OEMs' development contributions.

The following table shows the significant changes in contract liabilities which always have a duration of less than one year:

in € thousand	FY 2024/25	FY 2025/26
Revenue recognised in the financial year that was included in the carrying amount of the contract liabilities at the beginning of the financial year	15,958	5,283
Increase in the financial year on account of advance payments for tools	8,037	4,788

3.15 Trade payables

Trade payables comprise outstanding obligations from the exchange of the Group's goods and services. Outstanding invoices and liabilities for deliveries received are reported in accordance with their character under trade payables. Trade payables amounted to €33,696 thousand on the reporting date (31 March 2025: €49,061 thousand). The decline was mainly caused by the lower business volume, which also led to a reduction in the need for procurement. Moreover, this development was driven by timing effects and the maturity of liabilities.

3.16 Deferred liabilities/accruals

in € thousand	31 Mar 25	31 Mar 26
Personnel-related accruals	10,946	8,969
Outstanding invoices for trade payables	17,840	21,488
Costs related to the year-end audit and annual financial statements	2,254	2,280
Other deferred liabilities	1,910	1,810
Deferred liabilities/accruals	**32,950**	**34,547**
Non-current	1,913	1,447
Current	31,037	33,100

Accruals are disclosed under other liabilities. Accruals are liabilities to pay for goods or services already received which have not been paid or invoiced by the supplier.

These largely comprised outstanding obligations within the Group from the exchange of goods and services as well as on account of personnel-related accruals, which mainly include matters such as leave not yet taken, Christmas and holiday pay or performance-related salary components.

4 Explanatory notes on the consolidated statement of comprehensive income

4.1 Revenue

In the financial year 2025/26, Novem generated total revenue of €510,925 thousand (PY: €541,464 thousand), which marks a -5.6% decrease compared to last year. The distribution of revenue among the locations is provided in *Geographical information* in section 5.9. As in previous years, the wood surface area accounted for the largest share of Novem's success, followed by aluminium and premium synthetics. Revenue can be broken down by the surface areas mentioned below:

in € thousand	FY 2024/25	FY 2025/26
Wood	432,590	394,563
Aluminium	79,599	82,446
Premium synthetics	29,275	33,916
Revenue	**541,464**	**510,925**

Revenue Series developed negatively in the financial year 2025/26 and recorded at €453,106 thousand, down by -2.7% compared to the same reporting period last year (PY: €465,888 thousand). Revenue Series generated 88.7% of total revenue (PY: 86.0%) and remained the key pillar of the business.

Revenue Tooling, which comprises performance obligations for development work and the subsequent sale of tools as well as maintenance activities, contributed €57,819 thousand to total revenue for the financial year 2025/26 (PY: €75,576 thousand). This corresponds to a year-on-year decrease of -23.5% or €-17,757 thousand.

Revenue within the Group can be allocated to business areas as follows:

in € thousand	FY 2024/25	FY 2025/26
Revenue Series	465,888	453,106
Revenue Tooling	75,576	57,819
Revenue	**541,464**	**510,925**

The following breakdown determines the type of revenue recognition, as revenue from Series and revenue from Tooling relating to maintenance activities are considered to be *goods and services transferred over time*, while revenue from the development work and subsequent sale of tools must be classified as *goods and services transferred at a point in time*:

in € thousand	FY 2024/25	FY 2025/26
Goods and services transferred over time	467,669	454,834
Goods and services transferred at a point in time	73,795	56,091
Revenue	**541,464**	**510,925**

There was also a corresponding adjustment of revenue in the amount of €1,949 thousand (PY: €2,812 thousand) on account of current contract terms, whereby, on the start of production (SOP) on some platforms, the revenue recognised is reduced in line with the units delivered and the asset for the development contributions is reversed accordingly.

Novem expects that revenue for its delivery obligations not (or only partially) fulfilled at the end of the financial year will be recognised within a year and therefore applies the practical expedient in IFRS 15.121.

4.2 Other operating income

in € thousand	FY 2024/25	FY 2025/26
Income from the disposal of property, plant and equipment and intangible assets	3	52
Foreign currency translation gains	4,777	4,164
Income from charging out to third parties	985	935
Other income	11,490	6,562
Other operating income	**17,255**	**11,713**

Other operating income decreased in the financial year 2025/26 by €-5,542 thousand from €17,255 thousand to €11,713 thousand year-on-year. Other operating income mainly included €4,164 thousand (PY: €4,777 thousand) currency translation effects as well as €935 thousand (PY: €985 thousand) income from charging out to third parties. Other income included €5,200 thousand (PY: €11,039 thousand) from the reversal of provisions, €1,306 thousand (PY: €156 thousand) of prior-period income and €25 thousand (PY: €39 thousand) in insurance reimbursements.

4.3 Cost of materials

The cost of materials includes the expenses for raw materials, consumables and purchased goods/services. For further information on inventories, refer to section 3.3.

in € thousand	FY 2024/25	FY 2025/26
Cost of raw materials and consumables and of purchased goods	255,476	240,856
Cost of purchased services	16,609	15,538
Cost of materials	**272,085**	**256,394**

The reported cost of materials decreased by -5.8% (PY: -10.3%) year-on-year. The decline corresponds to a contraction in sales of -5.6% (PY: -14.8%). Hence, the cost of materials to output (total operating performance) ratio increased slightly to 50.7% (PY: 50.1%). In conjunction with the lower turnover, the cost of materials diminished, as inventories are at a reduced level in connection with the current demand.

4.4 Personnel expenses

The high level of vertical integration means personnel expenses in the Group account for a considerable portion of total expenses. The personnel expenses include social security, pension and other benefits. In financial year 2025/26, personnel expenses increased due to restructuring measures and pension payments. The restructuring initiatives in Germany included severance payments at the end of the financial year 2025/26 with an outstanding value of €5,898 thousand.

Management's compensation as well as those of staff in managerial positions is designed with variable components in differing proportions. The variable payments are based on fulfilling the Group's cash and earnings targets as well as on individual objectives.

in € thousand	FY 2024/25	FY 2025/26
Wages and salaries	126,155	128,810
Social security	22,598	22,850
Pension expense	1,366	1,665
Personnel expenses	**150,119**	**153,325**

The personnel expenses ratio (personnel expenses to total operating performance) increased slightly compared to the previous year and equalled 30.3% (PY: 27.6%).

As a result of the ongoing weakness in the global automotive industry, short-time work was introduced in Germany in financial year 2025/26. In total, the government reimbursements received in this context amounted to €723 thousand.

The table below sets forth the number of employees (by headcount including headquarters and excluding leased workers, interns and students) the Group employed as of the dates indicated for each of the regions in which the Group operates:

	31 Mar 25	31 Mar 26
Europe	2,126	2,005
Americas	1,804	1,621
Asia	579	456
Number of employees	**4,509**	**4,082**

On average, the Group had 4,273 employees (PY: 4,686 employees) in the financial year 2025/26, excluding leased workers, interns and students. These can be divided into direct and indirect personnel. Direct personnel are employees who are directly involved in producing goods or production-related services. Indirect personnel are employees who support the production, service process and business operations but do not work directly on the product (e.g. administration, maintenance). In 2025/26, Novem had 2,599 direct personnel (PY: 2,865 direct personnel) and 1,674 indirect personnel (PY: 1,821 indirect personnel) on average.

4.5 Amortisation, depreciation and impairment losses

in € thousand	FY 2024/25	FY 2025/26
Intangible assets	685	713
Property, plant and equipment	31,436	29,948
Thereof impairment losses	-	-
Thereof right-of-use assets from leases	8,474	7,353
Amortisation, depreciation and impairment losses	**32,122**	**30,661**

Amortisation and depreciation of €30,661 thousand was recognised in the financial year 2025/26 (PY: €32,122 thousand). No impairment losses were recognised on right-of-use assets in the financial years 2024/25 and 2025/26.

4.6 Other operating expenses

Other operating expenses included especially:

in € thousand	FY 2024/25	FY 2025/26
Order-related expenses	16,268	14,635
Legal and advisory fees	7,816	8,614
Maintenance expenses	7,506	7,427
Personnel-related expenses	5,981	5,399
Leasing and rent expenses	3,572	3,136
Expenses for insurance, feeds and contribution	3,260	3,307
Other services	3,872	4,567
Expenses for environmental protection	1,255	1,244
Expenses from foreign currency translation	4,850	4,499
Expenses relating to other periods	102	1,371
Loss allowance on receivables and contract assets	4,392	340
Other expenses	4,453	4,153
Other operating expenses	**63,327**	**58,692**

Other operating expenses decreased in the financial year 2025/26 by €-4,635 thousand from €63,327 thousand to €58,692 thousand. Other operating expenses mainly included order-related expenses, which mostly consisted of outgoing freight expenses totalling €9,429 thousand (PY: €11,063 thousand). Other services amounting to €4,567 thousand (PY: €3,872 thousand) mainly contained security and cleaning expenses. The remaining expenses amounting to €4,153 thousand (PY: €4,453 thousand) primarily included IT, vehicle and telephone costs.

4.7 Finance income/costs

The financial result amounted to €4,211 thousand in the financial year 2025/26 (PY: €-17,654 thousand).

Finance income

in € thousand	FY 2024/25	FY 2025/26
Interest income	4,671	3,898
Income from currency translation	17	16,232
Finance income	**4,688**	**20,130**

Finance income amounted to €20,130 thousand in the financial year 2025/26 (PY: €4,688 thousand) and was largely attributable to income from foreign currency translation of €16,232 thousand (PY: €17 thousand). This item also included interest income from customer tooling of €2,191 thousand (PY: €2,025 thousand) as well as interest income from banks of €1,707 thousand (PY: €2,646 thousand).

Finance costs

in € thousand	FY 2024/25	FY 2025/26
Interest paid to banks	13,777	10,649
Transaction costs directly attributable to the issue of a financial liability	535	535
Interest expense from discounting of provisions	1,128	1,155
Interest expense arising from leases	1,754	1,394
Other interest expenses	2,818	2,186
Expenses from currency translation	2,330	-
Finance costs	**22,342**	**15,919**

The finance costs of €15,919 thousand in the financial year 2025/26 (PY: €22,342 thousand) mainly resulted from interest paid to banks and other interest expenses. With the exception of the interest expense from the discounting of provisions, interest expenses were calculated using the effective interest method.

4.8 Tax expenses

The income tax expense for the financial years 2024/25 and 2025/26 can be broken down as follows:

in € thousand	FY 2024/25	FY 2025/26
Current taxes	8,208	10,106
Current taxes prior years	1,055	-11
Deferred taxes	5,085	1,390
Taxes on income	**14,348**	**11,485**

Deferred taxes totalling €1,390 thousand can be broken down into €250 thousand from interest carryforwards, loss carryforwards and tax credits and €1,140 thousand resulting from temporary differences.

The Group tax rate remained broadly stable at 27.0% and is based on a corporation tax rate of 15.0% and a solidarity surcharge of 5.5% on the corporation tax as well as a trade tax rate of 11.2% (PY: 11.1%).

Reconciliation of the income taxes in the financial years 2024/25 and 2025/26 using a total tax rate of 27.0% (PY: 26.9%) (corporation tax and trade tax of the main country of operations being Germany) to the income tax expense shown in the consolidated statement of comprehensive income was as follows:

in € thousand	FY 2024/25	FY 2025/26
Profit/loss before tax	25,479	22,735
Combined German tax rate (%)	26.9%	27.0%
Tax expense at combined German tax rate	6,857	6,136
Causes for additional amounts/shortfalls		
Non-deductible expenses	5,047	8,620
Tax-exempt income	-39	-41
Tax income/expense relating to other periods	1,055	-42
Tax rate differential	-3,774	-3,149
Other effects	5,202	-39
Disclosed expense for income taxes	**14,348**	**11,485**

The disclosed income tax expense of €11,485 thousand was higher than the expected income tax expense of €6,136 thousand.

The tax impact of non-deductible expenses consisted primarily of expenses that are non-deductible in the determination of the taxable profits in Germany and effects resulting from the Mexican maquiladora structure.

The tax effect reported as a tax rate differential reflects the difference between the Group tax rate of 27.0% relevant to the Group and the tax rates applicable to the individual subsidiaries in varying countries.

Other effects amounting to €5,202 thousand in the prior year arose mainly from the depreciation of deferred tax assets in the amount of €4,451 thousand on the interest carryforward in Germany.

Deferred tax claims are only to be reported if it is likely that future taxable income can be offset against tax credits, interest and losses carried forward. In the case of tax credits and losses carried forward, a planning period of four years is used, based on the most recent budget planning of the Group.

Deferred tax assets and liabilities are calculated using the tax rates in effect at the time the asset is realised or the liability is settled. In the reporting period, Germany approved a phased reduction in the corporate income tax rate, starting in 2028 and decreasing from 15% to 10% by 2033. Deferred tax assets and liabilities of the German entities were therefore valued using a tax rate ranging from 27.0% (PY: 26.9%) to 21.7%. The change of the tax rate in Germany had no material effect.

In Slovenia, tax credits amounted to €1,004 thousand (PY: €920 thousand), on which deferred tax assets were capitalised. For the current financial year, deferred tax assets in Germany were not recognised for the interest carryforward (PY: €0 thousand). Tax losses carried forward, which can be applied indefinitely, in the amount of €4,060 thousand (PY: €9,286 thousand) existed in Slovenia. Deferred tax assets of €9,657 thousand (PY: €7,827 thousand) have not been recognised because it is not probable from a short-term perspective that future taxable profits will be available against which the Group can use the benefits therefrom.

Deferred tax assets and liabilities resulted from temporary differences in the following items in the statements of financial position and are broken down as follows:

in € thousand	FY 2024/25	FY 2025/26
Property, plant and equipment and intangible assets	3,349	2,508
Receivables and other assets	1,417	1,676
Tax interest carryforward, loss carryforward, tax credits	1,356	1,114
Liabilities	5,653	4,053
Provisions	4,244	3,991
Deferred income tax assets (gross)	16,019	13,342
Offset	10,752	8,905
Deferred income tax assets	**5,267**	**4,437**
Property, plant and equipment and intangible assets	5,502	3,634
Receivables and other assets	3,739	4,769
Liabilities	2,784	2,313
Provisions	444	669
Deferred income tax liabilities (gross)	12,469	11,385
Offset	10,752	8,905
Deferred income tax liabilities	**1,716**	**2,480**
Deferred income tax asset (net)	**3,551**	**1,957**

In accordance with IAS 12.81(f), deferred taxes on outside basis differences were not recognised in the current year and in the previous year and amounted to €10,181 thousand (PY: €11,181 thousand). No income tax consequences arose from the distribution of dividends to the Company's shareholders.

In financial year 2025/26, deferred taxes of €124 thousand (PY: €579 thousand) resulting from defined benefit plans were recognised in other comprehensive income and €0 (PY: €0) directly in equity.

Amounts recognised in other comprehensive income

in € thousand	FY 2024/25	FY 2025/26
Remeasurements of defined benefit liability (before taxes)	2,154	2,229
Tax expense	-579	-124
Net of tax	1,576	2,105

4.9 Earnings per share

The earnings per share for the financial year ended 31 March 2026 amounted to €0.26 (PY: €0.26). Earnings per share are calculated by dividing the profit for the period attributable to shareholders of the parent by the weighted average numbers of shares issued in the reporting period.

	FY 2024/25	FY 2025/26
Profit attributable to shareholders of the parent (in € thousand)	11,132	11,251
Number of weighted shares	43,030,303	43,030,303
Earnings per share basic (in €)	**0.26**	**0.26**
Earnings per share diluted (in €)	**0.26**	**0.26**

5 Other disclosures

5.1 Working capital

Trade working capital is, amongst others, a key performance indicator to track the Group's operating performance. It is neither required by nor presented in accordance with IFRS Accounting Standards as adopted by the EU. It is also not a measure of financial performance under IFRS Accounting Standards as adopted by the EU and should not be considered as an alternative to other indicators of operating performance, cash flow or any other measure of performance derived in accordance with IFRS Accounting Standards as adopted by the EU.

The following table shows the amounts of the working capital broken down by balance sheet class position:

in € thousand	31 Mar 25	31 Mar 26
Inventories non-tooling	53,209	48,348
Receivables from third parties	25,288	32,204
Payables to third parties (-)	43,756	31,667
Trade working capital	**34,741**	**48,885**
Tooling net	74,832	69,403
Contract assets	14,256	13,805
Working capital	**123,829**	**132,093**

The table shows the reconciliation of working capital:

in € thousand	31 Mar 25	31 Mar 26
Inventories	95,285	85,668
Tools	-40,837	-37,009
Advance payments for tools	-1,239	-311
Inventories non-tooling	**53,209**	**48,348**
Receivables from third parties	82,292	86,067
Trade receivables > 1 year	-45,121	-41,276
Trade receivables tooling	-11,883	-12,587
Receivables from third parties	**25,288**	**32,204**
Trade payables	49,061	33,696
Trade payables and services tooling	-5,305	-2,029
Payables to third parties (-)	**43,756**	**31,667**
Trade working capital	**34,741**	**48,885**
Inventories tooling	40,837	37,009
Current trade receivables tooling	11,883	12,587
Non-current trade receivables tooling	45,121	41,276
Tooling-related trade payables	-5,305	-2,029
Advance payments tooling	1,239	311
Current received advance payments tooling	-13,190	-12,697
Other provisions	-5,753	-7,054
Tooling net	**74,832**	**69,403**
Contract assets	14,251	13,800
ECL contract assets	5	5
Contract assets	**14,256**	**13,805**
Working capital	**123,829**	**132,093**

Total working capital amounted to €132,093 thousand as of 31 March 2026, representing an increase of €8,264 thousand compared to 31 March 2025 with €123,829 thousand. This increase was primarily driven by higher receivables from third parties and lower inventories, combined with a reduction in payables to third parties.

5.2 Financial instruments

The following table shows the carrying amounts and fair values of the financial instruments broken down by balance sheet class and category:

in € thousand		31 Mar 25		31 Mar 26	
Financial assets by classification	Category	Carrying amount	Fair value	Carrying amount	Fair value
Trade receivables	FAAC	72,369	72,369	78,853	78,853
Trade receivables within the scope of factoring agreements	FAFVTPL	9,923	9,923	7,213	7,213
Seller Guarantee	FAFVTPL	900	900	900	900
Derivatives with positive market values	FAFVTPL	1,432	1,432	76	76
Cash and cash equivalents	FAAC	150,097	150,097	175,218	175,218
Financial liabilities by classification					
Trade payables	FLAC	49,061	49,061	33,696	33,696
Liabilities to banks (non-derivative)	FLAC	250,272[1]	252,769	250,800[2]	252,069
Liabilities to banks (derivative)	FLFVTPL	92	92	527	527
Lease liabilities	FLAC	48,065	-[3]	36,482	-[3]
Summary by category					
FAAC		222,466	222,466	254,071	254,071
FAFVTPL		12,255	12,255	8,189	8,189
FLAC		299,333	301,830	284,496	285,765
FLFVTPL		92	92	527	527

1 Including the Seller Guarantee in the amount of €900 thousand.
2 Including the Seller Guarantee in the amount of €900 thousand.
3 Not required according to IFRS 7.29

The fair value for liabilities to banks (non-derivative) was calculated by discounted cash flows. The valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate.

The following table provides an overview of the classification of financial instruments within the fair value hierarchy:

in € thousand	31 Mar 25			31 Mar 26		
	Level 1[1]	Level 2[2]	Level 3[3]	Level 1[1]	Level 2[2]	Level 3[3]
Financial assets						
Trade receivables within the scope of factoring agreements	-	9,923	-	-	7,213	-
Seller Guarantee	-	900	-	-	900	-
Derivatives with positive market values	-	1,432	-	-	76	-
Financial liabilities						
Derivative financial instruments	-	92	-	-	527	-

1 Measurement of fair value based on quoted prices (non-adjusted) for these or identical instruments on active markets.
2 Measurement of fair value based on inputs that are either directly (i.e. as prices) or indirectly (i.e. derived from prices) observable on active markets.
3 Measurement of fair value based on inputs that do not represent any observable market data.

There were no transfers between the different levels of the fair value hierarchy in the financial year 2025/26.

Fair value is the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. The following methods and assumptions were used to estimate fair values in the financial year:

The invoice amount of receivables is used as a reasonable approximation for the fair value of trade receivables in conjunction with factoring agreements.

For trade receivables not subject to factoring arrangements and for cash and cash equivalents, given their maturity, it is assumed that the carrying amount is a reasonable approximation of fair value due to their predominantly short-term nature. Similarly, for trade payables and other financial liabilities, it is assumed that the carrying amount is the fair value.

The fair values of the derivative financial instruments in the form of forward exchange contracts with banks are determined using the present value method based on market prices.

The following table shows net gains and losses from financial instruments by category:

in € thousand	Interest	Fair value measurement	Currency translation	Impairment	Derivatives with positive market values	Seller Guarantee
FY 2024/25						
FAAC	4,671	-	-74	4,392	-	-
FLAC	14,311	-	-	-	-	-
FLFVTPL	-	92	-	-	-	-
FAFVTPL	-	-	-	-	1,432[1]	900
FY 2025/26						
FAAC	3,898	-	-335	340	-	-
FLAC	11,183	-	-	-	-	-
FLFVTPL	-	527	-	-	-	-
FAFVTPL	-	-	-	-	76[2]	900

1 In addition to the €1,432 thousand derivatives with positive market values reported as of 31 March 2025, €947 thousand in realised losses were recognised during the financial year 2024/25.
2 In addition to the €76 thousand derivatives with positive market values reported as of 31 March 2026, €5,416 thousand in realised profits were recognised during the financial year 2025/26.

Interest income and expense on financial assets and liabilities accounted for at amortised cost is included in interest income on financial assets and in interest expense on financial debt (refer to section 4.7).

5.3 Share-based payments

The Management Board members of Novem Group S.A. participate in a long-term incentive (Performance Share Plan) in the form of virtual shares. The Performance Share Plan is classified according to IFRS 2 as a cash-settled share-based payment.

The Performance Share Plan is granted in annual tranches of virtual shares with a respective performance period of four years. Deviating from this, the performance period of the tranche 2021 started in the day of the listing of Novem Group S.A. and ended on 31 March 2025. The second tranche 2022 started at the beginning of financial year 2022/23 and ended on 31 March 2026. The third tranche (tranche 2023) started at the beginning of financial year 2023/24 and will end on 31 March 2027. The fourth tranche (tranche 2024) started at the beginning of financial year 2024/25 and will end on 31 March 2028. The fifth tranche (tranche 2025) started at the beginning of financial year 2025/26 and will end on 31 March 2029.

The conditionally granted number of virtual shares at the beginning of the performance period is calculated for each tranche by dividing a contractually defined individual target amount by the start share price of the share of Novem Group S.A. (arithmetic mean of the closing prices of the stock during the last 60 trading days prior to the start of the performance period).

The final number of virtual shares is determined by multiplying the total target achievement by the conditionally granted number of virtual shares. The total target achievement depends on the target achievement of the two financial figures relative Total Shareholder Return (70% weighting) and EBIT margin (30% weighting). The target achievement of relative Total Shareholder Return and EBIT margin can range between 0% and 150%.

In order to determine the payout in cash, the final number of virtual shares is multiplied by the end share price of the share of Novem Group S.A. (arithmetic mean of the closing prices of the stock during the last 60 trading days prior to the end of the performance period) plus the sum of the dividends disbursed during the performance period. The payout is capped at 200% of the contractually defined individual target amount.

As disclosed in the previous year's report, the first tranche 2021 was forfeited as the performance conditions were not met by the end of the 2024/25 vesting period, and no shares were awarded. The second tranche 2022 of the Performance Share Plan was allocated to Management Board members of Novem Group S.A. for the financial year 2022/23 and the number of conditionally granted virtual shares amounted to 60,384. The award was subject to a four-year vesting period ending in 2025/26. As the performance conditions were not met by the end of the vesting period, the tranche was forfeited and no shares will be awarded.

Consequently, the cumulative expense previously recognised in connection with this award, amounting to €169 thousand, was reversed through profit or loss in 2025/26. After deducting the utilisation during the financial year due to quarterly valuation, the remaining portion in the amount of €57 thousand was released under other operating income. The corresponding provision was derecognised accordingly. This accounting treatment is in line with IFRS 2.19, which requires the reversal of expenses when awards are forfeited due to non-fulfilment of vesting conditions.

The third tranche 2023 was awarded for the financial year 2023/24 comprising 83,288 conditionally granted virtual shares, resulting in a provision of €71 thousand as of 31 March 2026 (31 March 2025: €240 thousand).

The fourth tranche 2024 was awarded for the financial year 2024/25 with a total number of 83,584 conditionally granted virtual shares, corresponding to a provision of €71 thousand as of 31 March 2026 (31 March 2025: €157 thousand).

The fifth tranche 2025 was awarded for the financial year 2025/26 with a total number of 89,475 conditionally granted virtual shares, corresponding to a provision of €38 thousand as of 31 March 2026 (31 March 2025: €0).

These provisions have been included in non-current deferred liabilities (refer to section 3.16).

The net valuation resulted in income of €329 thousand for the financial year 2025/26, compared to an expense of €25 thousand in the prior year.

The fair value of the Performance Share Plan to calculate expenses and provisions was determined by using a Monte-Carlo-Simulation. The expected volatility has been based on the average of the median volatility of SDAX companies (term-congruent) and the historical volatility of Novem for the period available. The fair value and the inputs used in the assessment of the fair value as of 31 March 2026 were as follows:

Valuation as of 31 March 2026	Tranche 2023	Tranche 2024	Tranche 2025
Performance period	1 Apr 23 – 31 Mar 27	1 Apr 24 – 31 Mar 28	1 Apr 25 – 31 Mar 29
Start share price Novem Group S.A.	€9.06	€6.64	€4.66
Remaining duration of performance period	1.0 years	2.0 years	3.0 years
Expected annual volatility	42.8%	46.2%	44.6%
Risk-free annual interest rate	2.5%	2.6%	2.6%
Expected target achievement for internal target EBIT margin	100%	100%	100%
Fair value per virtual share	**€0.88**	**€1.14**	**€1.67**

For comparative purposes, the fair value and inputs used in the assessment of the fair value as of 31 March 2025 were as follows:

Valuation as of 31 March 2025	Tranche 2022	Tranche 2023	Tranche 2024
Performance period	1 Apr 22 – 31 Mar 26	1 Apr 23 – 31 Mar 27	1 Apr 24 – 31 Mar 28
Start share price Novem Group S.A.	€11.25	€9.06	€6.64
Remaining duration of performance period	1.0 year	2.0 years	3.0 years
Expected annual volatility	49.2%	45.4%	49.5%
Risk-free annual interest rate	2.0%	2.0%	2.1%
Expected target achievement for internal target EBIT margin	100%	100%	100%
Fair value per virtual share	**€2.80**	**€3.10**	**€3.07**

5.4 Risk reporting

Management of financial risks

The Group is exposed to a wide range of risks and opportunities within the scope of its business activities. Its business operations are focused on seizing opportunities and identifying and controlling the related risks early on. Group-wide risk management aims to identify risks based on operations as early as possible

to take appropriate and effective steps to manage or avoid these risks. The Group is exposed to the following risks in particular:

- liquidity risks
- credit risk
- financial market risks (exchange rate risks and interest rate risks)

The Group's management has overall responsibility for establishing and overseeing the Group's risk management system. The Finance department is responsible for developing and monitoring the risk management system and reports regularly on these matters to management.

The core of risk management is an internal reporting system that continually optimises the monitoring of all business-relevant key data and is adapted to current challenges. In addition, business opportunities and risks are recorded, analysed and evaluated in a multi-tiered planning, information and control process, allowing changes to the business environment and deviations from plan to be recognised early and countermeasures introduced in advance. Additionally, important Alternative Performance Measures (e.g. order intake, revenue, Adj. EBIT, EBITDA, staffing level, fluctuation and quality data) are reported monthly and evaluated by management.

Liquidity risks

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Liquidity risks arise from current liabilities due to long-term rental agreements, interest and repayments. Funds are largely generated from operations and used to cover financing needs.

To ensure and monitor liquidity, the Corporate Treasury department permanently tracks, optimises and documents the current cash flows of all entities and has established a rolling 12-month liquidity planning. The planning takes into account the maturities of financial investments and financial assets (e.g. receivables and other financial assets) as well as expected cash flows from the operating activities. Both the liquidity status (weekly) and the liquidity plan (monthly) are reported to the management, and if this results in changes in financing needs, measures are initiated at an early stage. This approach allows the entire Group's needs and those of individual group companies to be addressed optimally.

The Group ensures compliance with the financing requirements of its operating business and with financial obligations by means of cash pooling agreements, intragroup loans and credit lines based on the respective legal and tax regulations. As of 31 March 2026, the Group had a total of €60,000 thousand (31 March 2025: €60,000 thousand) in unused revolving credit facility from the term loan agreement to ensure liquidity. Additionally, the Group possessed a €3,000 thousand credit line drawn in the amount of €17 thousand as a guarantee facility. This utilisation is related to one aval, commonly referred to as guarantee, since a bank guarantees the payment of a financial instrument.

The following overview shows the contractually agreed terms of financial liabilities, which represent expected future cash out-flows:

in € thousand	Less than one year	Between one and five years	More than five years	**Financial liabilities**
As of 31 Mar 25				
Liabilities to banks (non-derivative)	9,719	252,612	-	**262,331**
Liabilities to banks (derivative)	92	-	-	**92**
Trade payables	49,061	-	-	**49,061**
Lease liabilities	6,503	19,234	22,329	**48,066**
As of 31 Mar 26				
Liabilities to banks (non-derivative)	253,168	-	-	**253,168**
Liabilities to banks (derivative)	527	-	-	**527**
Trade payables	33,696	-	-	**33,696**
Lease liabilities	5,721	14,783	15,978	**36,482**

The contractually agreed cash flows related to non-derivative banks include a variable interest as well as the repayment amount of the loan. The expected cash flows for derivative liabilities to banks are in the form of forward exchange contracts and incorporate their negative value as of reporting date.

Credit risk

Credit risk is the risk of financial losses if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises mainly from trade receivables, with the maximum credit risk corresponding to the carrying amount of the financial assets. Impairment losses are also recorded for contract assets.

The following tables give information on the carrying amounts of trade receivables and contract assets arising from contracts with customers:

in € thousand	31 Mar 25	31 Mar 26
Trade receivables	82,609	86,370
Contract assets	14,256	13,806

Accumulated impairment losses on trade receivables and contract assets were as follows:

in € thousand	FY 2024/25	FY 2025/26
Trade receivables	317	305
Contract assets	5	6
Impairment loss	**322**	**311**

Trade receivables

Credit risk relates in particular to a receivable being repaid late, partially or not at all. The Group uses a number of measures to minimise this risk. As part of receivables management, the Group continuously monitors open positions, conducts maturity analyses and contacts the customer at an early stage if payment delays emerge. The highest priority is placed on monitoring early indicators. On the statements of financial position, the residual risk for trade receivables is accounted for by calculating expected credit losses. In general, the Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Trade receivables are spread essentially over the major manufacturers in the automotive industry, which, due to solid sector performance in Americas, Europe and Asia, is assessed as representing relatively low default risk for the Group. This assessment is based primarily on long-standing business relationships with most customers and the ratings of the major rating agencies. Historical default rates for these receivables are extremely low. In the event that one of the three largest customer defaults (currently assessed as unlikely), credit risk arising from open receivables as of 31 March 2026 would be between €4,647 thousand and €13,566 thousand (31 March 2025: €5,534 thousand and €11,249 thousand).

Expected credit losses for trade receivables recognised at amortised cost are measured based on the lifetime expected credit losses. This involves the receivables being grouped according to the individual customers. For these customers, a one-year default probability is determined via a credit agency. Expected credit losses per customer are calculated ultimately as the product

of the gross carrying amount of the receivable, the customer's probability of default (maturity-adjusted as required) and an appropriate insolvency ratio.

The gross carrying amounts and related probabilities of default of customers for trade receivables measured at amortised cost were as follows:

	FY 2024/25		FY 2025/26	
in € thousand	Gross carrying amount	Probability of default	Gross carrying amount	Probability of default
	68,781[1]	< 1%	75,098[1]	< 1%
	5,249	1% < x < 2%	4,015	1% < x < 2%
	6,951	2% < x < 5%	3,834	2% < x < 5%
	1,628	> 5%	3,423	> 5%
Trade receivables	**82,609**		**86,370**	

1 Thereof trade receivables within the scope of factoring agreements amounting to €7,213 thousand (31 March 2025: €9,923 thousand) were measured at fair value through profit or loss. No expected credit losses were recognised for this portion.
Thereof Seller guarantee within the scope of factoring agreement amounting to €900 thousand (31 March 2025: €900 thousand). No expected credit losses were recognised for this portion.

Contract assets

As of 31 March 2026, contract assets were recognised amounting to €13,806 thousand (31 March 2025: €14,256 thousand). These assets have arisen with the right to consideration acquired from contractual obligations already satisfied. Contract assets are reclassified to trade receivables as soon as an unconditional right to payment arises, which is obtained by invoicing the customer for the quantities actually delivered.

Expected credit losses for contract assets are measured using the lifetime expected credit losses. This involves the contract assets being grouped according to the individual customers. For these customers, a one-year default probability is determined via a credit agency. Expected credit losses per customer are calculated ultimately as the product of the gross carrying amount of the contract asset, the customer's probability of default (maturity-adjusted as required) and an appropriate insolvency ratio.

The gross carrying amounts and related probabilities of default of customers for contract assets were as follows:

	FY 2024/25		FY 2025/26	
in € thousand	Gross carrying amount	Probability of default	Gross carrying amount	Probability of default
	13,567	< 1%	13,088	< 1%
	46	1% < x < 2%	596	1% < x < 2%
	643	2% < x < 5%	109	2% < x < 5%
	-	> 5%	13	> 5%
Contract assets	**14,256**		**13,806**	

Cash and cash equivalents

As of 31 March 2026, the Group had cash and cash equivalents of €175,219 thousand (31 March 2025: €150,097 thousand). Thus, this amount represents the maximum exposure to credit risk in terms of these assets. The cash and cash equivalents are held at banks with Fitch ratings of BBB to AAA. For reasons of materiality, no expected credit losses were recognised for cash and cash equivalents by the Group. Moreover, external ratings indicate that these assets have only low credit risk.

Derivatives

Derivatives are concluded with banks with a rating from Fitch Ratings of at least BBB+. As of 31 March 2026, derivatives in the form of forward exchange contracts had a positive market value totalling €76 thousand as well as negative market value totalling €527 thousand. In comparison to the prior financial year, the market value from derivatives had a positive market value totalling €1,432 thousand as well as a negative market value totalling €92 thousand.

Finance market risks

Finance market risks are the risks of changes in market prices, such as exchange rates or interest rates, that affect the Group's earnings or the value of the financial instruments it holds. The objective of managing finance market risks is to manage and control market risk exposure within an acceptable range while optimising income.

Exchange rate risk

Foreign currency risks arise when Group companies settle transactions in currencies other than their functional currency. Through its subsidiaries, the Group has assets and liabilities outside the Eurozone. These assets and liabilities are denominated in local currencies. If the value of net assets is translated into Euro, exchange rate fluctuations from one period to the next result in changes to these net asset values. Accordingly, the Treasury department undertakes actions to minimise the resulting foreign currency risks. The Group mainly has foreign currency exposure to Chinese Renminbi (CNY), Czech Koruna (CZK), Honduran Lempira (HNL), Mexican Peso (MXN) and US Dollar (USD), which arise from trade receivables/payables and from procurement. The Group counters its foreign currency risks through natural hedging, i.e. by sourcing in the foreign currency area or local production. To further secure operating activities, the option of group netting foreign currency exposures within the Group is used. A further measure taken is to manage the volume of excess liquidity arising from the respective hedged items in foreign currency based on incremental FX spot transactions within a prescribed scope.

A sharp appreciation of the Euro against currencies of other exporting countries could, however, negatively impact the Group's competitiveness.

A reasonably possible change in exchange rates would influence consolidated earnings due to the fair values of the monetary assets and liabilities. The following table is based on the exchange rates determined at the reporting date. It illustrates the effects of appreciation or depreciation of the main currencies to be considered (CNY, CZK, MXN, USD) of +10% or -10% against the respective functional currency. The overall result for each currency thus includes effects calculated based on the appreciation or depreciation of the Euro, where the functional currency corresponds to the currency stated in the table.

in € thousand	31 Mar 25		31 Mar 26	
Changes in foreign exchange rates (gain)	+10%	-10%	+10%	-10%
CNY	-190	69	-226	10
CZK	-574	519	-1,104	1,057
MXN	-1,144	1,395	-1,920	2,236
USD	8,786	1,845	5,912	3,583

To further reduce foreign currency risk in USD, MXN and CZK, the Group concluded a number of forward exchange contracts with UniCredit and Commerzbank. Using these derivative instruments, the significant part of the forecast net foreign currency exposures for the respective next 12 months is hedged in US Dollar. In this case, they are not presented as hedges: instead, the derivatives are measured at fair value through profit or loss.

Interest rate risks

Finance income/costs and financial performance can be positively influenced by favourable interest rates and exchange rate developments. To allow prompt reactions to positive developments, the financial markets are monitored continuously.

As of 31 March 2026, the Group's interest-bearing financial instruments can be aggregated by the basic structure of the respective interest rate as follows:

in € thousand	31 Mar 25	31 Mar 26
Variable rate instruments *Financial liabilities*	250,000	250,000
Interest rate exposure	**250,000**	**250,000**

As of 31 March 2026, financial liabilities with fixed rates amounted to zero. Interest rate risk exists for the syndicated loan as it is linked to the 3-month Euribor. In view of the stable inflation rate and the outlook by the European Central Bank (ECB), it is to be expected that the interest rate will remain rather stable in the next 12 months.

Further moderate interest rate risks exist for pension obligations and the factoring programme. The factoring programme depends on the 3-month Euribor relating to factoring fees for EUR-receivables and the SOFR, which represents the base rate for factoring fees resulting from USD-receivables. A 1% change in reference interest rates would have no material impact regarding factoring fees.

The interest rate risk regarding our pension obligations is also manageable as their share of total assets only amounts to approximately 5%.

5.5 Capital management

The objective of the Novem Group's capital management is to ensure the ability to continue as a going concern and to maintain a stable capital case to maintain investor, creditor and market confidence. Opportunities to repay and refinance liabilities and finance future business activities and future investments depend on how the total operating revenue of the Group develops and its ability to obtain sufficient liquidity. Due to the business model and the operations on global markets, the Group generates predictable and sustainable cash flows under normal business conditions. The Group therefore manages its capital structure and makes necessary adjustments based on the prevailing business conditions.

To secure the financing arrangements, Novem entered into an intercreditor agreement under English Law with its subsidiaries and financial institutions. The Group also concluded an account pledge, a share pledge and a security assignment to strengthen its financial position and provide additional assurance to creditors.

The Group has a total of €60,000 thousand in an unused revolving credit facility. Additionally, the Group possesses a €3,000 thousand credit line, of which €17 thousand was drawn as a guarantee facility. This utilisation relates to an aval, commonly referred to as guarantees, since a bank guarantees the payment of a financial instrument.

For monitoring the capital structure, the Group utilises, amongst others, the ratio of net financial debt and Adj. EBITDA, which is also used as a covenant in the senior facilities agreement. Regular quarterly monitoring of the financial ratios has been implemented. The Group does not expect a breach of this covenant.

In order to maintain or adjust the capital structure, the Group may increase or decrease the dividends, issue new shares or return capital to the shareholders and raise additional or reduce parts of the outstanding debt.

5.6 Consolidated statement of cash flows

The statement of cash flows is prepared in accordance with IAS 7 and is broken down into cash flows from operating, investing and financing activities. In-flows and out-flows from operating activities are presented in accordance with the indirect method and those from investing and financing activities by the direct method.

Cash held comprises current available funds and cash equivalents less bank liabilities due on demand (current account liabilities). With profit for the period as the starting point, the non-cash expenses and changes in net working capital are accounted for to calculate cash flows from operating activities. Income tax payments of €2,082 thousand (PY: €22,950 thousand) were also recognised in cash flows from operating activities.

Investing activities comprise payments to acquire intangible assets, property, plant and equipment and

financial assets as well as proceeds from the sale of intangible assets, property, plant and equipment, financial assets and interest received.

Financing activities include the cash paid for lease liabilities as well as loans and other financing activities. Interest payments of €12,841 thousand (PY: €16,714 thousand) are also reflected in cash out-flows from financing activities.

The table below shows the details of changes in the Group's financial liabilities, which are classified in the Group's consolidated statement of cash flows as cash flows from financing activities:

in € thousand	Liabilities to banks	Lease liabilities
As of 01 Apr 24	249,919	56,524
Changes from financing cash flows	-119	-1,986
Effect of changes in foreign exchange rates	-	-3,294
Other changes	472	-3,179
As of 31 Mar 25	250,272	48,065
As of 01 Apr 25	250,272	48,065
Changes from financing cash flows	-6	-9,952
Effect of changes in foreign exchange rates	-	1,238
Other changes	534	-2,869
As of 31 Mar 26	**250,800**	**36,482**

5.7 Operating segments

Segment information is provided on the basis of the Group's internal reporting in order to assess the type and financial impact of the Group's business activities as well as the economic environment in which it operates. Transactions between the operating segments based on transfer prices are determined according to arm's length conditions typical for the market.

The Group is structured into divisions, with business activities organised over the geographical sales regions of Europe, Americas and Asia.

The Chief Operation Decision Maker (CODM) makes the assessment. The CODM within the meaning of IFRS 8 is the management of the parent company, as it regularly reviews the segments in terms of their profitability and resource allocation using internal management reporting.

The management of the parent company evaluates the performance of the operating segments based on a measure for segment earnings (performance indicator) designated as Adj. EBIT. This indicator provides the most relevant information for assessing the earnings of specific segments in relation to other companies operating in these sectors.

Adj. EBIT is defined as EBIT that has been adjusted by management primarily to exclude extraordinary items. The accounting policies for segment reporting are based on the IFRS Accounting Standards applied in these consolidated financial statements.

Segment reporting as determined by management is disclosed for the segments Europe, Americas and Asia. There are no further segments within the Group.

Reportable segments	Business activities
Europe	Production, processing and sale of high-quality trims and decorative functional elements for vehicle interiors as well as technology-matching exterior components
Americas	Production, processing and sale of high-quality trims and decorative functional elements for vehicle interiors as well as technology-matching exterior components
Asia	Production, processing and sale of high-quality trims and decorative functional elements for vehicle interiors

5.8 Reporting by region

The Group is organised and managed at regional level. The three reportable operating segments of the Group are Europe, Americas and Asia. The product portfolio is broadly similar in these three regional segments.

in € thousand	Europe	Americas	Asia
FY 2024/25			
Revenue generated from third parties	205,959	280,752	54,753
FY 2025/26			
Revenue generated from third parties	213,195	251,690	46,040

Breakdown of revenue according to Novem company location (i.e. from the *invoiced by* perspective)

In the financial year 2025/26, the revenue share of the most significant customer ranged between 5.9% and 48.1% (PY: 9.9% and 73.4%) across the three regions.

Overall, Novem generated revenue of €145,408 thousand (PY: €148,474 thousand) and €142,593 thousand (PY: €141,536 thousand) with the two major customers in all segments.

Revenue was spread over the individual segments according to surfaces as follows:

in € thousand	Europe	Americas	Asia
FY 2024/25			
Wood	136,393	245,885	50,313
Aluminium	44,318	30,839	4,440
Premium synthetics	25,248	4,028	-
FY 2025/26			
Wood	137,399	218,171	38,993
Aluminium	45,022	30,946	6,478
Premium synthetics	30,774	2,573	569

Revenue was distributed among the individual segments according to business areas as follows:

in € thousand	Europe	Americas	Asia
FY 2024/25			
Revenue Series	167,768	252,227	45,893
Revenue Tooling	38,191	28,525	8,860
FY 2025/26			
Revenue Series	169,404	248,135	35,567
Revenue Tooling	43,791	3,555	10,473

The breakdown of revenue between the individual segments according to the category of revenue recognition was as follows:

in € thousand	Europe	Americas	Asia
FY 2024/25			
Goods and services transferred over time	168,360	253,228	46,081
Goods and services transferred at a point in time	37,599	27,523	8,673
FY 2025/26			
Goods and services transferred over time	170,036	249,159	35,639
Goods and services transferred at a point in time	43,159	2,531	10,401

5.9 Reconciliation of information on reportable segments

The following table shows further information on the Adj. EBIT performance indicator, which is used to assess the performance of the operating segments:

Adjustments

	Europe		Americas		Asia	
in € thousand	FY 2024/25	FY 2025/26	FY 2024/25	FY 2025/26	FY 2024/25	FY 2025/26
Restructuring	**970**	**11,456**	**-**	**-**	**-**	**1,087**
Single impairments	4,297	-	-	-	-	-
Others	523	747	-	-	-	-
Exceptional items	**4,820**	**747**	**-**	**-**	**-**	**-**
Discontinued operations	**-**	**-**	**-**	**-**	**-**	**-**
Adjustments	**5,790**	**12,203**	**-**	**-**	**-**	**1,087**

For both financial years 2024/25 and 2025/26, the most significant effects were related to Europe. The financial year 2025/26 contained €12,543 thousand restructuring costs (PY: €970 thousand), which included restructuring costs within the Group and were mainly attributable to personnel expenses. During the financial year 2024/25, single impairments of €4,297 thousand were incurred due to the insolvency of a business partner. Additionally, other adjustments included €31 thousand related to early retirement costs (PY: €320 thousand) as well as €716 thousand resulting from project costs (PY: €203 thousand).

Segment reporting

in € thousand	Europe		Americas		Asia		Total segments		Other/consolidation		**Group**	
	FY 2024/25	FY 2025/26	FY 2024/25	FY 2025/26	FY 2024/25	FY 2025/26	FY 2024/25	FY 2025/26	FY 2024/25	FY 2025/26	FY 2024/25	FY 2025/26
External revenue	205,959	213,195	280,752	251,690	54,753	46,040	541,464	510,925	-	-	541,464	510,925
Revenue between segments	41,987	18,156	84,597	86,180	16,990	15,294	143,574	119,630	-143,574	-119,630	-	-
Total revenue	**247,946**	**231,351**	**365,349**	**337,870**	**71,743**	**61,334**	**685,038**	**630,555**	**-143,574**	**-119,630**	**541,464**	**510,925**
Adj. income/expenses from operations (except revenue and depreciation and amortisation)	-243,126	-232,566	-296,839	-280,144	-64,028	-55,370	-603,993	-568,080	143,574	119,630	-460,419	-448,450
Adj. EBITDA	**4,820**	**-1,215**	**68,510**	**57,726**	**7,715**	**5,964**	**81,045**	**62,475**	**-**	**-**	**81,045**	**62,475**
Depreciation and amortisation	-15,072	-14,410	-11,270	-11,336	-5,780	-4,915	-32,122	-30,661	-	-	-32,122	-30,661
Adj. EBIT	**-10,252**	**-15,624**	**57,240**	**46,390**	**1,935**	**1,049**	**48,923**	**31,815**	**-**	**-**	**48,923**	**31,815**
Adjustments	-5,790	-12,203	-	-	-	-1,087	-5,790	-13,290	-	-	-5,790	-13,290
Operating Result (EBIT)	**-16,042**	**-27,828**	**57,240**	**46,390**	**1,935**	**-38**	**43,133**	**18,524**	**-**	**-**	**43,133**	**18,524**

The amounts shown in the *Other/consolidation* column include the elimination of transactions between the segments and specific items at group level that relate to the Group as a whole and cannot be allocated to the segments.

Within the segment reporting in the three regions of Europe, Americas and Asia and in relation to the recognition of contract assets and associated revenue over time according to IFRS 15, €1,649 thousand related to Europe, €6,004 thousand to the Americas region and €238 thousand to Asia (PY: €1,635 thousand to Europe, €8,092 thousand to Americas and €435 thousand to Asia).

Geographical information

Revenue was spread over the different locations as follows:

in € thousand	FY 2024/25	FY 2025/26
Czech Republic	209	201
Germany	199,934	209,457
Italy	5,490	3,398
Slovenia	326	139
Europe	**205,959**	**213,195**
Honduras	-	-
Mexico	265	220
USA	280,487	251,470
Americas	**280,752**	**251,690**
China	54,753	46,040
Asia	**54,753**	**46,040**
Revenue	**541,464**	**510,925**

Breakdown of revenue according to Novem company location (i.e. from the *invoiced by* perspective)

The table below provides information on the breakdown of non-current assets by Novem location:

in € thousand	FY 2024/25	FY 2025/26
Czech Republic	22,537	24,293
Germany	35,425	32,409
Italy	376	-
Luxembourg	142	22
Slovenia	23,599	20,152
Europe	**82,079**	**76,876**
Honduras	5,995	4,446
Mexico	54,778	48,500
USA	4,406	3,739
Americas	**65,179**	**56,685**
China	27,160	20,610
Asia	**27,160**	**20,610**
Non-current assets	**174,418**	**154,171**

Non-current assets consist of intangible assets and property, plant and equipment.

Reconciliation of Adj. EBITDA to earnings before taxes

The following table shows the reconciliation of Adj. EBIT to EBIT and to earnings before taxes for the financial years 2024/25 and 2025/26:

in € thousand	FY 2024/25	FY 2025/26
Adj. EBITDA	**81,045**	**62,475**
Depreciation and amortisation	32,122	30,661
Adj. EBIT	**48,923**	**31,815**
Adjustments	5,790	13,290
EBIT	**43,133**	**18,524**
Finance income	4,688	20,130
Finance costs	22,342	15,919
Earnings before taxes	**25,479**	**22,735**

Adj. EBIT includes transactions with a one-off and non-recurring nature that occurred in the ordinary course of business.

5.10 Leases

In its regular business, the Novem Group is the lessee in different leases of land and buildings as well as parts of operating and office equipment. The lease term for land and buildings is typically between one and 13 years. Leases of technical equipment and machinery generally have a term of one year. Leases of operating and office equipment usually have a term of between one and 17 years. The Group applied the practical expedient in IFRS 16.6 by not accounting for short-term leases (leases with a lease term of less than 12 months) and low-value

assets (underlying assets <5,000€/$, e.g. printers and copiers) as right-of-use assets. For all leases, respective lease term options (e.g. renewal options) are considered. The majority of the current options to extend or terminate the leases can only be exercised by the Novem Group and not by the respective lessor. The future undiscounted lease payments from lease term options not yet exercised amounted to €35,919 thousand.

Some leases of land and buildings provide for additional lease payments based on a change in the local price indices.

Future cash out-flow from variable lease payments not incorporated into the measurement of the lease liability amounted to €724 thousand (31 March 2025: €1,404 thousand). These mainly related to leases of buildings.

There are no leases in which the Novem Group S.A. acts as a lessor. Information on leases in which the Group is the lessee is presented below.

Right-of-use assets

in € thousand	Land and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	**Right-of-use assets**
Depreciation FY 2024/25	5,547	8	2,918	**8,474**
Additions to right-of-use assets	1,204	-	2,463	**3,667**
Disposals to right-of-use assets	4,046	-	1,687	**5,732**
Carrying amount as of 31 Mar 25	38,278	18	4,764	**43,060**
Depreciation FY 2025/26	5,005	8	2,339	**7,353**
Additions to right-of-use assets	765	-	1,349	**2,114**
Disposals to right-of-use assets	7,795	-	4,643	**12,438**
Carrying amount as of 31 Mar 26	**30,235**	**10**	**3,640**	**33,885**

The disposals as of 31 March 2026 in the amount of €12,438 thousand (31 March 2025: €5,732 thousand) mainly included revaluations of right-of-use assets in connection with changes to building contracts, which can be allocated to Americas, amounting to €3,539 thousand.

Amounts recognised in profit and loss and cash flows

in € thousand	FY 2024/25	FY 2025/26
Interest expense for lease liabilities	1,754	1,394
Short-term lease expenses	1,536	1,216
Lease expenses for low value assets except short-term leases for low value assets	1,693	1,633
Expense for variable lease payments not included in the measurement of lease liabilities	343	287
Total expenses for leases	12,917	11,189

As of 31 March 2026, the lease liabilities amounted to €36,482 thousand (31 March 2025: €48,065 thousand). Thereof €5,721 thousand are due within the next financial year 2026/27.

5.11 Other financial liabilities and contingent liabilities

There were no significant other financial obligations occurring after the reporting date. There were only financial obligations within the usual range resulting from the purchase commitment of €10,971 thousand on 31 March 2026. The total amount included tooling business costs of €8,270 thousand and €2,701 thousand for series business (PY: Tooling €13,856 thousand and Series €3,487 thousand).

Contingent liabilities constitute off-balance sheet contingent liabilities recognised for valuation as of the reporting date. The contingent liabilities, including

securities and guarantees assumed for third parties, decreased to €17 thousand on 31 March 2026 (PY: €3,102 thousand). The decrease results from the elimination of the guarantee provided to the Mexican tax authority.

Furthermore, tax risks are also included in contingent liabilities. The Group might be subject to tax risks attributable to previous tax assessment periods and might be subject to unanticipated tax expenses in relation to previous tax assessment periods, which have not yet been subject to a tax audit or are currently subject to a tax audit. It cannot be ruled out that tax authorities may apply a different approach in ongoing and/or future tax audits from the one adopted by the Group, which may lead to an additional tax expense and/or payment. This could have a material and adverse effect on the business, financial condition and results of operations.

5.12 Related party transactions

Holding company

The direct holding company of the Group is *Rokoko Automotive Holdings (Jersey) Limited, Jersey*. During 2025/26, there were no transactions or outstanding balances with Rokoko Automotive Holdings (Jersey) Limited, Jersey.

Related parties

According to IAS 24, the Group has to disclose specific information about transactions between the Group and other related parties. Balances and transactions between the Group and its fully consolidated subsidiaries, which constitute related parties within the meaning of IAS 24, have been eliminated in the course of consolidation and are therefore not commented on in this note. The consolidated financial statements do not include any associated companies that are accounted for using the equity method.

In the financial year 2025/26, no transactions occurred with direct and indirect shareholders.

In general, a related party relationship existed with another company regarding the purchase of components such as base frames. The related party belongs to the same group of companies pursuant to IAS 24.9b (i). In both financial years 2024/25 and 2025/26, there was no transaction volume, and no outstanding balances were recorded.

All outstanding balances and transactions with this related party are priced on an arm's length basis and are to be settled in cash within two months. None of the balances are secured. No guarantees have been given or received.

For information on the remuneration of and other transactions with key management personnel, which constitute related party transactions pursuant to IAS 24, please refer to section 5.3, section 5.13 and the Remuneration Report. The Remuneration Report will be published separately from this Annual Report on the Novem IR website on 17 July 2026.

5.13 Remuneration of key management personnel

The key management personnel are the members of the Management and Supervisory Board of Novem Group S.A. The total remuneration paid to the Management Board members is calculated as the sum of short-term benefits and pensions, as well as the fair value of the share-based Performance Share Plan. For further information regarding the share-based Performance Share Plan, please refer to section 5.3.

The Group is obliged by Luxembourg Law to draw up a Remuneration Policy as well as a Remuneration Report for the members of the Supervisory Board and Management Board of Novem Group S.A. The Remuneration Policy and Remuneration Report are prepared in accordance with Art. 7bis and Art. 7ter of the Luxembourg Law of 24 May 2011 on the exercise of certain rights of shareholders in listed companies, as amended.

In the reporting period, the total remuneration of the Management Board, including those members who have left the Company during the financial year, was as follows:

in € thousand	FY 2024/25	FY 2025/26
Short-term employee benefits	1,618	1,106
Share-based payments	25	-329
Remuneration	**1,643**	**777**

The value of €-329 thousand from provision for the share-based payments attributable to the net valuation resulted in income for the financial year 2025/26 (refer to section 5.3).

The present value of the pension entitlements of the Management Board amounted to €15 thousand (31 March 2025: €15 thousand). The current service costs amounted to €1 thousand (PY: €1 thousand). The defined benefit obligation of all pension commitments

to former members of the Management Board amounted to €4,061 thousand (31 March 2025: €4,301 thousand).

The total remuneration paid to the Supervisory Board members, classified as short-term benefits, is calculated as the sum of fixed and committee compensation. For this period, the total remuneration for the members of the Supervisory Board amounted to €270 thousand (PY: €270 thousand).

5.14 Auditors' fees

The following fees for KPMG Audit S.à r.l., Luxembourg, and other member firms of the KPMG network relate only to services directly connected with the parent company Novem Group S.A. and its subsidiaries:

in € thousand	FY 2024/25	FY 2025/26
Audit fees	856	898
Thereof: KPMG Audit S.à r.l.	255	289
Other fees	151	439
Thereof: KPMG Audit S.à r.l.	-	11
Fees	**1,007**	**1,337**

5.15 Subsequent events

The Management Board announced on 27 April 2026 that Novem Group S.A. has extended its existing syndicated loan facilities with a total amount of €210,000 thousand and a new maturity date of 30 June 2028. The syndicated loan comprises a term loan facility of €160,000 thousand and a revolving credit facility of €50,000 thousand. As a result, the total volume of the existing term debt has been reduced by €90,000 thousand.

There were no further events or developments that could have materially affected the measurement and presentation of the Group's assets and liabilities as of 31 March 2026.

RESPONSIBILITY STATEMENT

We, Markus Wittmann (Chief Executive Officer), Benjamin Retzer (Chief Financial Officer), Mathias Rieger (Director Internal Audit) and Florian Sandner (Chief Operating Officer), confirm, to the best of our knowledge, that the consolidated financial statements which have been prepared in accordance with the International Financial Reporting Standards Accounting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Novem Group S.A. and the undertakings included in the consolidation taken as a whole and that the Group Management Report includes a fair review of the development and performance of the business and the position of the Novem Group S.A. and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Luxembourg, 15 June 2026

Novem Group S.A.
Management Board

Markus Wittmann | Benjamin Retzer

Mathias Rieger | Florian Sandner

SETUP AND ORGANISATION OF THE MANAGEMENT BOARD

In the financial year ending 31 March 2026, the Management Board of Novem Group S.A. diligently fulfilled its tasks in accordance with the statutory requirements, the Articles of Association of Novem Group S.A. as well as the Rules of Procedure of the Management Board of the Company, approved by the Management Board and the Supervisory Board on 1 July 2021. It regularly made decisions regarding strategic and operational topics. In the financial year ending 31 March 2026, the members of the Management Board were Markus Wittmann (Chairman and CEO), Benjamin Retzer (CFO), Florian Sandner (COO), Maria Eichinger (Manager Consolidation, until 31 December 2025) and Mathias Rieger (Director Internal Audit).

The Management Board held in total 14 regular meetings during the financial year ending 31 March 2026. Of these, seven meetings were attended by all of the members of the Management Board. In the meetings, the Management Board regularly discussed the status and performance of the Group including risks and opportunities, its market position, course of business as well as relevant financial data. The discussions were based on regular and extensive reports in verbal and written form presented by the relevant members of the Management Board. The Management Board maintained close contact also outside of the regular meetings to exchange all important information related to the Novem Group. This close collaboration also included strategy discussions as well as information on the organisational development.

During the financial year ending 31 March 2026, there were no conflicts of interest between the members of the Management Board and the Company.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Novem Group S.A.
19, rue Edmond Reuter
5326 Contern
Luxembourg

REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Novem Group S.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of comprehensive income (1), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier (the "CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the consolidated financial statements » section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition from Tooling

a) *Why the matter was considered to be one of most significant in our audit of the consolidated financial statements for the year ended 31 March 2026*

As mentioned in notes 2.13 *Revenue recognition* and 4.1. *Revenue*, the Group's revenues are generated from the sales of serial parts, the provision of development services and the sale of tools necessary for the production of serial parts, whereas the sale of tools amounted to €57.8 million in the financial year ended 31 March 2026.

Novem Group S.A. has determined that the development work and subsequent sale of the tools constitute one single performance obligation. The associated revenue is recognised upon completion and transfer of the tool to the customer. An asset is considered to be transferred when the customer obtains control of that asset. Novem Group S.A. recognises revenue for Tooling at a point in time, in the amount to which Novem Group S.A. expects to be entitled.

The Management Board has presented the criteria for the recognition of revenue from the sale of Tooling in a group-wide accounting policy and implemented specific recognition and cut-off procedures. Although there exist defined criteria in Novem's process for revenue recognition for Tooling, the process includes manual accounting steps and is complex as control is transferred without that the customer obtains physical possession of the tool.

There is the risk for the consolidated financial statements that revenue for Tooling is not correctly recognised throughout the period and that at year-end such revenues are overstated since the tools were not transferred to the customer at year-end.

b) *How the matter was addressed during the audit*

In order to assess whether Tooling revenue exists and is recognised in the correct financial year, our audit procedures consisted mainly of:

- An assessment of the design and implementation of internal key controls relating to the revenue recognition process in relation to Tooling, and in particular the determination and verification of the actual transfer of control.
- An assessment of compliance of the group-wide accounting policy regarding revenue recognition with IFRS 15 and have verified the correct application of the latter while recognising revenues.
- A reconciliation of a sample of Tooling transactions recorded in the general ledger with customer invoices, underlying orders, proof of transfer of control and payments received from customers.
- An assessment of the adequacy of the Group's disclosures in respect of the accounting policies on revenue recognition as disclosed in notes 2.13 and 4.1. of the consolidated financial statements.

Other information

The Management Board is responsible for the other information. The other information comprises the information stated in the annual report including the Group Management Report and the Corporate Governance Statement but does not include the consolidated financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Management Board and Those Charged with Governance for the consolidated financial statements

The Management Board is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the Management Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Management Board is responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation").

In preparing the consolidated financial statements, the Management Board is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Responsibilities of the réviseur d'entreprises agréé for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Our responsibility is to assess whether the consolidated financial statements have been prepared in all material respects with the requirements laid down in the ESEF Regulation.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with

ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.
- Conclude on the appropriateness of the Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé".
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on other legal and regulatory requirements

We have been appointed as "réviseur d'entreprises agréé" by the Shareholders on 21 August 2025 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 4 years.

The Group Management Report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the Group Management Report. The information required by Article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in the EU Regulation N° 537/2014 were not provided and that we remained independent of the Group in conducting the audit.

We have checked the compliance of the consolidated financial statements of the Group as at 31 March 2026 with relevant statutory requirements set out in the ESEF Regulation that are applicable to consolidated financial statements.

For the Group it relates to:

- Consolidated financial statements prepared in a valid xHTML format;
- The XBRL markup of the consolidated financial statements using the core taxonomy and the common rules on markups specified in the ESEF Regulation as described in Note 1.

In our opinion, the consolidated financial statements of Novem Group S.A. as at 31 March 2026, identified as *Novem-2026-03-31-1-en.xbri*, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Our audit report only refers to the consolidated financial statements of Novem Group S.A. as at 31 March 2026, identified as *Novem-2026-03-31-1-en.xbri*, prepared and presented in accordance with the requirements laid down in the ESEF Regulation, which is the only authoritative version

Luxembourg, 15 June 2026

KPMG Audit S.à r.l.
Cabinet de révision agréé

Yves Thorn
Partner

5 Annual accounts

BALANCE SHEET

as of 31 March 2026

Assets

in € thousand	Note	31 Mar 26	31 Mar 25
Formation expenses	3	**285**	**1,142**
Fixed assets		**924,181**	**924,232**
Tangible assets	4	22	73
Other fixtures and fittings, tools and equipment		22	73
Financial assets	5	924,159	924,159
Shares in affiliated undertakings	5.1	674,159	674,159
Loans to affiliated undertakings	5.2	250,000	250,000
Current assets		**6,632**	**1,246**
Debtors	6	6,436	1,191
Amounts owed by affiliated undertakings	6.1	5,912	1,005
becoming due and payable within one year		5,912	1,005
Other debtors	6.2	524	186
becoming due and payable within one year		524	186
Cash at bank and in hand		196	55
Prepayments		**46**	**58**
Total assets		**931,144**	**926,678**

Capital, reserves and liabilities

in € thousand	Note	31 Mar 26	31 Mar 25
Capital and reserves	7	**675,601**	**674,452**
Subscribed capital		430	430
Share premium account		540,803	540,803
Reserves		376	484
Legal reserve		43	43
Other non-available reserves		333	441
Profit or loss brought forward		132,842	132,022
Profit or loss for the financial year		1,149	713
Provisions		**181**	**623**
Other provisions	8	181	623
Creditors	9	**255,362**	**251,603**
Amounts owed to credit institutions	9.1	250,078	250,084
becoming due and payable within one year		250,078	84
becoming due and payable after more than one year		-	250,000
Trade creditors	9.2	3,932	503
becoming due and payable within one year		3,932	503
Amounts owed to affiliated undertakings	9.3	206	206
becoming due and payable within one year		206	206
Other creditors	9.4	1,146	810
Tax authorities		878	527
Social security debts		6	12
Other creditors		262	271
becoming due and payable within one year		262	271
Total capital, reserves and liabilities		**931,144**	**926,678**

The accompanying notes form an integral part of these annual accounts.

PROFIT AND LOSS ACCOUNT

for the financial year ended 31 March 2026

in € thousand	Note	FY 2025/26	FY 2024/25
Other operating income	10	**5,798**	**2,285**
Raw materials and consumables and other external expenses		**-5,248**	**-1,702**
Raw materials and consumables		-13	-18
Other external expenses	11	-5,235	-1,685
Staff costs	12	**-60**	**-535**
Wages and salaries		-13	-485
Social security costs		-47	-50
Value adjustments		**-879**	**-882**
in respect of formation expenses and on tangible and intangible fixed assets		-879	-882
Other operating expenses		**-303**	**-292**
Income from other investments and loans forming part of the fixed assets	13	**12,609**	**15,609**
derived from affiliated undertakings		12,609	15,609
Interest payable and similar expenses	14	**-10,317**	**-13,465**
concerning affiliated undertakings		-	-49
Other interest and similar expenses		-10,317	-13,416
Tax on profit	15	**-450**	**-307**
Other taxes		**-**	**1**
Profit for the financial year		**1,149**	**713**

The accompanying notes form an integral part of these annual accounts.

NOTES TO THE ANNUAL ACCOUNTS

1 General

Novem Group S.A. (the "Company", formerly Car Interior Design (Luxembourg) S.à r.l.) was originally formed as a private company (Société à responsabilité limitée) for an unlimited period of time under the laws of Luxembourg on 12 July 2011 pursuant to a deed of incorporation published in the Mémorial, Recueil des Sociétés et Associations C on 28 September 2011, number 2306.

In June 2021, the extraordinary General Shareholders' Meeting converted the Company from a private limited liability company (Société à responsabilité limitée) to a public limited liability company (Société Anonyme). As a consequence, the shares (parts sociales) were also converted and became shares with no nominal value. The Company's corporate name was amended to Novem Group S.A. The Company is registered under the number B 162.537 in the Luxembourg trade register.

The Company is managed by a Management Board under the supervision of a Supervisory Board.

The Company is formed for an unlimited duration.

The purpose of the Company is the taking of participating interests in whatsoever form in other, either in Luxembourg or foreign companies and the management, control and development of such participating interests. The Company may, in particular, acquire all types of transferable securities, either by way of contribution, subscription, option, purchase or otherwise, as well as realise them by sale, transfer, exchange or otherwise. The Company may also acquire and manage all patents, trademarks, connected licenses and other rights deriving from these patents or complementary thereto. The Company may borrow and grant any assistance, loan, advance or guarantee to companies in which it has participation or in which it has a direct or indirect interest. The Company may, for its own account as well as for the account of third parties, carry out any commercial, industrial or financial activities which may be useful or necessary to the accomplishment of its purposes or which are related directly or indirectly to its purpose.

The Company became listed on 19 July 2021 with its shares listed on the Frankfurt stock exchange under the ISIN code LU2356314745.

The Company's financial year begins on 1 April and ends on 31 March of each year.

The Company also prepared consolidated financial statements in accordance with EU regulation 1606/2002, which are available at the registered office of the Company.

The Company's annual accounts are presented in Euro (€), the Company's functional currency. All amounts are rounded to the nearest thousand Euro unless otherwise indicated. Totals in tables were calculated on the basis of exact figures and rounded to the nearest thousand Euro. For computational reasons, there may be rounding differences to the exact mathematical values in tables and references (monetary units, percentages, etc.).

The Management Board has considered the Company's ability to continue its activities as a going concern. It concluded that, as of the establishment of these annual accounts, it is reasonable to assume that the Company will be able to continue as a going concern. This assessment includes consideration of the outstanding debt maturing in July 2026, which results in significantly higher short-term liabilities compared to short-term assets. The Company has completed refinancing measures by extending the €210,000 thousand syndicated loan facilities, comprising a €160,000 thousand term loan and a €50,000 thousand revolving credit facility, until June 2028, and by reducing the volume of term debt by €90,000 thousand. These agreements also include certain conditions, amongst others, regarding the distribution of dividends, which the Company has taken into account when assessing its ability to continue as a going concern. However, market conditions subsequent to year-end and related uncertainties could result in outcomes that require an adjustment to the carrying amount of assets and liabilities affected in future periods.

The global economy expanded moderately, supported by easing monetary policy and a continued stabilisation in inflation. At the same time, the year was shaped by significant political and geopolitical developments, including rising protectionism, trade barriers and increased uncertainty. Ongoing conflicts, including Ukraine and the latest conflict in the Middle East, led to the disruption of the shipping routes in the Strait of Hormuz, followed by rising energy costs. Therefore, these world affairs require continuous and close observation by the management. While these developments are not directly linked to the operational activities of the single legal entity, they may indirectly affect the Company through their impact on the wider Novem Group's operating environment. In particular, adverse macroeconomic or geopolitical developments could influence the recoverability of the Company's financial fixed assets, including its shares in affiliated undertakings, and may also affect the Company's ability to service and repay its term loans. Although the Group was not unaffected by these conditions, it continues to maintain a solid basis for its future development.

Those trends, however, could impact the fair values and carrying amounts of assets and liabilities, as well as the amount and timing of Novem's results of operations and cash flows. Estimates and assumptions are generally based on existing knowledge and the best information available.

Management has regularly reviewed the implications of the changing geopolitical and macroeconomic conditions and has not identified a going concern or a significant issue, beyond the general scope of impact, on the performance and financial position of the Company as of today. Management continues to monitor the current developments and their potential impact on the Company.

The official version of the accounts is the ESEF version available with the Officially Appointed Mechanism (OAM) tool.

2 Summary of significant valuation and accounting policies

Basis of preparation

The annual accounts were prepared in accordance with Luxembourg's legal and regulatory requirements under the historical cost convention and the going concern assumption. Accounting policies and valuation rules are, besides the ones laid down by the Commercial Law dated 10 August 1915 as amended and the amended Law of 19 December 2002, determined and applied by the Management Board. Furthermore, the recommendations of CNC 20/2021 were taken into account, particularly regarding the optional substance-over-form principle under Article 29 (3) of the Law on the Trade and Companies Register (RCS), which allows for an economic approach to be applied in the preparation of the annual accounts when it leads to a more faithful representation of the Company's financial position and performance. Refer to section 17.

From the current perspective, there are no risks to the continued existence of Novem Group S.A. and its affiliated companies, as further outlined in the general disclosure (refer to section 1).

In preparing the annual accounts in accordance with Luxembourg Generally Accepted Accounting Principles, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Due to unforeseeable developments beyond the control of management, the actual figures may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Presentation of comparative financial data

The figures for the year that ended on 31 March 2025 relating to *trade creditors – becoming due and payable within one year* and *other creditors - becoming due and payable within one year*, have been reclassified to ensure comparability with the figures for the year ended 31 March 2026.

Foreign currency translation

The Company maintains its books and records in Euro. The balance sheet and the profit and loss account are expressed in this currency.

Formation expenses, tangible and financial fixed assets denominated in currencies other than Euro are translated at the historical exchange rates.

Cash at bank denominated in currencies other than Euro is translated at the exchange rates prevailing at the date of the balance sheet.

Current assets and liabilities denominated in currencies other than Euro are translated separately respectively at the lower or at the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. Solely the unrealised exchange losses are recorded in the profit and loss account. The exchange gains are recorded in the profit and loss account at the moment of their realisation.

Long-term debts denominated in currencies other than Euro are translated at the historical exchange rates.

As a result, realised exchange gains and losses and unrealised losses are recorded in the profit and loss account. Unrealised exchange gains are not recognised.

Formation expenses

The position carries expenses arising from the context of the private placement and stock exchange listing (capital market transactions) of the Novem Group S.A. relating to the newly issued shares and the refinancing.

Formation expenses are measured at cost less accumulated value adjustments and are written off on a straight-line basis over a period of 5 years.

Intangible and tangible assets

Intangible and tangible assets are used for business purposes and are measured at cost less accumulated value adjustments. Amortisation on intangible and depreciation on tangible assets are recorded on a straight-line basis in accordance with its utilisation and based on the useful life of the asset. The residual value, depreciation methods and useful life are reviewed annually and adjusted if necessary.

Useful life of tangible assets (Other fixtures and fittings, tools and equipment): 5 to 6 years

Financial assets

Shares in affiliated undertakings are stated at acquisition cost including the expenses incidental thereto. Value adjustments are recorded if a reduction in the value is expected to be durable. The impairment analysis is done individually for each investment. Impairment is expected to be durable if the fair value determined on the basis of Company planning (discounted cash flow method) as of the reporting date is below the carrying amount of the *shares in affiliated undertakings*.

Loans to affiliated undertakings are recorded at their nominal value. Loans are written down to their recoverable amount if there is a durable decrease in value. A decrease in value is considered durable if recovery is unlikely and the impairment is not expected to reverse in the foreseeable future.

These value adjustments may not be continued if the reasons for which the value adjustments were recognised have ceased to exist.

Debtors

Current receivables are recorded at their nominal value. They are subject to value adjustments where their recovery is compromised.

These value adjustments may not be continued if the reasons for which the value adjustments were recognised have ceased to exist.

Cash

Cash at bank and in hand is recorded at its nominal value and comprises bank current accounts.

Provisions

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Provisions may also be created to cover charges that have originated in the financial year under review or in a previous financial year, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Share-based payments

The Company accounts for share-based payments in accordance with IFRS 2, as permitted under Luxembourg Law. It applies the optional substance principle under Article 29 (3) of the amended Luxembourg Law of 19 December 2002, in line with CNC 20/2021, to ensure that the economic reality of transactions is accurately reflected in the annual accounts.

The Company established cash-settled share-based payment agreements for members of the Management Board. The Performance Share Plan is granted in annual tranches of virtual shares with a respective performance period of four years.

According to IFRS 2, for cash-settled share-based payment transactions, the Company has to measure the liability incurred at the fair value of the liability. The fair value of the share-based payments of the Performance Share Plan has been measured at the end of each quarter by using a Monte-Carlo-Simulation. Any changes in the liability are recognised in profit or loss.

Creditors

Debts are recorded at their reimbursement value. Where the amount repayable on account exceeds the amount received, the difference is shown as an asset and is written off over the period of debt.

3 Formation expenses

Formation expenses comprised expenses arising from the context of the private placement and stock exchange listing of the Novem Group S.A. relating to the newly issued shares and the refinancing.

Formation expenses are amortised on a straight-line basis over a period of five years.

in € thousand	Total
Gross value	
Balance as of 01 Apr 24	4,247
Additions	-
Disposals	-
Balance as of 31 Mar 25	4,247
Additions	-
Disposals	-
Balance as of 31 Mar 26	**4,247**
Accumulated value adjustments	
Balance as of 01 Apr 24	2,249
Additions	856
Disposals	-
Balance as of 31 Mar 25	3,105
Additions	856
Disposals	-
Balance as of 31 Mar 26	**3,961**
Net book value	
Balance as of 31 Mar 25	**1,142**
Balance as of 31 Mar 26	**285**

4 Fixed assets

Tangible assets

Fixed assets are depreciated on a straight-line basis over a period of up to six years.

in € thousand	Total
Gross value	
Balance as of 01 Apr 24	147
Additions	-
Disposals	-
Balance as of 31 Mar 25	147
Additions	-
Disposals	-67
Balance as of 31 Mar 26	**80**
Accumulated value adjustments	
Balance as of 01 Apr 24	49
Additions	25
Disposals	-
Balance as of 31 Mar 25	74
Additions	23
Disposals	-39
Balance as of 31 Mar 26	**58**
Net book value	
Balance as of 31 Mar 25	**73**
Balance as of 31 Mar 26	**22**

The tangible fixed assets comprise office equipment and vehicles. The Management Board assessed that no additional value adjustment, besides the standard depreciation, was required on the Company's tangible assets as of 31 March 2026.

5 Financial assets

5.1 Shares in affiliated undertakings

The shares in affiliated undertakings of the Company consist of an investment in the Novem Group GmbH. The Company is the sole shareholder of Novem Group GmbH (the "Subsidiary").

Subsidiary	Registered office	Percentage of ownership
Novem Group GmbH	Weiden i.d. Oberpfalz (Germany)	100%

in € thousand	Shareholder's equity at 31 Mar 26	Result of the financial year ended 31 Mar 26	Book value at 31 Mar 25	Book value at 31 Mar 26
Novem Group GmbH	674,156	15,012	674,159	674,159

5.2 Loans to affiliated undertakings

As of 31 March 2026, Loans to affiliated undertakings existed with Novem Group GmbH. The stated principal amount is €250,000 thousand (31 March 2025: €250,000 thousand) and matures on 20 July 2026. The accrued interest as of 31 March 2026 amounting to €34 thousand (31 March 2025: €0) was calculated on the basis of a 360-day year with months of actual days and is classified within the amounts owed by affiliated undertakings (refer to section 6.1).

The Management Board has the opinion that no value adjustment was required on the Company's financial assets as at 31 March 2026.

6 Debtors

6.1 Amounts owed by affiliated undertakings

Receivables from affiliated companies of €5,912 thousand (31 March 2025: €1,005 thousand) resulted largely from recharge of costs to affiliated undertakings as well as receivables from cash pooling and accrued interests (refer to section 5.2).

6.2 Other debtors

The amount of €524 thousand (31 March 2025: €186 thousand) mainly related to receivables from the tax authorities.

7 Capital and reserves

Equity developed as follows in the financial years 2024/25 and 2025/26:

in € thousand	Subscribed capital	Share premium account	Legal reserve	Other reserves, including the fair value reserve	Profit brought forward	Profit for the financial year	**Capital and reserves**
Balance as of 01 Apr 24	430	540,803	43	441	90,594	41,427	**673,738**
Allocation of previous year's profit	-	-	-	-	41,427	-41,427	**-**
Dividend distributions	-	-	-	-	-	-	**-**
Profit for the financial year	-	-	-	-	-	713	**713**
Balance as of 31 Mar 25	**430**	**540,803**	**43**	**441**	**132,022**	**713**	**674,452**
Balance as of 01 Apr 25	430	540,803	43	441	132,022	713	**674,452**
Allocation of previous year's profit	-	-	-	-	713	-713	**-**
Dividend distributions	-	-	-	-	-	-	**-**
Release special reserve NWT	-	-	-	-108	108	-	**-**
Profit for the financial year	-	-	-	-	-	1,149	**1,149**
Balance as of 31 Mar 26	**430**	**540,803**	**43**	**333**	**132,842**	**1,149**	**675,601**

Subscribed capital

As of 31 March 2026, the share capital of the Company amounted to €430 thousand (31 March 2025: €430 thousand) and is divided into 43,030,303 ordinary shares (31 March 2025: 43,030,303 ordinary shares) in a dematerialised form with no nominal value. All ordinary shares rank equally with regard to the Company's residual assets. Each share of the Company represents a par value of €0.01 in the Company's share capital. All shares are fully paid. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

Share premium account

As of 31 March 2026, the share premium and similar premiums account of the Company amounted to €540,803 thousand (31 March 2025: €540,803 thousand).

Legal reserve

In accordance with Luxembourg Law, the Company is required to appropriate a minimum of 5% of the net profit after tax for the year to a legal reserve until the balance of such reserve is equal to 10% of the issued share capital. The legal reserve is not available for distribution to shareholders except upon the dissolution of the Company. No allocation was made to the legal reserve in the current year as the 10% maximum has already been reached.

Authorised capital

The authorised capital of the Company is set at €520,000 thousand divided into 52,000,000 shares with no nominal value. The Management Board is authorised to increase the current issued capital up to the amount of the authorised capital, in whole or in part, from time to time during five years following the according General Shareholders' Meeting on 30 June 2021.

Other reserves, including the fair value reserve

In accordance with paragraph 8a of the 16 October 1934 Law as amended, the Company is entitled to reduce the net wealth tax due for the year by an amount

which cannot exceed the corporate income tax due for the year. In order to avail of the above, the Company must set up a restricted reserve equal to five times the amount of the net wealth tax (NWT) credited. This reserve has to be maintained for a period of five years following the year in which it was created. In case of distribution of the restricted reserve, the tax credit falls due during the year in which it was distributed. Reserves amounting to €108 thousand relating to the financial years 2016 to 2019 were released and transferred to profit brought forward.

NWT of the year	Reserve to be created in FS	Amount in € thousand
2020	2020	46,075
2021	2021	26,650
2022	2022	52,475
2023	2023	208,075
Total		**333,275**

Dividend

At the Annual General Meeting on 21 August 2025, the shareholders approved the Management Board's proposal not to distribute a dividend for the financial year 2024/25.

8 Provisions

Provisions comprised primarily share-based payments of €180 thousand (31 March 2025: €567 thousand) (refer to section 17) and provisions for bonuses of €1 thousand (31 March 2025: €56 thousand).

9 Creditors

9.1 Amounts owed to credit institutions

In June 2021, a term loan agreement for €310,000 thousand in total (€250,000 thousand as a term loan and €60,000 thousand as a revolving credit facility) was entered into between Novem Group S.A. and an international syndicate of banks. Accordingly, the refinancing was implemented as of 23 July 2021 by the drawdown of the term loan of €250,000 thousand and matures in July 2026. The revolving credit facility of €60,000 thousand has not been used to date. For the drawn term facility, the margin range is between 1.0% and 2.0% per annum, depending on the total net leverage of the Group. Additionally, the respective 3-month Euribor is reflected in the all-in rate. The range for the commitment fee on the unused revolving credit facility is 30% of the actual margin which is between 0.75% and 1.75%. Interest and commitment fees are paid on a quarterly basis. For further information on refinancing subsequent to year-end, refer to section 19.

The expected future out-flows are allocated to the following maturities. An amount of €253,167 thousand (31 March 2025: €9,719 thousand) is due within one year, and €0 (31 March 2025: €252,612 thousand) is due between one and five years. There are no amounts owed to credit institutions with maturities exceeding five years.

The accrued interest and accrued commitment fees as of 31 March 2026 amounting to €78 thousand (31 March 2025: €84 thousand) was calculated on the basis of a 360-day year with months of actual days. The main portion was attributable to accrued interest.

9.2 Trade creditors

Trade accounts payable amounted to €3,932 thousand (31 March 2025: €503 thousand) and mainly contained professional and legal fees related to the refinancing project as well as accruals for outstanding audit fees, invoices for insurance and advisory services.

9.3 Amounts owed to affiliated undertakings

The liabilities to affiliated undertakings amounting to €206 thousand (31 March 2025: €206 thousand) mainly comprised recharge of costs.

9.4 Other creditors

The position of other creditors amounting to €1,146 thousand (31 March 2025: €810 thousand) consisted of Supervisory Board compensation not yet paid. In addition, it included tax liabilities amounting to €878 thousand (31 March 2025: €527 thousand) relating to the current and prior financial year.

10 Other operating income

The other operating income mainly included reimbursements for management services provided by Novem Group S.A. to other Novem Group companies as well as the recharge of costs related to the refinancing of the outstanding debt to credit institutions, amounting to €5,798 thousand (PY: €2,285 thousand).

11 Other external expenses

The amount of €5,235 thousand (PY: €1,685 thousand) mainly included legal and advisory fees in accordance with the refinancing project as well as insurance, audit fees and tax services.

12 Employees

The Company employed four employees as of 31 March 2026 (31 March 2025: four employees). The average number of employees in the financial year 2025/26 was five (PY: four employees), containing two full-time employees (PY: two full-time employees).

Personnel expenses decreased to €60 thousand (PY: €535 thousand) compared to the prior year mainly due to favorable remeasurements of share-based payments provisions based on external valuation during the financial year (refer to section 17).

13 Income from other investments and loans forming part of the fixed assets

The income from other investments and loans forming part of the fixed assets derived from affiliated undertakings of €12,609 thousand (PY: €15,609 thousand) comprised the interest from an intercompany loan.

14 Interest payable and similar expenses

The position amounting to €10,317 thousand (PY: €13,465 thousand) mainly carried interest payables to banks for the incorporated term loan.

15 Taxation

The Company is subject to Luxembourg Company Tax Law. For detailed information on special reserve net wealth tax, refer to section 7.

16 Related parties

Novem Group S.A. is obliged by the European directive and Luxembourg Law to draw up a Remuneration Policy for the Supervisory Board as well as the Management Board. The principles and measurement of the Remuneration Policy for the Management Board and Supervisory Board of the Novem Group S.A. are prepared in accordance with Article 7bis of the Luxembourg Law of 24 May 2011 on the exercise of certain rights of shareholders in listed companies.

In the financial years 2025/26 and 2024/25, no transactions occurred with direct and indirect shareholders.

17 Share-based payments

The Management Board members of Novem Group S.A. participate in a long-term incentive (Performance Share Plan) in the form of virtual shares. The Performance Share Plan is classified according to IFRS 2 as a cash-settled share-based payment. In line with the general accounting principles applicable under Luxembourg GAAP and the guidance provided by CNC 20/2021, the Company has applied the substance-over-form principle to ensure a faithful representation of the economic obligations arising from this arrangement.

The Performance Share Plan is granted in annual tranches of virtual shares with a respective performance period of four years. Deviating from this, the performance period of the tranche 2021 started in the day of the listing of Novem Group S.A. and ended on 31 March 2025. The second tranche 2022 started at the beginning of financial year 2022/23 and ended on 31 March 2026. The third tranche (tranche 2023) started at the beginning of financial year 2023/24 and will end on 31 March 2027. The fourth tranche (tranche 2024) started at the beginning of financial year 2024/25 and will end on 31 March 2028. The fifth tranche (tranche 2025) started at the beginning of financial year 2025/26 and will end on 31 March 2029.

The conditionally granted number of virtual shares at the beginning of the performance period is calculated for each tranche by dividing a contractually defined individual target amount by the start share price of the share of Novem Group S.A. (arithmetic mean of the closing prices of the stock during the last 60 trading days prior to the start of the performance period).

The final number of virtual shares is determined by multiplying the total target achievement by the conditionally granted number of virtual shares. The total target achievement depends on the target achievement of the two financial figures relative Total Shareholder Return (70% weighting) and EBIT margin (30% weighting). The target achievement of relative Total Shareholder Return and EBIT margin can range between 0% and 150%. Both performance indicators are measured at consolidated Group level.

In order to determine the payout in cash, the final number of virtual shares is multiplied by the end share price of the share of Novem Group S.A. (arithmetic mean of the closing prices of the stock during the last 60 trading days prior to the end of the performance period) plus

the sum of the dividends disbursed during the performance period. The payout is capped at 200% of the contractually defined individual target amount.

As disclosed in the previous year's report, the first tranche 2021 was forfeited as the performance conditions were not met by the end of the 2024/25 vesting period, and no shares were awarded. The second tranche 2022 of the Performance Share Plan was allocated to Management Board members of Novem Group S.A. for the financial year 2022/23 and the number of conditionally granted virtual shares amounted to 60,384. The award was subject to a four-year vesting period ending in 2025/26. As the performance conditions were not met by the end of the vesting period, the tranche was forfeited, and no shares will be awarded. Consequently, the cumulative expense previously recognised in connection with this award, amounting to €169 thousand, was reversed through profit or loss in 2025/26. After deducting the utilisation during the financial year due to quarterly valuation, the remaining portion in the amount of €57 thousand was released under *other operating income*. The corresponding provision was derecognised accordingly. This accounting treatment is in line with IFRS 2.19, which requires the reversal of expenses when awards are forfeited due to non-fulfilment of vesting conditions.

The third tranche 2023 was awarded for the financial year 2023/24 comprising 83,288 conditionally granted virtual shares, resulting in a provision of €71 thousand as of 31 March 2026 (31 March 2025: €240 thousand).

The fourth tranche 2024 was awarded for the financial year 2024/25 with a total number of 83,584 conditionally granted virtual shares, corresponding to a provision of €71 thousand as of 31 March 2026 (31 March 2025: €157 thousand).

The fifth tranche 2025 was awarded for the financial year 2025/26 with a total number of 89,475 conditionally granted virtual shares, corresponding to a provision of €38 thousand as of 31 March 2026 (31 March 2025: €0).

These provisions have been included in other provisions (refer to section 8).

The net valuation resulted in income of €329 thousand for the financial year 2025/26, compared to an expense of €25 thousand in the prior year (refer to section 12).

The fair value of the Performance Share Plan to calculate expenses and provisions was determined by using a Monte-Carlo-Simulation. The expected volatility has been based on the average of the median volatility of SDAX companies (term-congruent) and the historical volatility of Novem for the period available. The fair value and the inputs used in the assessment of the fair value as of 31 March 2026 were as follows:

Valuation as of 31 March 2026	Tranche 2023	Tranche 2024	Tranche 2025
Performance period	1 Apr 23 – 31 Mar 27	1 Apr 24 – 31 Mar 28	1 Apr 25 - 31 Mar 29
Start share price Novem Group S.A.	€9.06	€6.64	€4.66
Remaining duration of performance period	1.0 year	2.0 years	3.0 years
Expected annual volatility	42.8%	46.2%	44.6%
Risk-free annual interest rate	2.5%	2.6%	2.6%
Expected target achievement for internal target EBIT margin	100%	100%	100%
Fair value per virtual share	**€0.88**	**€1.14**	**€1.67**

For comparative purposes, the fair value and inputs used in the assessment of the fair value as of 31 March 2025 were as follows:

Valuation as of 31 March 2025	Tranche 2022	Tranche 2023	Tranche 2024
Performance period	1 Apr 22 – 31 Mar 26	1 Apr 23 – 31 Mar 27	1 Apr 24 – 31 Mar 28
Start share price Novem Group S.A.	€11.25	€9.06	€6.64
Remaining duration of performance period	1.0 year	2.0 years	3.0 years
Expected annual volatility	49.2%	45.4%	49.5%
Risk-free annual interest rate	2.0%	2.0%	2.1%
Expected target achievement for internal target EBIT margin	100%	100%	100%
Fair value per virtual share	**€2.80**	**€3.10**	**€3.07**

18 Commitments, contingencies and pledges

The Company entered into an English Law governed intercreditor agreement together with some of its subsidiaries and several financial institutions, with the Company as the original borrower of the facilities agreement and an external bank as the original facility agent and security agent. In connection with this agreement, the Company additionally entered into an account pledge agreement, a share pledge agreement and a security assignment agreement in order to guarantee the underlying nominal amount of the facilities agreement.

Contingent liabilities constitute off-balance-sheet contingent liabilities recognised in the amount of the valuation as of the reporting date. The Company is jointly liable together with three other group entities under a shared guarantee facility. The Novem Group S.A. possessed a €3,000 thousand credit line drawn in the amount of €17 thousand (31 March 2025: €3,102 thousand) as a guarantee facility by the Company. This utilisation is related to one aval, commonly referred to as guarantee, since a bank guarantees the payment of a financial instrument. The probability of claims on this guarantee was assessed as low based on past experience.

Commitments regarding the rents not yet paid amounted to €14 thousand (31 March 2025: €75 thousand) at the end of the financial year. They were related to the leasing contract for office space.

19 Subsequent events

The Management Board announced on 27 April 2026 that Novem Group S.A. has extended its existing syndicated loan facilities with a total amount of €210,000 thousand and a new maturity date of 30 June 2028. The syndicated loan comprises a term loan facility of €160,000 thousand and a revolving credit facility of €50,000 thousand. As a result, the total volume of the existing term debt has been reduced by €90,000 thousand. There were no further events or developments that could have materially affected the measurement and presentation of the Group's assets and liabilities as of 31 March 2026.

RESPONSIBILITY STATEMENT

We, Markus Wittmann (Chief Executive Officer), Benjamin Retzer (Chief Financial Officer), Mathias Rieger (Director Internal Audit) and Florian Sandner (Chief Operating Officer), confirm, to the best of our knowledge, that the annual accounts which have been prepared in accordance with the legal requirements and generally accepted accounting principles applicable in the Grand Duchy of Luxembourg, give a true and fair view of the assets, liabilities, financial position and profit and loss of Novem Group S.A. and that the Group Management Report includes a fair review of the development and performance of the business and the position of Novem Group S.A., together with a description of the principal risks and uncertainties that they face.

Luxembourg, 15 June 2026

Novem Group S.A.
Management Board

Markus Wittmann — Benjamin Retzer

Mathias Rieger — Florian Sandner

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Novem Group S.A.
19, rue Edmond Reuter
5326 Contern
Luxembourg

REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ

Report on the audit of the annual accounts

Opinion

We have audited the annual accounts of Novem Group S.A. (the "Company"), which comprise the balance sheet as at 31 March 2026, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at 31 March 2026, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier (the "CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the annual accounts » section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of the audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Shares in affiliated undertakings and Loans to affiliated undertakings

a) *Why the matter was considered to be one of most significant in our audit of the annual accounts for the year ended 31 March 2026*

Refer to note 2 *Summary of significant valuation and accounting policies* and note 5 *Financial assets* of the annual accounts.

Novem Group S.A. is the ultimate holding entity of a group of entities which are specialised in the supply of trim parts and decorative functional elements of vehicle interiors in the premium automotive sector.

As a holding entity, the Company holds as at 31 March 2026, a direct investment in Novem Group GmbH and has granted to it an intercompany loan. As at 31 March 2026, the Company's direct investment amounts to €674,159 thousand, and is disclosed under *Shares in affiliated undertakings*, whereas the intercompany loan amounts to €250,000 thousand and is disclosed under *Loans to affiliated undertakings*, both amounts representing in aggregate 99.25% of the total assets. Both the *Shares in affiliated undertakings* and the *Loans to affiliated undertakings* are recorded at their nominal value including any incidental costs thereto, if any, value adjustments if the recoverable amount is durably impaired.

At least annually, the Management Board of the Company evaluates the carrying value of the *Shares in affiliated undertakings* and the *Loans to affiliated undertakings*.

The evaluation of the carrying value of the *Shares in affiliated undertakings* and the *Loans to affiliated*

undertakings is considered a key audit matter due to their weight of the total assets. In addition, the market capitalisation of the Company has decreased from the date of the stock listing, this being 19 July 2021, to the 31 March 2026, leading to an impairment trigger. In order to assess the potential durable reduction in value, the Management Board prepared a valuation of the Novem Group GmbH and its subsidiaries using a Discounted Cash Flow (DCF) model. Certain aspects of the DCF model require significant judgement, such as the estimation of the Weighted Average Cost of Capital (WACC), the estimated cash flow projections including the growth rates and the expected margins.

b) How the matter was addressed during the audit

Our audit procedures in relation to the assessment of the valuation of the *Shares in affiliated undertakings* and the *Loans to affiliated undertakings* performed by Management Board, consisted mainly of:

- Gaining an understanding of the Management Board's process and controls related to the identification of impairment indicators and the impairment test in relation to the *Shares in affiliated undertakings* and *Loans to affiliated undertakings* (financial assets) and the assessment of the design & implementation of key controls identified.
- Assessing the appropriateness of the valuation methodology applied by the Management Board regarding the valuation of *Shares in affiliated undertakings* and *Loans to affiliated undertakings*.
- Gaining an understanding of the Board of Management's process in relation to budgeting and reconciling the budget used in the DCF model with the budget approved by the Supervisory Board.
- Auditing the key parameters of the DCF model applied by the Management Board, such inputs consisting among others of the WACC, the estimated cash flow projections, including the growth rates and the expected margins as well as the net debt as at 31 March 2026.
- Performing a retrospective review of the budgets used in the prior years' DCF models in order to assess the accuracy of the budgeting process and the historical inputs used in these DCF models.
- Verifying the mathematical accuracy of the DCF model.
- Comparing the equity value of the *Shares in affiliated undertakings* determined by the Management Board through the DCF model with the carrying amount of the *Shares in affiliated undertakings* as recorded in the annual accounts as at 31 March 2026.
- Comparing the results from the valuation using the DCF model under the income approach with alternative valuation methods, such as the market approach.

We also assessed the adequacy of the Company's disclosures in respect of the accounting policies on impairment as disclosed in Note 2 and Note 5 to the annual accounts.

Other information

The Management Board is responsible for the other information. The other information comprises the information stated in the annual report including the management report and the Corporate Governance Statement but does not include the annual accounts and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Management Board and Those Charged with Governance for the annual accounts

The Management Board is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Management Board determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

The Management Board is responsible for presenting the annual accounts in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation").

In preparing the annual accounts, the Management Board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Responsibilities of the réviseur d'entreprises agréé for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

Our responsibility is to assess whether the annual accounts have been prepared in all material respects with the requirements laid down in the ESEF Regulation.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.
- Conclude on the appropriateness of the Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on other legal and regulatory requirements

We have been appointed as "réviseur d'entreprises agréé" by the Shareholders on 21 August 2025 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 4 years.

The management report, which is included on page 50 of the Group Management Report, itself included in the Novem Annual Report, is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the Group Management Report. The information required by Article 68ter paragraph (1) letters c) and d) of the law

of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings as amended, is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in the EU Regulation N° 537/2014 were not provided and that we remained independent of the Company in conducting the audit.

We have checked the compliance of the annual accounts of the Company as at 31 March 2026 with relevant statutory requirements set out in the ESEF Regulation that are applicable to annual accounts.

For the Company it relates to:

- Annual accounts prepared in a valid xHTML format.

In our opinion, the annual accounts of Novem Group S.A. as at 31 March 2026, identified as *Novem-2026-03-31-1-en.xbri*, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Our audit report only refers to the annual accounts of Novem Group S.A. as at 31 March 2026, identified as *Novem-2026-03-31-1-en.xbri*, prepared and presented in accordance with the requirements laid down in the ESEF Regulation, which is the only authoritative version.

Luxembourg, 15 June 2026

KPMG Audit S.à r.l.
Cabinet de révision agréé

Yves Thorn
Partner

6 Additional information

FINANCIAL CALENDAR

30 July 2026	Q1 2026/27 Results
20 August 2026	Annual General Meeting 2026
12 November 2026	HY 2026/27 Results
04 February 2027	Q3 2026/27 Results
26 May 2027	FY 2026/27 Preliminary Results
17 June 2027	Annual Report 2026/27

All information is constantly updated and available.
Please visit the investor section on the Company website:
www.ir.novem.com

CONTACT

Investor Relations
investor.relations@novem.com

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www.novem.com

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GLOSSARY

Adj. EBIT is defined as EBIT adjusted by management primarily to exclude extraordinary items, as Novem believes such items are not reflective of the ongoing performance of the business.

Adj. EBIT margin is defined as Adj. EBIT divided by revenue.

Adj. EBITDA is defined as profit for the year before income tax result, financial result and amortisation, depreciation and write-downs adjusted for certain adjustments which management considers to be non-recurring in nature, as Novem believes such items are not reflective of the ongoing performance of the business.

Adj. EBITDA margin is defined as Adj. EBITDA divided by revenue.

Articles of Association means the articles of association of the Company.

Capital expenditure is defined as the sum of cash paid for investments in property, plant and equipment and cash paid for investments in intangible assets excluding currency translation effects.

CNC stands for Commission des Normes Comptables.

Companies' Law is the Luxembourg Law of 10 August 2015 on commercial companies, as amended.

Days inventory outstanding (DIO) is defined by dividing inventories (as shown in the consolidated statement of financial position, but excluding tooling) by revenue generated from the sale of series trim elements in the last three months.

Days payables outstanding (DPO) is defined by dividing trade payables (as shown in the consolidated statement of financial position, but excluding tooling) by net costs series incurred in the three months.

Days sales outstanding (DSO) is defined by dividing trade receivables (as shown in the consolidated statement of financial position, but excluding tooling) by revenue generated from the sale of series trim elements in the last three months.

EBIT is defined as profit for the year before income tax result and financial result.

EBITDA is defined as profit for the year before income tax result, financial result and amortisation and depreciation.

ECB stands for European Central Bank.

EOP stands for End of (series) production.

FAAC stands for Financial assets measured at amortised cost.

FAFVTPL stands for Financial assets measured at fair value through profit or loss.

Fed stands for Federal Reserve System.

FLAC stands for Financial liabilities measured at amortised cost.

FLFVTPL stands for Financial liabilities measured at fair value through profit or loss.

Fluctuation is defined as the number of employees who left the Group per year in relation to the total workforce.

Free cash flow is defined as the sum of cash flow from operating and investing activities.

GlobalData is an independent and exclusively automotive-focused global forecasting and market intelligence service provider.

Gross financial debt is defined as the sum of liabilities to banks, hedging and lease liabilities.

LkSG stands for Lieferkettensorgfaltspflichtengesetz.

Net financial debt is defined as gross financial debt less cash and cash equivalents.

Net leverage ratio is defined as the ratio of net financial debt to Adj. EBITDA.

OEM stands for Original Equipment Manufacturer.

Order intake is defined as all offers for goods and services processed within a certain period of time.

Quality data includes, for example, key figures such as scrap and rework rates as well as PPM (parts per million).

Shareholders' Rights Law is the Luxembourg Law of 24 May 2011 on the exercise of certain rights of shareholders in listed companies, as amended.

SOP stands for Start of (series) production.

Staffing level is defined as the number of employees working at any one time.

Takeover Law is the Luxembourg Law on Takeovers of 19 May 2006.

Tooling net is defined as all costs and revenue related to tools, tool development and prototypes as well as pre-series business.

Total operating performance is defined as the sum of revenue and increase or decrease in finished goods.

Total working capital is defined as the sum of inventories, trade receivables and contract assets excluding expected losses less trade payables, tooling advance payments received and other provisions related to Tooling.

Trade working capital is defined as the sum of inventories non-tooling and trade receivables related to non-tooling less trade payables related to non-tooling.

Transparency Directive is the Directive 2004 / 109 / EC, as amended.

VDR stands for German Business Travel Association.

DISCLAIMER

Novem Group S.A. (the "Company") has prepared this Annual Report solely for your information. It should not be treated as giving investment advice. Neither the Company, nor any of its directors, officers, employees, direct or indirect shareholders and advisors nor any other person shall have any liability whatsoever for any direct or indirect losses arising from any use of this Annual Report. While the Company has taken all reasonable care to ensure that the facts stated in this Annual Report are accurate and that the opinions contained in it are fair and reasonable, this Annual Report is selective in nature. Any opinions expressed in this Annual Report are subject to change without notice and neither the Company nor any other person is under any obligation to update or keep current the information contained in this Annual Report. Where this Annual Report quotes any information or statistics from any external source, you should not interpret that the Company has adopted or endorsed such information or statistics as being accurate. This Annual Report contains forward-looking statements, which involve risks, uncertainties and assumptions that could cause actual results, performance or events to differ materially from those described in, or expressed or implied by, such statements. These statements reflect the Company's current knowledge and its expectations and projections about future events and may be identified by the context of such statements or words such as "anticipate", "believe", "estimate", "expect", "intend", "plan", "project" and "target". No obligation is assumed to update any such statement. Numbers were rounded to one decimal. Due to rounding, the numbers presented may not add up precisely to the totals provided.

NOVEM ANNUAL REPORT 2025/26