

ADCAPITAL AG
2024 ANNUAL REPORT



Developments
in a changing
global market

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Investing in the future in a difficult geopolitical market environment



**Dear Sir or Madam, dear shareholders,
dear employees,**

The 2024 financial year was a challenging year for AdCapital AG's portfolio companies. It was characterized by an increase in geopolitical tensions in Europe and the Middle East, stagnating or declining economic output in Germany and a significant decline in exports, which in turn was due to falling demand in the most important sales markets. The German economic area was also burdened by high energy costs and increasing

bureaucracy, which led to higher expenses for companies and thus to an increase in production costs.

The European Central Bank continued its policy of moderate interest rate cuts at a high prime rate in order to regulate inflation. The high interest rate led to high borrowing costs for industry and private households and, consequently, to lower investment and reduced consumption. We also recorded unusually weak demand in Asia and the North American economic region. This was felt, among other things, in the commercial vehicle market, which is important to us and in which global production volumes fell by around nine percent in the reporting period.

As encouraging as the 2023 financial year was with the successful turnaround, the strategic optimization measures introduced and the EBIT of EUR 3.3 million achieved, we were unable to escape the general economic trend in 2024. Due to market conditions, sales fell to EUR 159.0 million in the 2024 reporting year, compared to EUR 165.1 million in the previous year. EBIT also declined and was slightly negative at EUR -0.8 million. The decline in earnings is due, among other things, to increased costs for transport, production delays, insurance and energy, particular challenges in the supply chains, especially in the automotive environment, write-downs on inventories and process costs to optimize and adapt to the market situation, but also to measures taken in order to strengthen and adapt the companies to the changing global conditions.

Despite the global challenges, the process improvements and sales activities initiated in the portfolio companies were intensified in order to stabilize and strengthen AdCapital AG's future viability and the measures initiated at Erich Jaeger Group to optimize the supply chains continued unabated. The efforts in sales and technology were successful. For example, at the end of 2024, Erich Jaeger won an order in the light vehicle market with sales potential of more than EUR 70 million. This order gives Erich Jaeger the opportunity to become the market leader in North America as early as 2028. To this end, we will

work with our portfolio companies to systematically develop the organization, processes and structures in order to realize existing potential and tap into future potential.

Based on the corporate strategy and the measures introduced, we currently anticipate a moderate increase in sales and a positive result for the 2025 financial year – despite more difficult global framework and market conditions, also as a result of the various measures introduced by the new US administration.

Finally, my special thanks go to our employees, customers and suppliers, who have remained loyal to us even in these turbulent times.

Dr. Andreas J. Schmid
CEO

Supervisory Board's Report

In the 2024 financial year, the strategic measures initiated at AdCapital AG and the subsidiaries at the end of 2022 were continued as planned. However, it was not possible to achieve a positive result at EBIT level, as in the previous year, as the measures taken revealed that there was a need for further process improvements, particularly in the supply chain and production management. This primarily affected Erich Jaeger Group and therefore also subsidiaries such as Bavaria Digital Technik and Taller. Consequently, the result for the 2024 financial year is therefore unsatisfactory.

The Supervisory Board monitored and closely supported the actions of the Management Board during the 2024 financial year in accordance with the tasks assigned to it by law and the Articles of Association. The relevant criteria were the legality, regularity and expediency of the Management Board's work.

In the reporting year, the Supervisory Board was informed by the Management Board in four regular meetings, by telephone, by video conference, in face-to-face meetings and in writing about all issues relating to strategy, planning, business development, the risk situation and risk development relevant to the Company and the Group. The Supervisory Board was also informed about relevant issues relating to compliance, sustainability, investments and organizational and personnel measures. The Management Board and the Supervisory Board maintained a trusting exchange throughout the 2024 financial year.

Deviations in the course of business from the original and communicated targets and plans were presented and explained by the Management Board; the respective reasons for these deviations and possible countermeasures were explained to the Supervisory Board in each case. The Supervisory Board was regularly informed about the current risk situation and the measures introduced as part of risk management. The Supervisory Board was therefore always fully informed about the situation of the Company and the Group.

Between the regular committee meetings, the Chairwoman of the Supervisory Board engaged in an intensive weekly exchange of information and opinions with the Management Board.

The Management Board informed the Chairwoman of the Supervisory Board continuously and promptly about key business transactions, the current situation and the outlook.

The Supervisory Board discussed decisions of major importance to the Company or the Group with the Management Board. The members of the Supervisory Board critically examined the reports and proposed resolutions of the Management Board, contributing their own views and experience and making suggestions for decision-making. Decisions and measures of the Management Board for which the Supervisory Board's approval was required by law, the Articles of Association or the rules of procedure were examined by the Supervisory Board. The Supervisory Board passed resolutions on the basis of detailed information and after intensive discussions. The Supervisory Board was always involved in important decisions for the Company or the Group.

Deliberations of the Supervisory Board in detail

As in previous years, the development of Erich Jaeger Group was a key topic of discussion between the Supervisory Board and the Management Board in the 2024 financial year.

The Supervisory Board meetings and other consultations with the Management Board regularly dealt with the business, financial and profit situation of the Company and the Group companies as well as their planned further development.

The Supervisory Board consisted of four members in 2024. A total of four Supervisory Board meetings were held in the 2024 financial year, one of which was held purely as a video conference and three as face-to-face meetings on site at portfolio companies. In some cases, Supervisory Board members also took part in the face-to-face meetings via video conference. Only one member of the Supervisory Board was absent from one meeting due to illness, otherwise the Supervisory Board members attended all meetings.

At the accounts review meeting on March 21, 2024 at Taller in Waldbronn, the Supervisory Board discussed the annual financial statements and the consolidated financial statements as of December 31, 2023, the Group management report and the dependent company report for the 2023 financial year as well as the auditor's respective audit reports. The auditor issued an unqualified opinion on both sets of financial statements. Following discussions with the auditor, the Supervisory Board approved the annual and consolidated financial statements. The 2023 annual financial statements were thus adopted. Furthermore, the Supervisory Board adopted the Supervisory Board's report and the proposal for the appropriation of profits for the 2024 Annual General Meeting.

The meeting also dealt with preparations for the Annual General Meeting on June 18, 2024. At this meeting, the Supervisory Board approved the holding of the Annual General Meeting as a virtual Annual General Meeting and adopted the agenda for the Annual General Meeting, including the resolutions proposed by the Supervisory Board to the Annual General Meeting.

At this meeting, the Management Board informed the Supervisory Board in detail about the economic situation at the individual subsidiaries, in particular at Taller and Erich Jaeger. To this end, it discussed the development of the order situation, capacities, inventories, cash flow and liquidity as well as the financing of the subsidiaries. The status of a sale and lease back transaction and the next steps were presented to the Supervisory Board. The planned investments in subsidiaries and the status of warranties were also explained to the Supervisory Board.

At the Supervisory Board's meeting on August 14, 2024, which was held as a video conference, the Management Board explained both the half-year financial statements for 2024 and the current status of the individual companies and the Group as a whole. The Management Board also presented the outlook for the year as a whole. The situation at Erich Jaeger's European

production plants was discussed in detail. The Management Board informed the Supervisory Board about the measures taken in terms of personnel, organization and finance. With regard to the subject of warranties, the Management Board provided information on the final agreements reached. The procedure for strategy development and implementation and the current implementation status at the individual companies were presented to the Supervisory Board. The Management Board also described the status of filling relevant positions at AdCapital AG and the affiliated companies.

At the third Supervisory Board's meeting on October 25, 2024 at Erich Jaeger in Friedberg, the status of this company was discussed in detail. The Management Board informed the Supervisory Board about the status of the transfer pricing project and the resulting implications. The next steps in this regard were discussed in detail with the Management Board. The Management Board also presented the current economic situation of the individual companies and the Group to the Supervisory Board. Decisions on internal Group financing were made by the Supervisory Board, and the date of the 2025 Annual General Meeting was also set at the meeting.

At the last meeting of the year on December 19, 2024 at Erich Jaeger in Friedberg, the Management Board presented the business situation and outlook for AdCapital AG, the subsidiaries and the Group for the year as a whole. The Management Board explained the reasons for the deviations from the original planning. The Supervisory Board approved the planning for 2025 presented by the Management Board, including the measures envisaged therein. The Management Board agreed with the Supervisory Board that this planning should be regarded as provisional due to relevant developments that could not yet be reflected in the planning and that it should be revised in the first quarter. Furthermore, the further procedure with regard to auditing, tax advice and CSRD* advice was discussed with the Management Board.

Audit and adoption of the 2024 annual financial statements

Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Düsseldorf, elected by the Annual General Meeting of AdCapital AG on June 18, 2024 as auditor and Group auditor, was engaged by the Supervisory Board to audit the annual and consolidated financial statements as of December 31, 2024 and the Group management report after confirming to the Supervisory Board that there are no circumstances which might impair its independence as auditor.

The accounting, the annual financial statements and the consolidated financial statements of AdCapital AG as of December 31, 2024 and the Group management report for the 2024 financial year were audited by the auditor and each received an unqualified audit opinion. The Management Board explained the annual financial statements and the consolidated financial statements of AdCapital AG, the Group management report and the dependent company report in detail at the Supervisory Board's accounts review meeting on May 13, 2025. The auditors who signed the auditor's reports attended the accounts review meeting and reported on the scope, key audit issues and significant findings of their audit. They addressed the key audit matters and the audit procedures performed and also reported on their findings regarding the internal control and risk management system in relation to the accounting process. The questions posed by the Supervisory Board were answered to the satisfaction of the Supervisory Board.

The Supervisory Board examined the annual and consolidated financial statements of AdCapital AG and the Group management report prepared by the Management Board and discussed them at the accounts review meeting. The Supervisory Board hereby declares that, following the final result of its examination, there are no objections to be raised and that it approves the annual financial statements and consolidated financial statements prepared by the Management Board as of

December 31, 2024 and the Group management report for the 2024 financial year. AdCapital AG's annual financial statements as of December 31, 2024 were thus adopted.

Dependent company report for the 2024 financial year

The Management Board has prepared a report on the company's relationships with affiliated enterprises in accordance with Art. 312 AktG (German Stock Corporation Act) (dependent company report) for the 2024 financial year and submitted it to the Supervisory Board. The dependent company report was also audited by the auditor in accordance with Art. 313 AktG. The auditor's report on the audit of the dependent company report was submitted to the members of the Supervisory Board. No objections were raised. The auditor reported on the key findings of its audit at the Supervisory Board's accounts review meeting on May 13, 2025. The Supervisory Board examined the dependent company report and agrees with the result of the audit of the dependent company report by the auditor.

The auditor's report on the dependent company report for the 2024 financial year is as follows:

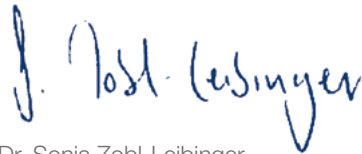
“Following our audit and assessment in accordance with professional standards, we confirm that

- 1. the factual information in the report is correct
- 2. the consideration paid by the company for the legal transactions listed in the report was not unreasonably high.”

Following the final result of the Supervisory Board's own review of the dependent company report, there are no objections to the declaration of the Management Board at the end of the dependent company report.

The Supervisory Board would like to thank the Management Board for its open, constructive and very close cooperation at all times in the 2024 financial year. We would also like to thank the managing directors and employees of the Group companies for their work in these extraordinary times.

Waldbronn, May 2025



Dr. Sonja Zobl-Leibinger
(Chairwoman of the Supervisory Board)

*CSRD = Corporate Sustainability Reporting Directive

An aerial photograph of a steep, rocky hillside with a winding road. The road is a light gray color and curves sharply through the rugged, brownish-gray terrain. The hillside shows signs of erosion and is sparsely covered with small, dark shrubs. The road starts from the bottom left and winds its way up towards the top right of the frame.

Develop-
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in a changing ■ global market

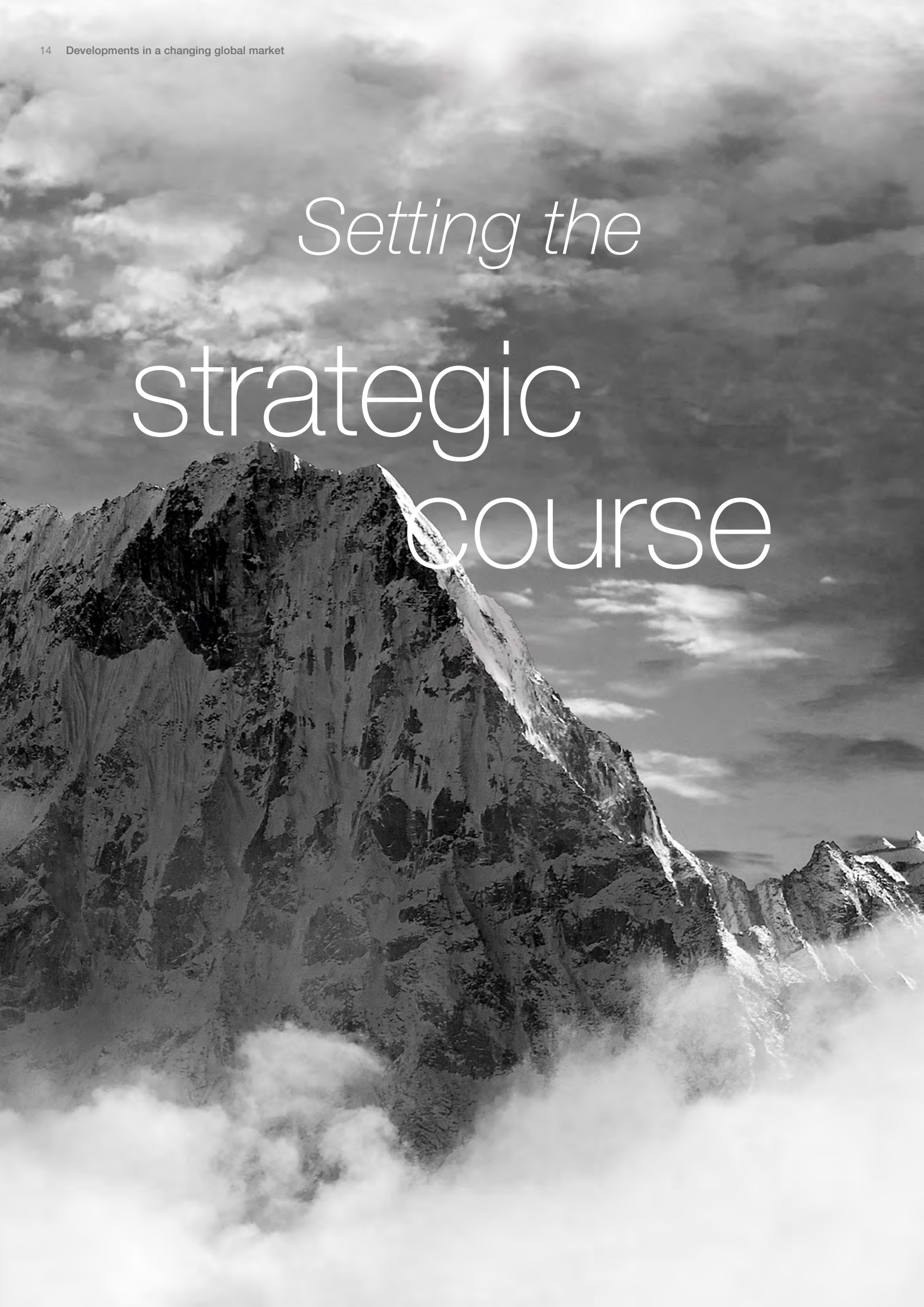


Dr. Andreas J. Schmid
CEO AdCapital AG,
CEO JAEGER Group



STRATEGY

Sustainable sales
and earnings potential



Setting the strategic course

*in challenging
times*

*An interview with Dr. Andreas J. Schmid
CEO AdCapital AG, CEO JAEGER Group*

The geopolitical and economic situation is challenging. How do you look back on the year 2024?

Despite the challenging market environment faced by AdCapital's portfolio companies in the 2024 financial year, we succeeded in further expanding our market position, particularly through strategic initiatives in the areas of sales and technology. Over the course of the year, we were forced to adjust our original targets, particularly due to difficulties in the supply chain, especially in the automotive environment. However, we responded to these challenges with determination, for example, by initiating cost-cutting programs and process improvements.

And what do you expect for 2025?

These measures will be systematically continued in 2025. Our focus is on agility, resilience and strategic development in order to ensure long-term sustainable growth. For the 2025 financial year, we are forecasting positive development for the Group despite the ongoing difficult geopolitical market environment. In 2025, the focus will be on operational excellence in order to strengthen our financial position. At the same time, key strategic initiatives will be implemented to secure sustainable sales and earnings potential in the long term.

Can you give specific examples of strategic initiatives within the portfolio companies?

I'll give you three. One example is Taller GmbH, which is being expanded as a supplier of hybrid components made of metal-plastic composites. BDT has also developed strategically and is now increasingly offering technology roadmap solutions for customers, which sets it apart from traditional EMS service providers. In addition, FRAKO is investing in grid stability technologies and expanding its international service business.

Can you further specify this? What development do you see for Taller, for example?

Taller is increasingly developing into an important strategic supplier within AdCapital Group, particularly for hybrid components made of metal-plastic composites in the automotive sector. In addition to this development, we also see potential in our stronger positioning as an external supplier for white goods and hybrid components for industrial applications. We

intend to further strengthen Taller and tap into long-term market opportunities through targeted investments in the coming years.

You say that BDT successfully sets itself apart from traditional EMS service providers. What do you expect for the company?

BDT has established a strong position through its close involvement in the technology roadmap of its customers. This distinguishes BDT from traditional EMS service providers, which are currently under pressure. We expect BDT to benefit from new technological developments and that its sales and earnings performance will remain positive. To this end, we are continuously investing in production technology, lean management measures and digitalization solutions.

Our focus is on agility, resilience and strategic development to ensure long-term sustainable growth.



FRAKO wants to further expand its position as the international technology leader for network quality. What are your strategic priorities?

In addition to strengthening the service business in the DACH region, we are focusing on a stronger export strategy for sub-systems. We see great growth potential in the USMCA region in particular in the medium term. We want to make the most of these opportunities through targeted investments in sales and technology development.

Looking at the current situation, which external factors do you think are having a particular impact on business development?

In an international comparison, Germany has a regulatory landscape that can be classified as very complex and places a heavy burden on companies. Higher bureaucratic standards and reporting obligations compared to other countries represent a significant burden for investments and innovation processes. In order to ensure the competitiveness of our portfolio companies, we are focusing on strategic measures. There is an urgent need to take measures to ease the burden so as not to hinder investment and innovation. We expect the new federal government to set a clear course to make Germany more competitive internationally as a business location. In addition, developments in the 2025 financial year will be significantly influenced by potential trade disputes and geopolitical and military conflicts that affect trade routes, for example.

Global trade relations are currently undergoing major changes. What impact do these developments have on AdCapital and its affiliated companies?

At monthly intervals, AdCapital analyzes the strategic measures together with the portfolio companies' management and evaluates the relevant framework conditions. The aim is to be able to exploit any opportunities that arise in a timely and market-oriented manner. Changing trading conditions, in particular new tariffs and ongoing disruptions in supply chains, are

prompting companies around the world to strategically reorient themselves. Supply chain disruptions and burdens from customs duties cannot be planned for and therefore represent a permanent challenge, also for our Group. We are also trying to make ourselves more stable in this respect, including by maintaining a healthy balance between our international locations and activities. 2025 will once again be a year in which the utmost attention and swift, powerful decisions are required.

How are you specifically preparing for possible disruptions in the supply chains?

We pursue a diversified procurement strategy and are increasingly focusing on combined transport solutions such as air, rail and sea freight. This enables us to react quickly to changing conditions and guarantee our customers stable supply chains. We are also driving forward the localization of production in order to reduce dependencies on individual markets.

Which technological developments and opportunities do you see as particularly relevant?

The automotive industry is facing fundamental changes, particularly in the drive technology of the future. At the same time, connectivity solutions are becoming increasingly important. Our affiliated company Erich Jaeger, for example, continuously analyzes and evaluates new technological trends in order to be strategically positioned in the niche market. We therefore see great opportunities for the automotive supplier sector in particular in the medium term. We are strengthening our market position and exploiting synergy effects in technology and production by intensifying cooperation between our portfolio companies.

Many investors are concerned about the current economic uncertainties. Do you think this concern is unjustified?

The shareholders' concerns are absolutely understandable. The entire industry, especially in Germany, is currently going through a fundamental phase of change. High energy costs and increasing bureaucratization are hampering the necessary transformation. Nevertheless, we also see opportunities: the geopolitical changes offer possibilities for strategic realignment. With clearly defined key initiatives, our portfolio companies are excellently positioned to take advantage of these opportunities and grow profitably in the long term. The 2024 financial year was a difficult and challenging year for AdCapital Group. Unfortunately, the initially positive market assessment dampened massively in the financial year. We had to revise our targets significantly. At the same time, we reacted decisively and took massive steps to reduce costs and drive processes forward. In the 2025 financial year, we will further intensify these measures as part of our operational excellence.

Despite the challenges, you are optimistic about the future. What is the basis for this confidence?

Despite a challenging market environment, AdCapital Group is in an excellent strategic position. We focus on long-term stability, innovation and sustainable value creation. We have a clear strategy and have already made decisive decisions. With our focus on operational excellence, 2025 will be an important transition phase in which we will further strengthen our economic earning power. In subsequent years, we see great potential in planned customer projects with significant sales and earnings growth. This pipeline makes us very confident.

Thank you for the interview, Mr. Schmid.

We are strengthening our market position and exploiting synergy effects in technology and production by intensifying cooperation between our subsidiaries.



Gerhard Bär
Global Head of Sales and Strategy
ERICH JAEGER

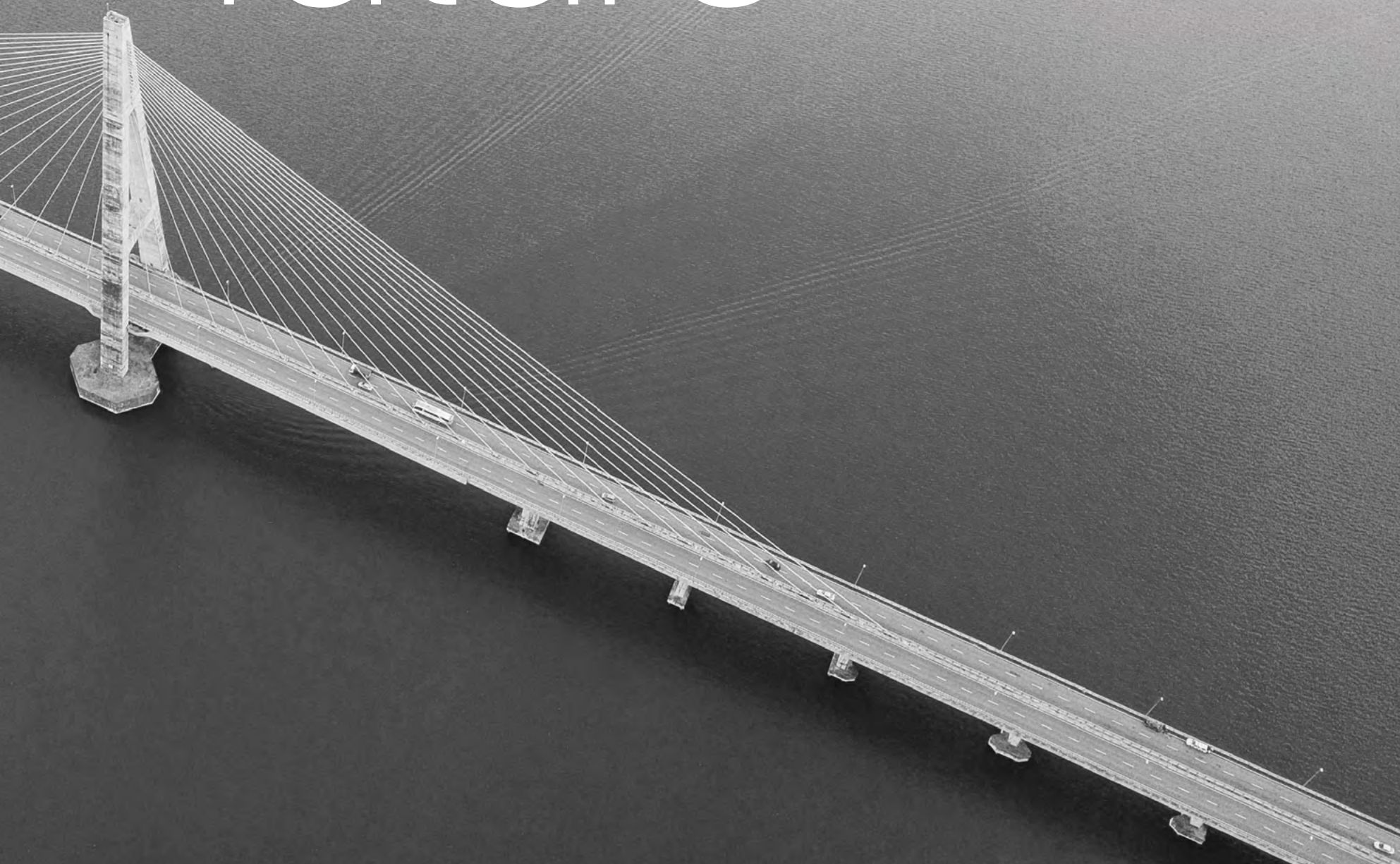


GLOBAL SALES

Defending, expanding and developing markets as a quality and technology leader

ERICH JAEGER positions itself for a

successful future



*An interview with Gerhard Bär,
Global Head of Sales and Strategy at ERICH JAEGER*

Erich Jaeger is facing a number of challenges. What are currently the biggest factors influencing your business strategy?

Indeed, the general conditions are currently extremely dynamic. A key factor are the trade conflicts, in particular the tariffs that have been and are being introduced under the US administration of Donald Trump. These not only have a direct financial impact through increased import costs, they also disrupt global supply chains as they lead to retaliatory measures by other countries. This is forcing companies like Erich Jaeger to make their supply chains more resilient and develop new strategies to minimize risk.

What measures does Erich Jaeger take to minimize the risks?

We are focusing on greater diversification of our supply chains. In concrete terms, this means that we are increasingly focusing on nearshoring and reshoring, i.e., relocating activities to nearby countries or bringing them back in order to reduce our dependence on individual production sites or regions. Although this increases production costs in some cases, increased resilience is essential for our future viability. We are also keeping a close eye on geopolitical tensions, particularly between the US and China, as they could have a severe impact on our business processes.

Do you see competitors whose product technology poses a challenge for Erich Jaeger?

There are currently no specific products for which we envy the competition. We pursue a clear strategy based on the continuous development and improvement of our own product lines. Our innovative strength and technological focus are central pillars of our success. In 2024, we won the largest customer project in the Company's history. This business will enable us to double our turnover in the USMCA region over the next few years. This will not only significantly strengthen our market position, but also further consolidate our confidence in our own capabilities and innovative strength.

The automotive industry is undergoing profound change. What impact does this have on Erich Jaeger?

The transformation of the automotive industry cannot be overlooked and brings with it major changes, including job cuts, technological uncertainties and advancing digitalization. As a supplier of connector systems, Erich Jaeger is directly affected by these developments. The increasing electrification of vehicles, which leads to a reduced trailer load, could have a long-term impact on the demand for towbar connectors.

How does Erich Jaeger respond to these changes?

We rely on robust strategies and careful risk assessment. Technological change and advancing digitalization require a high degree of adaptability. We are concentrating on developing innovative and secure products that meet modern requirements, particularly in terms of cyber security. The focus will be on remaining the global technology leader in this niche.

What role does cyber security play for Erich Jaeger's products?

Cyber security is one of the biggest challenges for the future. The increasing connectivity of vehicles requires new security solutions in order to provide our customers with the best possible protection. We are therefore investing more in research and development in order to continuously improve our products in this area.

What is Erich Jaeger's strategy for the global markets?

Erich Jaeger faces specific challenges resulting from specialization, global presence and technological changes in the automotive industry. In Europe, where we have a strong market position, growth is closely linked to general market developments. Continuous innovation and the development of new, forward-looking products are essential in this region. In addition, the strict regulatory requirements, particularly in the areas of environmental protection and safety, pose a challenge.

China is the world's largest automotive market with enormous growth potential.

Which markets are of the greatest strategic importance beyond Europe?

China and the USMCA region are particularly attractive, especially the USA. China is the world's largest automotive market with enormous growth potential. The increasing demand for modern and connected vehicles opens up great opportunities for us.

And how is Erich Jaeger positioning itself in the Chinese market?

China is a dynamic market with intense competition from local suppliers. In order to survive in this technology-driven environment, we rely on a high pace of innovation and develop products that are specifically tailored to the Chinese customers' needs.



And what opportunities do you see for Erich Jaeger in the USMCA market?

The USMCA market offers considerable growth opportunities, but is characterized by strong predatory competition. Local companies are strengthened by political measures, which makes competition even more difficult. Nevertheless, the US-MCA market, consisting of the USA, Canada and Mexico, also offers significant growth opportunities. We do not yet have the market strength here as in Europe, but we intend to gain market share through targeted expansion.

The economic and geopolitical conditions are currently very volatile. How do you assess the development for Erich Jaeger in the coming months?

The coming months will remain a challenge for global companies, as economic indicators are currently showing a mixed picture. In particular, the uncertainty caused by US politics is contributing to planning uncertainty. Nevertheless, we see strategic opportunities in various areas, particularly in the military sector. In view of the increasing geopolitical tensions and rising defense spending in many countries, especially in Europe, we expect a positive development in this sector. Our product portfolio offers considerable potential to meet the growing demands of the defense industry.

The USMCA market offers considerable growth opportunities, but is characterized by strong predatory competition.

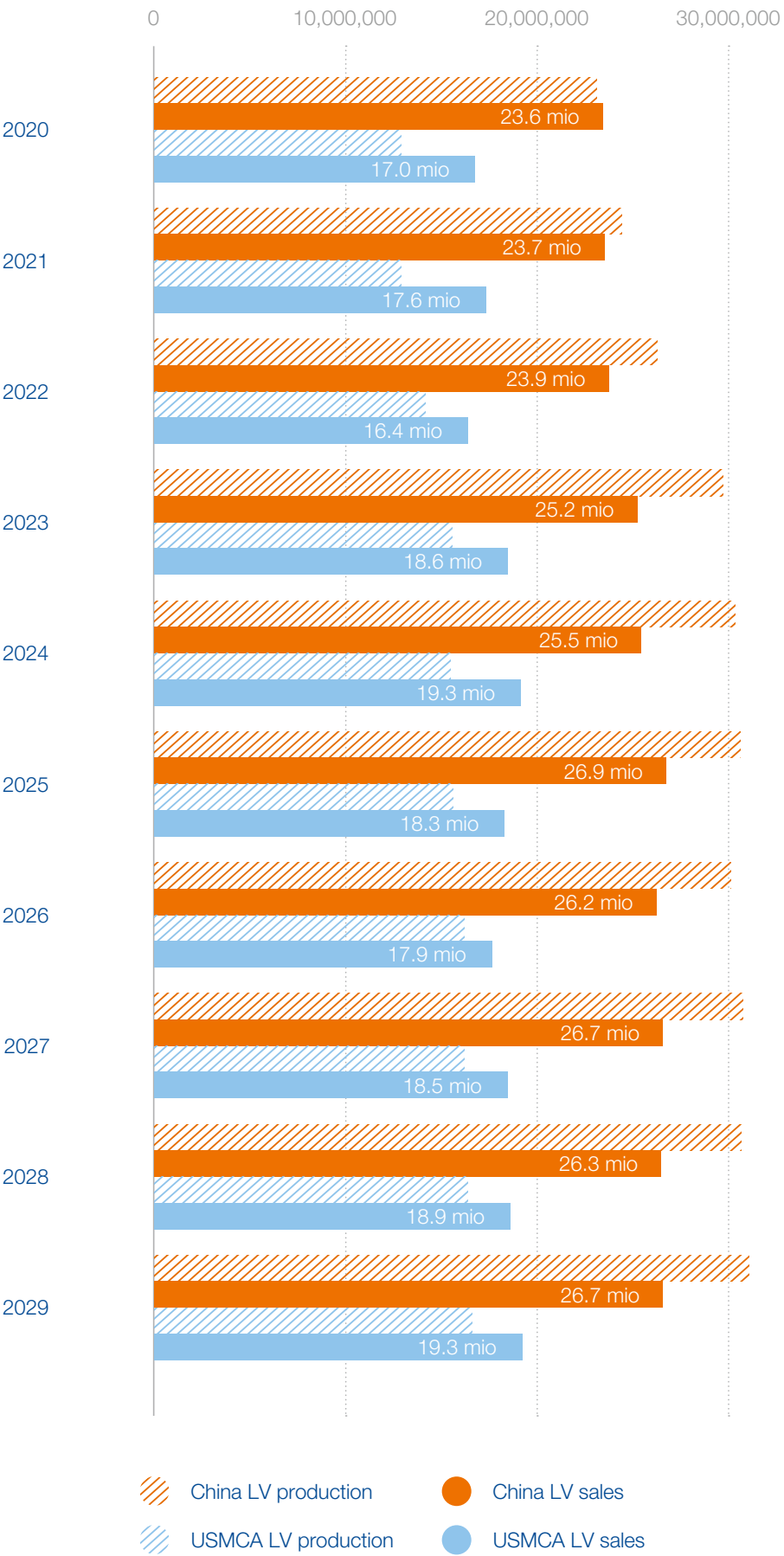
Finally, how do you see Erich Jaeger's future in the changing market environment?

The coming years will undoubtedly be challenging, but we are confident. We are positioning ourselves for a successful future by making strategic adjustments in production, supply chains and especially in the area of cyber security. The automotive industry is undergoing fundamental change, but with the right innovation strategy, Erich Jaeger will continue to play a decisive role.

Thank you for the interview, Mr. Bär.

LIGHT VEHICLES

Forecast for production and sales volume

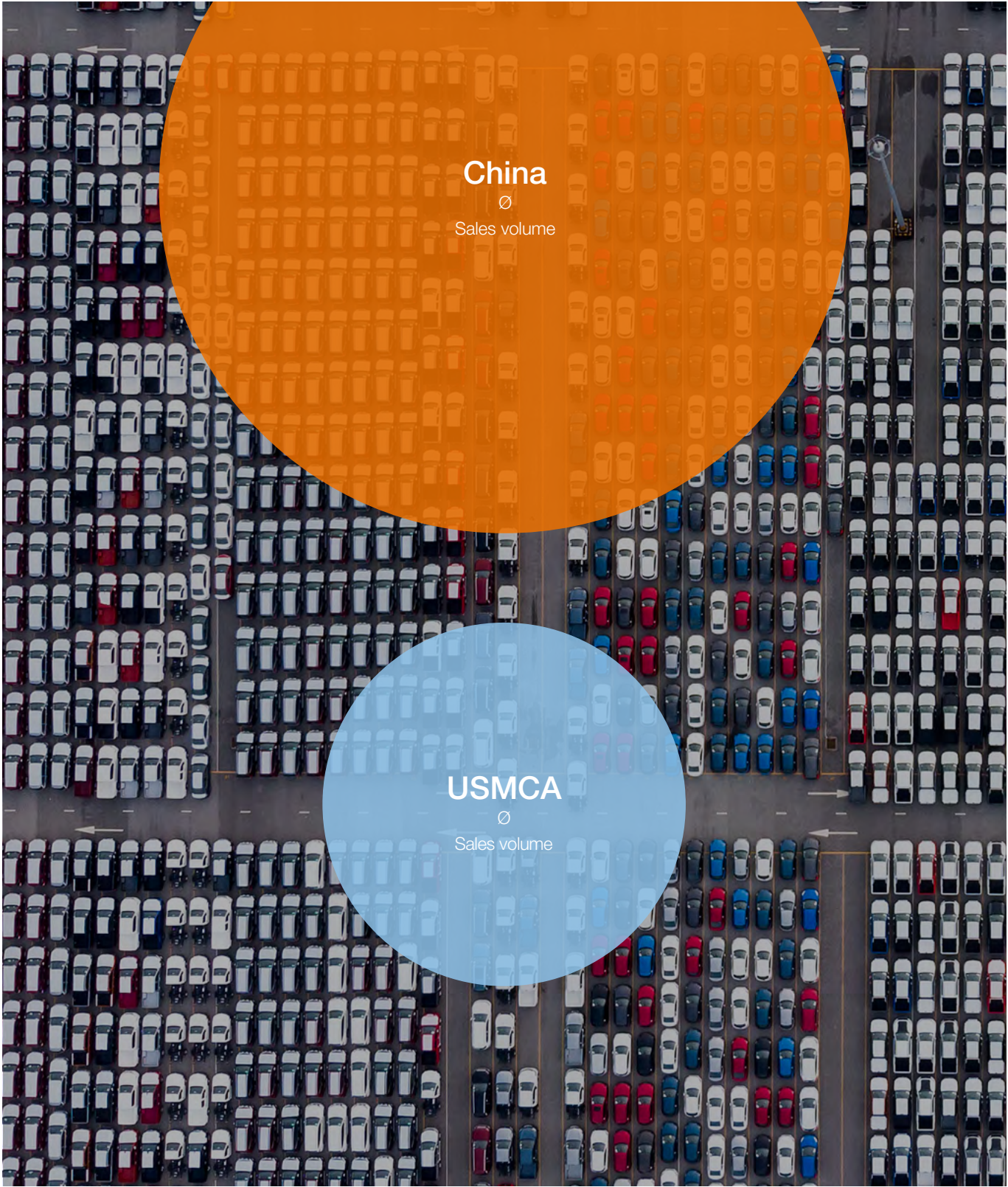


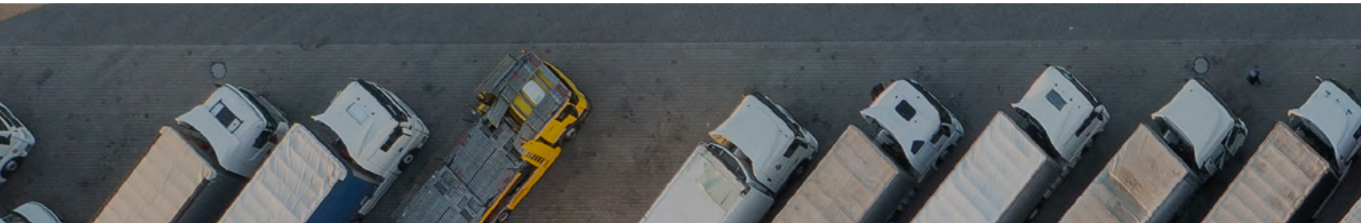
Source: GlobalData



LIGHT VEHICLES

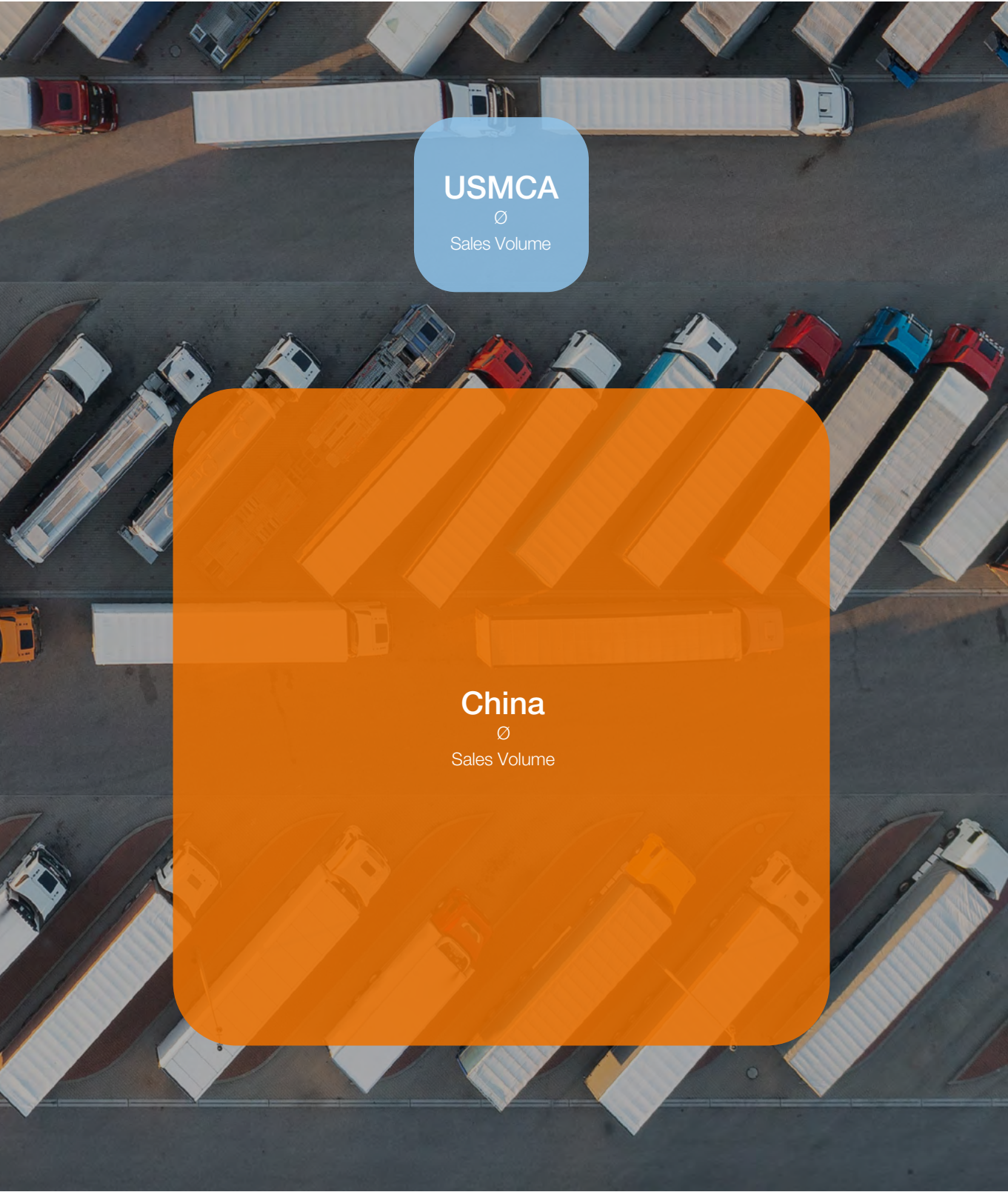
Proportional representation of the forecast average sales volume 2020 – 2029





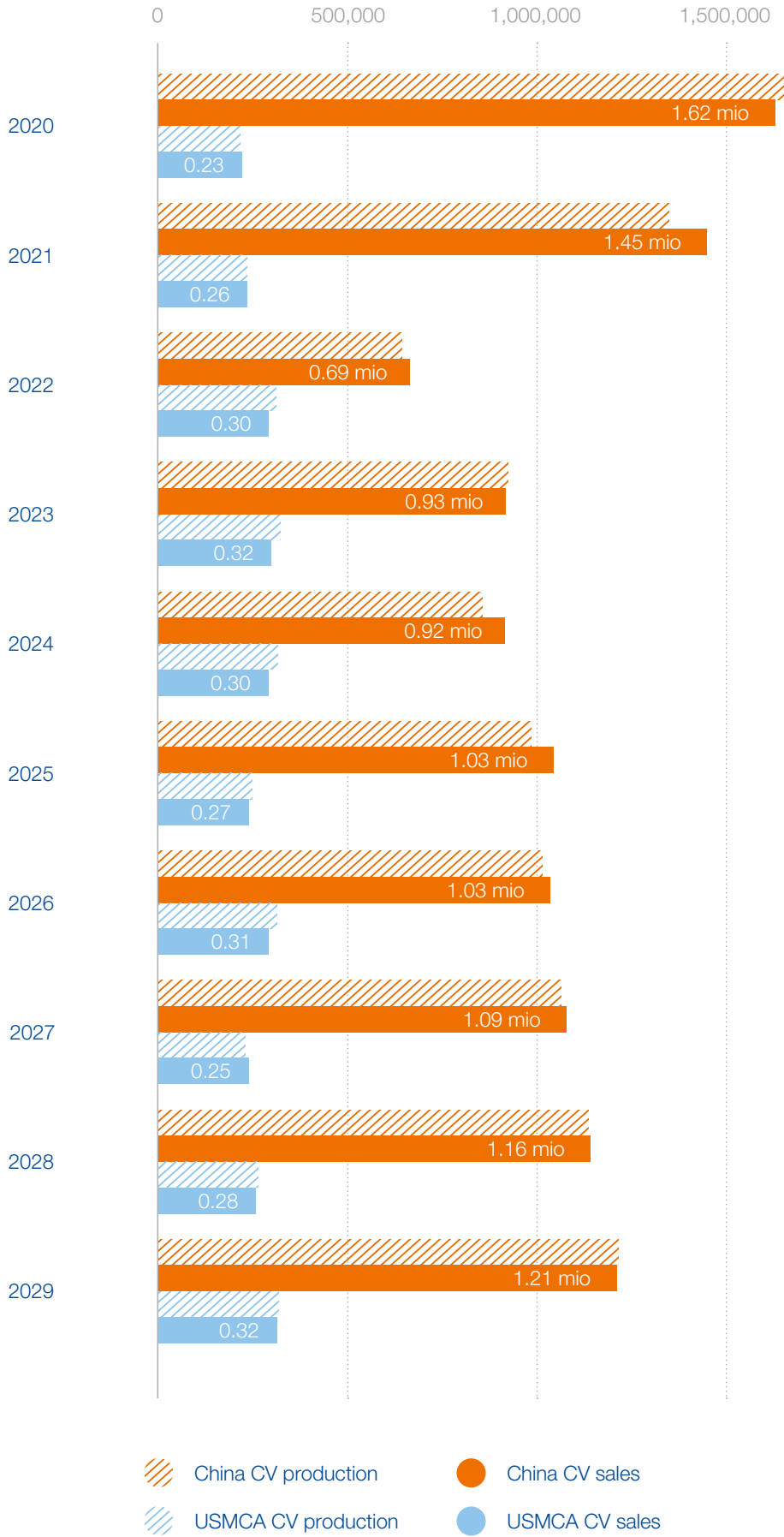
COMMERCIAL VEHICLES

Proportional representation of the forecast average sales volume 2020 – 2029



COMMERCIAL VEHICLES

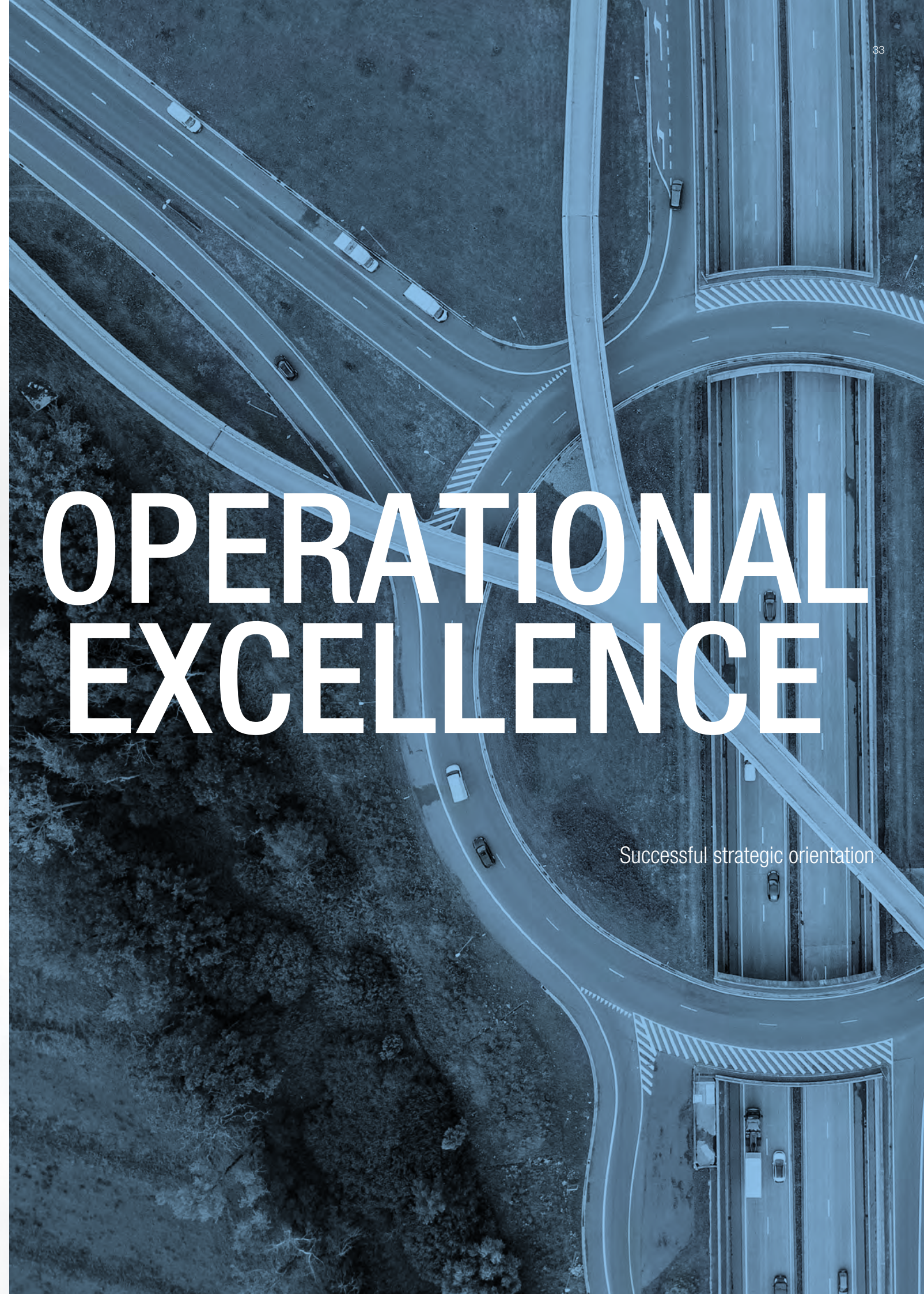
Forecast for production and sales volume



Source: GlobalData



*Tobias Losse
Managing Director KTS Kunststoff Technik
Schmölln GmbH*



OPERATIONAL EXCELLENCE

Successful strategic orientation



KTS's
con

cept for success

*Professional expertise,
advanced technology,
quality and service*

*An interview with Tobias Losse,
Managing Director KTS Kunststoff Technik Schmölln GmbH*

KT**S** benefits greatly from the partnership with AdCapital. In which areas is this cooperation particularly evident?

The collaboration with AdCapital gives us access to important markets, for example, through cooperation with our sister companies Taller and Erich Jaeger. We also benefit from the strategic development and implementation of joint projects. For us, AdCapital is a strong and reliable partner that significantly supports our long-term corporate strategy.

In the last fiscal year, KTS successfully placed a large number of new projects. Can you give an example that stands out?

That is correct. There were many forward-looking projects in the past financial year. One of the most exciting projects certainly came from the heating sector. This project combines all of KTS's core competencies and has resulted in a pioneering product. The combination of innovative design, high-quality materials and efficient production processes impressively demonstrates how KTS combines technological expertise with market orientation.

How does KTS manage to hold its own in the global competitive environment, especially in view of the high production costs in Germany?

Despite the challenges posed by high energy prices and labor costs, we are able to set ourselves apart through our expertise, strong quality management and customer-oriented service. Our advanced technologies for manufacturing high-precision plastic components and our expertise in various industries make us a preferred partner for many companies. We are also placing greater emphasis on sustainability, an increasingly important competitive factor. Our strength lies in our comprehensive customer service – from consulting, component design and mold construction to series production and assembly, as well as after-sales support. Our expertise in the development and production of high-quality, design-oriented plastic assemblies with sophisticated surface finishes is particularly noteworthy.

What are the advantages of KTS's strong diversification?

Industry diversification is a key success factor for us. Thanks to our broad industry diversification, the large number of customers and our expertise in niche areas, we are better able to compensate for economic fluctuations. For example, we were able to compensate for the weak performance of the heating sector in the past financial year with growing sales in the areas of IT and consumption data recording. Our extensive technology portfolio also contributes to stability, as we offer numerous post-processing techniques in addition to traditional injection molding processes.

Our strategic focus on diversification, technological excellence and sustainability gives us a strong position in the international market.



What role does additive manufacturing play? Do you see competition for the injection molding process in the long term?

Additive manufacturing has made considerable progress in recent years, particularly in the decentralized production of individual plastic components. However, there are still significant limitations in terms of dimensional accuracy and surface quality compared to the injection molding process. As we produce components in large series that are further processed in downstream production steps or integrated into systems, we do not see additive manufacturing processes replacing injection molding in the short term.

Cooperation with AdCapital gives us access to important markets.

How do you see KTS’s future in the international market?

Our strategic focus on diversification, technological excellence and sustainability gives us a strong position in the international market. We will continue to invest in innovation in order to consolidate our market position and support our customers with high-quality products and solutions. Despite the challenges in the economic and geopolitical environment, we are optimistic that we will be able to further expand our competitiveness in the long term.

What role does regional networking play in the further development of KTS?

Regional networking with companies, service providers and research institutions is a key component of our innovation strategy. Through the intensive transfer of knowledge – for example in joint development projects – we not only strengthen our technological expertise, but also intensify customer loyalty. This cooperation enables us to react more quickly to market requirements and tap into new potential.

Our strength lies in comprehensive customer support – from consulting, component design and mold construction to series production and assembly.

KTS looks back on a 34-year history. What do you think makes the company so unique?

What sets KTS apart is its exceptional ability to master economic challenges. Since the company’s formation, we have continuously developed our product portfolio and adapted it to changing market conditions. This stability has not only ensured the company’s long-term success but has also ensured that many employees have remained loyal to KTS over the years. Their knowledge and experience are a decisive factor in our success.

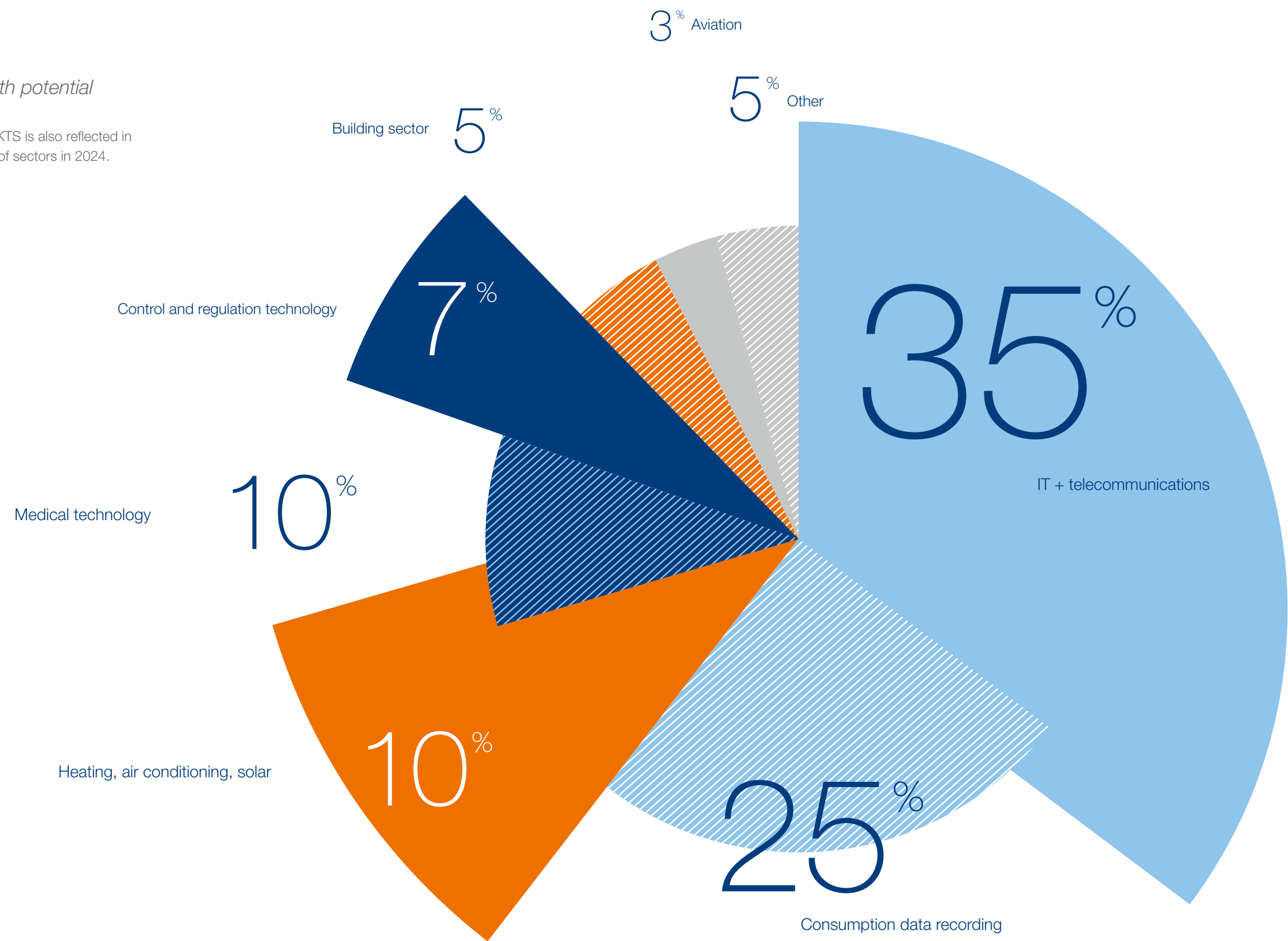
How exactly did these strengths affect the company last year?

2024 was a very successful year for us. We succeeded in aligning our team at all levels with a common and clear strategic direction. This had a positive impact on the working atmosphere, profitability and the acquisition of new projects. Our cohesion and our common goals have contributed significantly to KTS being perhaps stronger than ever before and optimally positioned for the future.

Thank you for the interview, Mr. Losse.

Strong demand and growth potential

The high degree of diversification of KTS is also reflected in the sales generated in a wide range of sectors in 2024.



Our shareholdings



ERICH JAEGER

Erich Jaeger GmbH + Co. KG

Automotive
www.erich-jaeger.de

AdCapital share 100 %
Shareholding since 1993/1998



Taller
connects

Taller GmbH

Electrical engineering
www.taller.de

AdCapital share 99,95 %
Shareholding since 2007



BAVARIA
DIGITAL
TECHNIK **BDT**

Bavaria Digital Technik GmbH

Equipment and plant engineering,
electrical engineering
www.bdt-online.de

AdCapital share 100 %
Shareholding since 2006



KTS
Kunststoff Technik
Schmölln GmbH

KTS Kunststoff Technik Schmölln GmbH

Plastics processing
www.kts-schmoelln.de

AdCapital share 100 %
Shareholding since 1991



FRAKO

FRAKO Kondensatoren- und Anlagenbau GmbH

Electrical engineering
www.frako.com

AdCapital share 100 %
Shareholding since 2005



OPUS
FORMENBAU

OPUS GmbH *

Mold and tool making
www.opus-mold.de

AdCapital share 50 %
Shareholding since 2007

* not consolidated

GROUP

management report

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1. AdCapital Group

1.1 Business activities and investment focus

AdCapital AG is both an investor and an active portfolio manager of the investments. The focus of AdCapital AG's business activities is on the active further development of our investments. Our investment portfolio mainly consists of four individual companies and one group of companies:

Significant shareholding	Sector
Bavaria Digital Technik GmbH	Energy
Erich Jaeger GmbH + Co. KG (group of companies Jaeger Group)	Automotive
FRAKO Kondensatoren- und Anlagenbau GmbH	Energy
KTS Kunststoff Technik Schmölln GmbH	Plastics processing
Taller GmbH	Electrical engineering

As in previous years, Jaeger Group remains the dominant holding in the AdCapital Group, accounting for more than 65 % of sales.

1.2 Group strategy, corporate management and monitoring system

Group strategy

Shareholdings

AdCapital AG is an industrial holding company which manages the investments strategically and operationally. AdCapital Group's strategic focus is on the automotive sector with the core company Erich Jaeger Group.

The portfolio companies are comprehensively advised on strategy, financing, process and organizational issues. This significantly relieves the companies in their indirect areas. Synergies are created through uniform Groupwide strategy, management and planning principles and systems.

AdCapital AG's portfolio companies have a corporate culture characterized by an SME culture: the companies are closely integrated into AdCapital's overarching strategy; on an operational level, however, the companies and their managing directors remain independent. Increased centralization and standardization of processes in the indirect areas is supposed to significantly increase the effectiveness and responsiveness of the entire Group.

Our portfolio companies aim to continuously and sustainably strengthen their respective market and competitive positions: to achieve this, competitive products must be developed and produced efficiently. The processes in the indirect areas must also be continuously optimized and adapted to the respective requirements.

Recent years have shown that our companies are constantly required to overcome new external challenges. It can be assumed that this development will continue to accelerate and intensify. As in previous years, increasing the resilience of our portfolio companies therefore remains a key component of AdCapital Group's development. Further growth with improved profitability and optimization of the capital structure

are key components of this goal. AdCapital AG provides the subsidiaries with entrepreneurial expertise, but also with the necessary equity and debt capital if required.

The linchpin for AdCapital Group's further development is the defined strategy: all operating companies have implemented a standardized strategy process that ensures that the subsidiaries' strategy is compatible with the overall strategy of the entire AdCapital Group and supports it as much as possible. Measures to implement the respective strategy are defined and implemented together with the holding company. The effectiveness of the measures taken is regularly reviewed.

We will consistently expand our core business in the automotive sector: we will take advantage of any opportunities that arise here. However, we are also open to advantageous acquisitions in other areas such as technologies relevant to the automotive sector, e.g., metal and plastics processing or electronics and software.

Financial flexibility

A stable financial position is a necessary prerequisite for our Group to be able to act proactively and take advantage of opportunities that arise, even in times of crisis. In particular, the growth financing agreed for Erich Jaeger at the end of 2020 against the backdrop of the coronavirus pandemic and the precautionary safeguarding of liquidity reserves for possible impending crisis-related losses – both with a combined volume of € 18.8 million – have provided AdCapital Group with financial flexibility in recent years. However, due to the changed assessment of companies in the automotive sector by banks, it can be assumed that additional funding for AdCapital Group will not be provided in full by commercial banks in future, but increasingly by other financial institutions. The first steps in this direction were already taken in the 2024 financial year.

Liquid Group funds are held exclusively in cash and cash at bank.

Corporate management and monitoring system

The central administrative areas of Group Controlling, Tax and Legal and parts of Domestic Financing are currently managed by the holding company. IT, however, is managed centrally for the Group through Erich Jaeger. Further functions are to be standardized and centralized in order to exploit additional synergy potential.

AdCapital Group's strategic alignment is defined together with the Supervisory Board. The management of the subsidiaries is conducted through regular management meetings, usually on a monthly basis, at the associated companies' premises, at the holding company's premises, or in telephone and video conferences.

The benchmark for assessing the current business situation at the individual companies is the comparison of developments with the defined strategy, including a target/actual comparison. The outlook for the next six months is an important item on the agenda at every Supervisory Board meeting, and an outlook for the end of the year is also regularly discussed. The budget and medium-term planning are prepared in the fourth quarter.

Relevant key figures include incoming orders and order backlog, sales and the total operating performance generated, the materials ratio, productivity, the EBIT margin as well as free cash flow, working capital (in particular the level of inventories) and the liquidity situation. Particular attention is also paid to the situation in production and sales. In the event of deviations from the plan or to avoid risks or exploit opportunities, suitable measures are defined and implemented, the implementation of which is subsequently reviewed on an ongoing basis.

1.3 Significant events in the 2024 fiscal year

After total operating performance at Erich Jaeger increased by more than 20 % in 2023, total operating performance there fell slightly in 2024 (-2.8 %), in particular due to the slowdown in the overall market for heavy trucks in China and also due to declining production figures for light vehicle and commercial vehicle OEMs in North America.

On the demand side, Erich Jaeger in Europe would have had the opportunity to generate higher sales. However, the continuation and expansion of the measures taken as part of the turnaround in previous years has shown that there is a need for further process improvements, particularly in the area of supply chains and the associated production management, especially in Europe.

At the end of 2024, Erich Jaeger won an order in the light vehicle market in North America with a sales potential of more than EUR 70 million over the project term or up to EUR 9 million per year. This order opens up the opportunity for Erich Jaeger to become the market leader in this market as early as 2028.

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At Erich Jaeger, a sale and leaseback transaction was carried out in 2024 with the property at the headquarters in Friedberg (Hesse).

1.4 Group of consolidated companies

A total number of 17 companies are included in the 2024 consolidated financial statements (previous year: 17).

2. Economic and political conditions

2.1 Macroeconomic situation

The last few years have been characterized by a number of crises. In the years from 2020, the coronavirus crisis had to be overcome, followed by the war in Ukraine in 2022, which led to a sharp rise in energy prices and a general increase in inflation. Significant interest rate hikes by the central banks led to a reduction in inflation, but also to a burden on the economy. In 2023, the Middle East conflict escalated massively following the attack on Israel, and since then the transport routes through the Red Sea have been characterized by instability and corresponding dangers due to attacks by the Houthi militias. In Germany, the government was forced to reprioritize the federal budget following the ruling of the Federal Constitutional Court and, as a consequence, the various parties were no longer able to agree on a joint budget and political framework. As a result, the coalition collapsed at the end of 2024, leading to new elections. It was already apparent at the end of 2024 that the change of government in the US could lead to a significant change in trade and economic policy. In the meantime, it has become clear – particularly as a result of the US President’s announcement of massive tariff increases at the beginning of April – that much greater changes are to be expected than originally anticipated. Against this backdrop, further massive difficulties in global trade relations can be expected.

Adjusted for price and calendar effects, gross domestic product (GDP) in Germany fell by 0.2 % in 2024. Thus, economic output fell for the second year in a row. GDP only grew in two of the last five years. Gross fixed capital formation fell significantly by 2.8 % overall in 2024, caused by the -5.5 % decline in investments in equipment and -3.5 % in buildings. Only investments in other assets were 3.9 % higher than in the previous year.

According to the German Federal Government’s Annual Economic Report 2025, Germany is facing four structural challenges: The geopolitical turning point requires additional spending on national and alliance defense, demographic ageing increases the pressure on social security systems and exacerbates the shortage of skilled workers, economic restructuring due to climate change requires high levels of public and private investment and the reduction of the investment backlog in digitalization, infrastructure and defense must be driven forward.

After an annual average inflation rate of 6.9 % and 5.9 % in previous years, it fell to 2.2 % in 2024. Prices for services rose particularly sharply by +3.8 % on average over the year, while goods only increased by +1.0 % (of which food +1.4 %).

According to the IMF, the GDP of developed countries rose by a total of +1.7 % in 2024. At -0.2 %, Germany’s performance was therefore significantly worse than the average for developed countries, but also worse than the average for eurozone countries (+0.8 %) or the USA (+2.8 %). The global economy grew by +3.2 % in 2024.

According to the German government’s forecast in the annual economic report – as of January 2025 – gross domestic product is expected to grow by +0.3 % in 2025. It was pointed out in this context that the ongoing geopolitical uncertainties and the economic and financial policy direction of the next German government, which was still unclear at the time of the forecast, could still weigh on domestic demand at the start of the year. According to the annual economic report, growth in 2025 should be driven primarily by private and government consumption. Gross fixed capital formation in 2025 is expected to be +0.4 % above the previous year’s figure. In spring, the German government assumed that employment figures would stagnate in 2025.

According to the annual economic report, inflation in Germany should fall to +2.2 % in 2025. Due to the increase of +2.3 % in disposable income, real wages were expected to rise, which would lead to stronger domestic demand. However, high interest rates and international crises could have the opposite effect. Overall, the German government believes that Germany is under considerable pressure as a business location.

In the meantime, the federal government, which is only a caretaker government for the time being, has had to reduce the growth figure for 2025 to 0 %, partly due to the impact of US policy. This would mean stagnation after two years of recession. Slight growth is not expected again until 2026 (+1.0 %).

At the beginning of 2025, the IMF forecasts growth of +3.3 % for the global economy in 2025, resulting from growth of +1.9 % in developed countries (including the USA +2.7 %, eurozone +1.0 %) and growth of +4.2 % for emerging markets and developing countries. After +4.8 % in 2024, China is expected to grow by +4.6 % in 2025. India stands out with growth rates of +6.5 % for 2024 and a forecast +6.5 % for 2025, as in previous years. After +3.8 % in 2024, the IMF only expects Russia to grow by +1.4 % in 2025.

It remains to be seen how the US government’s current decisions will affect these assumptions and forecasts.

2.2 Industry-related conditions

Developments in the automotive industry are a key influencing factor for our entire Group. According to an analysis by supplier experts from December 2024, the industry is increasingly faltering after years of growth. Growth has reached a plateau: in the first three quarters of 2024, suppliers’ sales stagnated, while the 10 OEMs with the highest sales suffered a decline of - 1.5 %. The margin loss is even more pronounced in the third quarter of 2024: the operating margin for OEMs fell from 8.9 % to 7.2 %, while the margin for suppliers fell from 5.9 % to 5.5 %. The study assumes that a corresponding decline is likely to continue. According to this study, around 70 % of OEMs and 60 % of suppliers are struggling with falling profits.

The market in China, which is the largest single market for car manufacturers and has been the key growth driver in recent years, continues to show low growth in 2024, as in previous years. Despite the price wars among manufacturers, it was not possible to achieve higher sales – this is partly due to the declining economic growth in China (<5 % in 2024), but also to the real estate sector, which is in crisis mode. However, European OEMs, whose dependence on the Chinese market is high, have been hit very hard by this. German manufacturers generate around a third of their global sales in China. Since 2018, however, these German manufacturers have lost more than 5 % of their market share to their Chinese competitors, which – according to the assumption expressed in the study – is likely to continue in the coming years. Chinese OEMs have not only become serious competitors for German manufacturers on their home market, but are also increasingly trying to conquer the European market.

For suppliers, this means that the situation has changed compared to the past: the growing importance of Chinese manufacturers must be taken into account, both on the Chinese

market and worldwide. However, there is likely to be a wave of consolidation among Chinese OEMs over the next few years, as the Chinese market is still highly fragmented, and many manufacturers are struggling with a lack of profitability. This represents a further source of uncertainty for suppliers.

Global passenger car sales rose by 2.1 % to 88.6 million vehicles in 2024, with growth varying from region to region. China had another record year with 25.5 million vehicles sold (+0.9 %), while USMCA grew by 3.7% to 19.3 million vehicles. Although Europe grew by 4.5 % to 18.6 million vehicles, it remains around 11 % below the pre-coronavirus level of 2019. Due to this development, a further reduction in production capacity in Europe is to be expected in the medium term.

In 2024, the global market for heavy commercial vehicles (heavy trucks) developed negatively, with significant declines recorded in the most important markets. In China, sales fell by 3 % to 883,000 vehicles, while the production volume even declined by 7.3 %. A significant decline was also observed in North America, where sales fell by 5.7 % to 301,000 vehicles and production volume fell by 5.1 %. The picture in Europe was even more drastic. Here, sales shrank by 6.6 % to 438,000 vehicles and production volume plummeted by 23.9 %.

These declines reflect the ongoing challenges on the global market. Economic uncertainties, particularly in key markets such as China, Europe and North America, had a negative impact on demand for heavy commercial vehicles. In addition, falling investment in infrastructure and construction projects, particularly in Europe and North America, led to a decline in market momentum. Overall, 2024 was a difficult year for the market for heavy commercial vehicles, characterized by global economic uncertainties and structural changes in the industry.

In a press release at the end of March 2025, EY confirmed the tense situation and the pessimistic outlook: The turnover of the world’s largest automotive groups rose by 1.6 % in 2024, whereas the turnover of German groups fell by 2.8 %. There has also been a dramatic change in profitability compared to the previous year: In 2023, Mercedes-Benz, Stellantis and BMW still had the highest margins in the industry, whereas in 2024 the ranking is led by Kia, Suzuki and Toyota. EY believes that the reasons for the poor performance of German car manufacturers include outdated and inefficient processes in research and development, especially compared to Asian manufacturers. Weaknesses in the model range and the focus on customer segments are also cited as reasons for the problems. Demand for high-priced vehicles from premium manufacturers has fallen significantly compared to the previous year due to the

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deterioration in the general economic situation and increasing global conflicts.

EY states that all established Western manufacturers are currently experiencing major difficulties on the Chinese market. However, the declines in China cannot be compensated for in other regions of the world. New Chinese manufacturers are also pushing into the rapidly growing market for electric cars there. Their vehicles, which are heavily reliant on software, appear to better meet the taste of Chinese buyers than models from Western manufacturers.

Another important sector of AdCapital group is the electrical industry. According to the ZVEI, the price-adjusted production of electrical and electronic goods fell by 8.9 % in 2024. For 2025, the ZVEI expects a real decline in production of 2 %. According to the February economic barometer, only 14 % of electrical companies were still affected by a shortage of skilled workers and only 10 % by a shortage of materials. In contrast, 54 % of companies complained about a lack of orders. In the ZVEI's economic barometer for March, the current situation and general business expectations were rated better than a month earlier. Nevertheless, only 18 % of electrical companies describe the economic situation as good, 43 % see it as stable, while 39 % still see it as poor. Looking ahead to the next six months, only 18 % of companies in the sector expect turnover to increase, 61 % expect turnover to remain the same and 21 % expect it to fall.

In 2024, the situation regarding the procurement of chips had eased – in the wake of the coronavirus crisis, there were massive problems with the supply of chips. However, experts are already predicting supply bottlenecks again in the fall of 2025, with the gap expected to widen even further in 2026. The automotive and defense industries in particular, but also medical technology, are expected to be affected. Although chip manufacturers are spending billions on new production plants, these mainly produce high-performance chips for data centers and artificial intelligence. However, older technology chips are needed in the automotive industry – some of their production plants are even being shut down. Together with increasing demand for these chips, this is leading to supply bottlenecks.

As in previous years, it is difficult or almost impossible to anticipate future macroeconomic and sector-specific conditions and make reliable forecasts. We expect 2025 to be a turbulent year, primarily due to the impact of the US government's decisions on global trade and therefore the global economy. Further developments in the Ukraine war and in the Middle East also remain to be seen, and the impact on European companies in particular could be manifold.

3. Profit situation

3.1 Sales development and earnings performance

Compared to the previous year, the key figures relevant for assessing the Company's performance developed as follows:

	2024 million €	2023 million €
Sales	159.0	165.1
Total performance	160.9	164.0
EBITDA	3.2	7.3
EBIT*	-0.8	3.3

* Operating result and EBIT differ by "other taxes"

In detail, these figures can be presented as follows:

AdCapital Group's income statement

	2024 million €	2023 million €
Total performance	160.9	164.0
Other operating income	8.9	7.3
Cost of materials	-85.7	-89.4
Personnel expenses	-47.1	-44.9
Other operating expenses	-33.8	-29.6
Operating result before depreciations	3.2	7.4
Depreciations	-3.9	-4.0
Operating result	-0.7	3.4
Financial result	-2.3	-1.9
Earnings before taxes (EBT)	-3.0	1.5
Income and other taxes	-1.2	-2.3
Annual group result	-4.2	-0.8

AdCapital AG's affiliated companies are primarily manufacturing companies which operate in different business areas and regions. Therefore, the impact of the overall, but also the regional and industry-related economic situation may differ.

We have been observing an increasing internationalization of our Group for several years. The foreign share of Group sales was 67 % in 2022, in the last year and in the reporting year 70 % each. The share of sales with customers in Germany and the EU increased, while the share of sales with customers outside the EU slightly decreased to 31 % (previous years 27 % and 32 %, respectively). This is primarily due to the sales development at the Chinese and American companies of Erich Jaeger Group.

The economic environment in Germany and the state of the global economy as a whole, but above all the global automotive industry, are a decisive factor influencing the economic development of AdCapital Group.

The Group's earnings situation in 2024 is very disappointing compared to the previous year. In contrast to 2023, there was a very significant deterioration in the operating result from € +3.4 million to € -0.7 million. This development is mainly caused by Erich Jaeger Group and AdCapital AG, while the total changes at the other operating companies are negligible. Erich Jaeger Group as a whole and all other operating companies report positive operating results in 2024, while the holding companies reduce earnings. At Taller, equity-supporting measures in the amount of € 2.5 million were implemented.

The unsatisfactory result at Erich Jaeger Group is partly due to a fall in sales of just under 5 %. The materials ratio (in relation to total operating performance) was reduced by 0.8 percentage points thanks to the measures introduced in previous years and continued in the reporting year. Company-specific challenges such as difficulties in the European production network and timely deliveries from the plant in China also posed significant problems. Unfortunately, both personnel costs and other operating expenses rose sharply. In the latter item, costs for external services such as consultants, personnel leasing costs and administrative costs (in particular IT costs) were significantly higher than in the previous year. Due to income from a sale & lease back transaction in the amount of € + 4.7 million, other operating income is higher than in the previous year. However, this was far from being enough to offset the negative effects in other areas at Erich Jaeger. BDT and FRAKO achieved a lower operating result compared to the previous year. The weakening economy was noticeable in this respect. Despite the general economic difficulties in Germany, KTS

was able to turn its operating result clearly into positive territory. Excluding each of the equity-supporting measures, Taller achieved an operating result as in the previous year.

The actual development in 2024 – for the Group as a whole, but especially for Erich Jaeger – fell far short of the plan and current expectations for the financial year. As already mentioned, this is due to the development of sales, in the process costs for optimizing and adapting to the current market situation and in the costs for strengthening and adapting the companies to the changing global conditions.

In the 2024 reporting year, the Chinese companies of Jaeger Group achieved a result which was around 50 % lower than in the previous year. The profit attributable to non-Group shareholders therefore also decreased accordingly. This reflects the weakness in the Chinese market for heavy trucks.

AdCapital Group's total performance and earnings development can be broken down as follows:

At € 160.9 million, total operating performance fell by 1.9 % compared to the previous year's figure of € 164.0 million. The problems on the Chinese truck market led to a decline in sales at Erich Jaeger's Chinese companies, while Erich Jaeger's European production companies were able to significantly increase their total operating performance. Overall, however, there was a significant decline for Erich Jaeger Group. Taller was able to significantly increase its output (more than 19 %); together with the increase in total output at BDT, this fully compensated for the declines at FRAKO and KTS.

Other operating income increased from € 7.3 million to € 8.9 million. In the previous year, the reversal of provisions was the main contributor to the previous year's figure; in the past financial year, this is the effect of a sale and lease back transaction. Income from currency effects is lower than in the previous year.

The cost of materials in the Group fell by 4.1 % from € 89.4 million to € 85.7 million, which is more than the decline in total operating performance. As a result, the materials ratio (in relation to total operating performance) fell by 1.3 percentage points from 54.5 % in the previous year to 53.2 %. This means that the decline in the materials ratio is continuing as in the previous year, meaning that the measures introduced to optimize purchasing conditions are effective.

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Personnel expenses increased by € 2.2 million to € 47.1 million (+4.8 %). As personnel expenses increased while total operating performance fell, the personnel ratio increased by 1.9 percentage points from 27.4 % in the previous year to 29.2 %. The adjustment of the headcount to actual requirements was slower than would have been desirable. At the end of 2024, AdCapital Group had fewer employees than the average for the year; in 2023, this was the exact opposite.

Other operating expenses increased by € 4.2 million from € 29.6 million in the previous year to € 33.8 million. In particular, administrative costs (+€ 0.7 million; +19 %) and operating costs (+€ 2.0 million, +15 %) are significantly higher than in the previous year, mainly due to higher costs for external consultants, personnel leasing and higher IT costs. Currency losses are also € 0.2 million higher than in 2023, while development costs (€ -0.5 million) and rental and lease expenses (€ -0.2 million) have fallen.

In contrast to the previous year, the net currency effects were negative at € -0.7 million (previous year: around € +0.4 million).

The consolidated operating result amounted to € -0.7 million compared to the previous year's result of € +3.4 million.

At € -2.3 million, the financial result was slightly lower than in the previous year (€ -1.9 million). This is partly due to the higher interest rates compared to 2023 and partly due to the higher loan liabilities.

The composition of the items in the income statement are broken down in detail and commented on in the notes to the consolidated financial statements.

Overall, AdCapital Group reported a net loss for the year before minority interests of € -4.2 million (previous year: net loss for the year of € -0.8 million).

The development of the individual companies for the remainder of 2024 outlined in the 2024 half-year report, which was already lower than planned, has only been confirmed to a very limited extent. The increase in sales planned for Erich Jaeger for the second half of the year could not be realized; on the contrary, sales in the second half of the year were 10 % lower than sales in the first half of the year. This was due to the economic slowdown. As a result, the other companies also saw a decline in sales in the second half of the year (with the exception of FRAKO, where the second half of the year is traditionally much stronger than the first half).

In December 2023, the planning for 2024 was prepared for the companies and AdCapital Group as a whole.

The planned output for 2024 was missed by 14 % for the Group as a whole. Both Erich Jaeger and the other operating companies contributed significantly to this deviation.

At operating result level, AdCapital Group fell well short of the target. For the reasons already mentioned, the operating companies were also unable to achieve the respective target figures.

The plan for 2024 drawn up in December 2023 was very ambitious overall. In view of the economic and geopolitical developments in 2024, it therefore comes as no surprise that the plan was missed. The effects of these deviations on liquidity could be absorbed: AdCapital and Erich Jaeger had opened up scope for liquidity in the past during the coronavirus period by raising funds in good time, which could now be utilized. The sale and leaseback transaction also provided ErichJaeger with liquidity. Further measures to generate funds were initiated.

3.2 Industry holdings

AdCapital AG's portfolio companies operate in different business areas but also in different economic regions. Therefore, it comes as no surprise that the individual companies' development varies in 2024.

In 2024, our largest company Erich Jaeger recorded a slight decline in both sales and total operating performance (-4.8 % and -2.8 %, respectively). Over 83 % of sales were generated outside Germany – that is 1 percentage point more than in 2023. However, the focus of foreign sales has shifted: sales in the EU grew by 2 percentage points, while the share of sales in the rest of the world fell by 1 percentage point. This reflects the weakness in the Chinese and American vehicle markets.

Sales at Taller GmbH increased by around 10 % compared to the previous year. Total operating performance increased by 19 %. The negative changes in inventories in 2024 were significantly lower than in 2023. The largest increase in absolute and relative terms was in intercompany sales with other AdCapital Group companies, i.e. Erich Jaeger in particular. The strategy of using Taller as a production company for Erich Jaeger is beginning to bear fruit. The sales organization established at Taller in 2023 was able to acquire further small projects; however, we assume that sales with third parties outside the traditional connector bridge business can be increased significantly more in the future.

In 2024, too, Taller had to post a high loss. This was primarily due to a 7-percentage point increase in the materials ratio compared to previous years: the reasons for this are a significantly higher number of new product launches, which are associated with start-up costs, changes in the product mix and price increases for raw materials. After the indirect parent company AdCapital AG supported the equity by means of a loan waiver with debtor warrant in the amount of € 2.5 million, Taller GmbH's operating result amounted to € 0.2 million in 2024.

After years of strong sales growth, Bavaria Digital Technik (BDT) was also able to increase its sales in 2024: however, the growth rate of 1.4 % was significantly lower than in previous years due to the generally weak economy. With this growth, BDT is nevertheless well above the trend in the electrical and digital industry: according to the ZVEI economic barometer (February 2025), turnover in this sector fell by 6.2 % compared to the previous year. BDT was able to grow by 2 % in the automotive sector but suffered a setback in the medical sector – a field of strong growth in recent years – because a previous customer discontinued its business activities. For 2025, however, BDT sees growth opportunities in this area again, and the corresponding order backlog is optimistic for 2025. BDT was able to grow slightly by 0.7 % in the strongest area of industry, and here too there is a good order pipeline for 2025. Following the decline in 2023, BDT was able to double its turnover in the area of energy in 2024, but the outlook for 2025 is unclear.

BDT's operating result was around 30 % down on the previous year and fell far short of the target (around -60 %). The reasons for the deviation from plan are the deviations in sales, cost increases, margin pressure and a higher personnel ratio. BDT made advance investments in personnel expansion, but the planned increase in sales could not be realized as planned.

Despite the general adversity, 2024 was a satisfactory year for FRAKO, although the good results of the previous year could not quite be matched (sales -3 %, operating result approx. -40 %). The operating result was primarily impacted by staff absences due to illness, which could not be compensated for. Compared to the ambitious plan, sales were around 15 % lower and the operating result around 65 % lower.

The first half of the year at FRAKO was very subdued due to delays in major projects. However, the order backlog at mid-year was higher than in previous years and the outlook for the year as a whole was therefore very good at that time. In the second half of the year, however, incoming orders plummeted due to the economic slowdown. As a result, the previous year's sales could not be exceeded for the year as a whole,

despite the positive outlook at mid-year. As in previous years, sales in the “Power Factor Correction” area declined, while growth was recorded in the strategic areas of “Energy Management” and “Power Quality”.

The development at KTS Kunststoff Technik Schmölln GmbH (KTS) was very pleasing in the 2024 financial year: despite a decline in sales of around EUR 1 million, a positive result of around KEUR + 200 was achieved. The main driver of this development is a significant reduction in the materials ratio: waste and purchase prices were lowered as a result. The significant reduction in the sickness rate also contributed to the positive result. The sales target for 2024 was achieved through new projects with a new customer and with existing customers, and the pipeline of potential new projects is also very well filled.

4. Financial position and net assets

4.1 Portfolio development

There were no new acquisitions in the investment area in the 2024 financial year. These were made exclusively to provide targeted support for the value chains and to create synergies at our existing subsidiaries, in particular in the automotive sector. We hold our investments for the long term in order to develop them successfully.

4.2 Investments

	2024 million €	2023 million €
Investment volume, Group	5.5	6.3

As in the previous year, investments were significantly higher than depreciation and amortization. The focus of investments was on Erich Jaeger (€ 3.2 million), in particular for the further expansion of the plant in Moldova and in cable production. Almost € 1 million was invested at BDT, primarily to increase SMT assembly capacity. At AdCapital AG, almost K€ 500 was invested in a machine to optimize the financing structure, which is subleased to Taller.

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4.3 Financial position

4.3.1 Financial strategy

In the past, the financial requirements of the individual portfolio companies were mainly covered by providing equity, shareholder loans and inclusion in AdCapital AG's cash pool system. Since the coronavirus crisis, however, the portfolio companies have increasingly established and expanded relationships with house banks, as the importance of this approach became apparent during the crisis. In order to stabilize the financial requirements, alternative sources of financing will be examined – under the leadership of the holding company. Preliminary work was carried out in 2024, and it will be possible to generate corresponding funds from such sources in 2025.

Our goal remains to maintain an equity ratio that allows us to raise additional external funds even in times of crisis. At 39.7 %, the equity ratio is slightly below that of the previous year (42.7 %). Although this figure is lower than in the past, it is still at a level that allows us to raise additional funds to invest in or acquire suitable companies.

AdCapital AG's free liquidity is held purely in cash and cash equivalents to ensure that financial resources are available at all times and to rule out valuation risks.

The Group's financial position remains stable despite the turbulence described above. Securing the liquidity of all operating units of the Group and the holding company remains our top priority.

4.3.2 Capital structure

AdCapital Group shows the following capital structure:

	31.12.2024 million €	%	31.12.2023 million €	%
Equity	41.0	39.7	47.9	42.7
Borrowed capital	62.2	60.3	64.1	57.3
Total capital	103.2	100.0	112.0	100.0

The Group has an acceptable equity ratio. Equity has decreased in absolute terms due to the negative result. The sharp

reduction in total assets is driven by a sharp decline in current assets (including inventories and receivables) of around EUR 10 million. This is primarily the result of the measures introduced as part of the turnaround.

4.3.3 Cash-flow / condensed cash-flow statement

The Group's cash flow developed as follows:

	2024 million €	2023 million €
Operating cash-flow	+8.5	+2.0
Net investments	-4.8	-5.6
Free cash-flow	+3.7	-3.6
Cash-flow from financing activities	-4.2	+1.1

The operating cash flow is clearly positive despite the losses in the financial year – this is primarily due to the successful optimization of working capital. Investment activities led to a strong outflow of funds. However, the resulting free cash flow is positive. This and the reduction in cash and cash equivalents enabled bank loans to be reduced.

4.3.4 Cash-pool system

As in the previous years, all of the Group's significant domestic companies are included in AdCapital Group's cash pooling. Such system ensures unbureaucratic working capital financing for the affiliated Group companies.

4.4 Net assets

	31.12.2024 million €	%	31.12.2023 million €	%
Fixed assets	30.7	29.7	29.6	26.4
Current and other assets	72.5	70.3	82.4	73.6
incl. cash and cash equivalents	3.9	3.8	4.5	4.0
Total assets	103.2	100.0	112.0	100.0

Fixed assets increased slightly in absolute terms and significantly in relative terms, as investments exceeded depreciation and amortization, while current assets (working capital) decreased significantly.

As in previous years, we consider the level of our liquidity (cash and cash equivalents) plus existing free contractual credit reserves to be appropriate and absolutely essential in view of the financing requirements for the Group's further growth and the existence of a security reserve.

4.5 Overall assessment of the economic situation

For years, we have successfully pursued the strategy of having sufficient funds or additional sources of financing available or procuring them in order to withstand emerging crises or take advantage of opportunities arising from acquisitions. Therefore, it was possible to secure financing for the portfolio companies also in the challenging year 2024. The Group's net assets and financial position are in order, albeit more challenging than in previous years. The equity ratio in the Group and at the level of AdCapital AG remains sufficiently high.

The earnings situation in the financial year 2024 was not satisfactory: at Erich Jaeger, not all opportunities could be exploited on the market side, as the measures already introduced in previous years had to be further expanded or intensified. Other subsidiaries suffered from the weakening economy.

The problem of the shortage of skilled workers is becoming increasingly noticeable in our portfolio companies. In addition, the sickness rate is often significantly higher than in the years before 2020. As a result, the employees of our companies are often under a heavy workload in order to provide the services promised to customers. Due to the cost and duration of training, using external specialists to bridge bottlenecks is not an ideal solution, but it is often unavoidable.

The relevant players are striving for a short-term end to the Russia-Ukraine war, but it remains to be seen whether this will happen and how stable and sustainable such an end will be. At present, we can only speculate as to what burdens and consequences Europe in general and the companies based there are going to face. The Middle East is not coming to rest either: the shipping routes through the Red Sea are still under attack, which means higher transportation costs for global trade (and therefore also for our companies).

As in the previous year, it is difficult to make reliable statements about the short and medium-term development of our companies' sales, earnings and liquidity. We will increase the competitiveness of our portfolio companies as well as their profitability and liquidity through proactive measures to such an extent that even further unforeseen problems are not going to have a massive impact on the portfolio companies and the Group as a whole.

5. Non-financial performance indicators

5.1 Employees

As of December 31, 2024, AdCapital AG had four employees (previous year: three). AdCapital Group employed an average number of 1,423 people in 2024. Compared to the previous year (1,349 employees), the average number of employees increased. This reflects the planned sales development in the fiscal year; in the course of the year, the number of direct employees was continuously adjusted to the actual level of sales. At 1,362, the number of employees on the reporting date was lower than the average number. This is due to a reduction of staff at Erich Jaeger in the 4th quarter.

At the end of the fiscal year, the number of trainees is 19 (previous year 15). We see the training of young employees as an effective means of countering the shortage of skilled workers in our subsidiaries.

For the successful development of AdCapital AG and its subsidiaries, good training and further training of our employees is absolutely essential. Therefore, the holding company supports the portfolio companies in the selection, promotion, continued education and retention of employees.

Vacant positions need to be filled quickly with suitable and well-trained employees. However, it is becoming increasingly difficult to realize this within the required short timeframe. However, we are aware that developing our own junior staff and recruiting suitable employees as key personnel is crucial to AdCapital Group's long-term success.

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5.2 Research and development

In the fiscal year 2024, as in the previous year, research and development expenses within the Group amounted to ca. € 2.0 million.

These mainly include further developments of the existing product range.

6. Non-financial reporting

AdCapital AG and AdCapital Group are not subject to the mandatory non-financial statement pursuant to Art. 289 b (1) HGB (German Commercial Code). AdCapital AG's shares are traded on the Basic Board of the Frankfurt Stock Exchange, but this market is not an organized market within the meaning of Art. 2 (11) WpHG (German Securities Trading Act). Thus, AdCapital AG is neither capital market-oriented pursuant to Art. 264d HGB nor listed on a stock exchange pursuant to Art. 3 (2) AktG (German Stock Corporation Act).

As in previous years, the Company refrained from voluntary CSRD reporting for reasons of efficiency and cost. This decision will be regularly reassessed in the course of corporate and legal developments. Despite the omnibus initiative to simplify CSRD, CSDDD and the EU taxonomy, AdCapital AG and all Group companies are preparing intensively for external reporting. The focused review and introduction of future reporting demonstrates the importance of this topic within the Group.

In addition to external reporting, AdCapital AG is intensifying the implementation of sustainable goals and measures in the corporate vision. We therefore continue to pursue the motto: "Sustainable success arises when sustainability is not seen as a cost factor, but as a strategic opportunity!"

7. Risk report

7.1 Opportunities and risk management system

In close consultation with the Supervisory Board, the Management Board defines the risk policy principles. Our goal is to generate sustainable earnings from and value enhancement for our operating investments. To that end, we do not take any inappropriate risks.

We use various information and control systems in order to identify, at an early stage, developments which might jeopardize the continued existence of a portfolio company or the Group. Both qualitative and quantitative criteria are used for the early identification of risks.

7.2 Risk factors from the Group companies' and the subsidiaries' operating business

Default risk

Default risks are limited to an inevitable degree as part of effective accounts receivable management: this includes measures such as credit approvals and setting credit limits. The factoring established at Erich Jaeger and Taller, where high-risk customers are excluded by the banks, thus providing indicators of a higher default risk, also serves to reduce the risk. Where possible, commercial credit insurance is taken out to protect against bad debts. In individual cases, delivery only against prepayment is agreed with our customers.

Risk from operating business

Our Group companies often have to deal with significantly larger customers or suppliers (such as automotive industry, semiconductor manufacturers), so that our portfolio companies' negotiating power is limited. Although our portfolio companies generally endeavor to minimize dependencies to a reasonable extent, strong dependencies on major customers or important suppliers cannot be avoided in case of individual Group companies.

On the procurement side, the supplier's potential supply or default risk is managed by means of corresponding purchase or supply agreements between the supplier and the AdCapital subsidiary. An alternative supplier will also be set up if possible.

AdCapital pursues a "Local-for-Local" strategy in order to counteract this risk resulting from the complexity of supply chains. If economically reasonable, the aim is to procure or sell in the region of the production plant.

Furthermore, volatile raw material prices, in particular for metals such as copper and brass, for plastics and electronic components, could lead to economic burdens for our operating subsidiaries. Purchase agreements are concluded with suppliers guaranteeing fixed purchase prices for specific sales volumes in order to reduce such risk. On the other hand, purchase price adjustment clauses (material price surcharges) are

agreed with customers so that the raw material price risk is transferred to the customer. However, there is regularly a time lag between the cost increase and the corresponding price increase. If necessary in order to ensure delivery capability, our affiliated companies will purchase raw materials or intermediate products at actually excessive prices in consultation with the customer.

The change in the US government at the beginning of 2025 has significantly increased the uncertainties in the political and economic environment. The announcements of tariffs in particular are causing massive uncertainty among economic players. If the announced punitive tariffs are actually implemented or the tariffs that have already been introduced are maintained, this will certainly have an impact on the business plans and profitability of economic partners.

Interest and currency risks

The interest rate risks for the individual companies have changed in line with the amount of the bank loans. The further development of interest rates depends on the measures taken by the central banks. In view of the uncertainties that have arisen as a result of the announcements of punitive tariffs alone, however, it is not possible to estimate the further development of interest rates. If the punitive tariffs in the USA cause prices to rise, i.e. if inflation increases again, interest rates could rise again.

The Group's currency risks result from transactions between Group companies in different currencies. This affects in particular deliveries from production companies to sales companies based in other countries. With our international orientation and the targeted, steady increase in our export ratio, increased currency risks are naturally to be expected in the future. In the medium term, it remains to be seen how the changes in global supply chains will affect exchange rates and thus implicitly the profitability of our production plants.

Investments' liquidity

The investments' liquidity is covered by the companies' operating cash flow and by the provision of equity or debt capital by AdCapital AG and financial institutions. The individual companies' liquidity is monitored by the holding company continuously and closely in order to ensure the defined strategy's implementation.

Significant investment decisions at the portfolio companies are subject to AdCapital AG's approval.

Other risks

AdCapital AG has provided guarantees for Erich Jaeger's loans in the amount of € 12.8 million taken out in order to finance growth and working capital.

AdCapital AG has issued guarantees at a total amount of EUR 16.3 million in order to secure factoring agreements at Taller and Erich Jaeger.

In connection with individual investments, there are (mutual) dependencies with major customers, which lead to permanent pressure on margins. Consequently, the economic development of these investments is closely linked to that of the customer.

Risk factors from cash and securities investments

AdCapital AG's financial investments remaining as of the balance sheet date are deposited with a German business bank. The other subsidiaries' money holdings are deposited with various domestic and foreign banks. Since the sale of our remaining securities portfolio at the beginning of February 2014, there are no longer any risk factors from cash and securities investments.

7.3 Overall assessment of the Group's risk situation

In the Management Board's opinion, there are currently no foreseeable or material risks or risks jeopardizing AdCapital Group's continued existence as a going concern.

Compared to the previous year, the risk situation in the Group has deteriorated due to the changing global environment: as outlined above, additional measures had to be implemented in order to stabilize the turnaround at Erich Jaeger; consequently, the positive effects actually planned for 2024 could not be fully achieved for Erich Jaeger or for AdCapital Group as a whole due to the weak German economy. However, the resilience of our investments, which has been significantly increased as planned in recent years, enabled us to deal with these unexpected difficulties and deviations. In 2025, new sources of finance will be tapped to further increase the resilience of the portfolio companies and the Group as a whole. The forms of financing are to be further diversified in order to minimize risk through the increase.

However, due to the current risk situation at the beginning of 2025 (war in Ukraine, escalating conflict in the Middle East,

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threatened or implemented punitive tariffs by the US administration), it cannot be ruled out that the economic situation for the global economy as a whole will deteriorate. However, due to our investments' resilience, we expect that such further burdens will not jeopardize the Group's continued existence.

The Company is dependent on the recoverability of its individual investments. After comprehensive, continuous individual analyses of all investments on the basis of the standalone financial statements, the identifiable risks were taken into account by means of valuation discounts on the assets concerned and the recognition of appropriate provisions.

8. Dependency report

There is no control agreement between the shareholder Mr. Günther Leibinger, who holds more than 50% of the shares, and AdCapital AG. Mr. Leibinger also holds interests in other companies. AdCapital AG's Management Board was therefore required to prepare a report on relations with affiliated companies in accordance with Art. 312 AktG. The Management Board declares that, according to the circumstances known to the Management Board at the time the legal transaction was undertaken, or the measure was taken or omitted, AdCapital AG received appropriate consideration for each legal transaction and was not disadvantaged by the fact that the measure was taken or not taken.

9. Other information

Please refer to the information on treasury shares pursuant to Art. 160 (1) No. 2 HGB in the notes.

10. Opportunities / risk and forecast report

10.1 Expected development of the profit situation and financial position

The turnaround initiated at the portfolio companies in 2023/2024 is going to be intensively continued in 2025. The measures defined in each case are closely monitored and countermeasures are initiated promptly in the event of deviations. Therefore, it can be assumed that the earnings situation in 2025 will be better than in the past financial year.

Of our portfolio companies, Erich Jaeger is the one most affected by the punitive tariffs announced or already introduced by the new US government. In 2025, we will be under massive pressure to take appropriate measures to minimize the impact of these punitive tariffs. The optimization of processes in production, logistics, sales, purchasing and all indirect areas remains a task.

Production capacities at BDT were expanded in 2023 and 2024. This additional production capacity will now be used for the planned sales growth in 2025.

As in the past, FRAKO sees opportunities in the further expansion of existing foreign markets and the development of new sales regions. The product and service portfolio is also to be expanded. As in the past, the focus will be on the area of power quality, as well as on broadening the device base and expanding the service area. However, the expansion of vertical integration is also being investigated. However, the current economic downturn is having a negative impact on FRAKO.

At KTS, we assume that the positive development in the past financial year will continue in 2025. The sales successes already achieved with new and existing customers give us cause for optimism.

At Taller, the focus will continue to be on hybrid injection molded parts, where Taller's core competencies in turning, stamping, injection molding, assembly technology and surface finishing can be applied. Sales growth will be achieved through increased integration of Taller into the Erich Jaeger production system.

Planning for the portfolio companies and AdCapital Group as a whole was initiated at the end of November/ 2024 and subsequently finalized. According to the planning, the following picture emerges:

Group sales will increase by around 5 % overall in 2025, with the main contribution coming from Erich Jaeger (+6 %) and Taller (around 35 %). Sales growth of over 25 % is also expected at KTS, while moderate growth rates are planned for the other operating companies. Due to a significant increase in intragroup sales, external sales will naturally grow at a lower rate.

Due to the growth in sales, a significant improvement in productivity and the implementation of numerous strategic measures resulting in significant cost reductions, the Group's operating result will develop positively in 2025: The figure is

expected to be clearly positive, but will not yet reach the level of 2023. Almost all operating companies report a positive operating result in the plan for 2025; only Taller will still report a negative operating result.

The planning is based on the assumption that the measures introduced, such as reducing the cost of materials ratio by lowering purchase prices, sustainably eliminating the difficulties in the European production network, ensuring timely deliveries from the plant in China and optimizing indirect processes, can be implemented as planned.

We consider the following topics in particular to be generally relevant for the further development of our portfolio companies and the Group as a whole:

- Punitive tariffs on the delivery of products to the United States (amount, duration)
- Trade and economic restrictions
- Further development of inflation and the measures taken by central banks to contain it
- Political and economic situation and the potential for conflict in the various regions, e.g., in the Asia-Pacific region
- Further development of the escalated Middle East conflict and, in particular, its impact on trade routes between Asia and Europe or energy costs
- Further development of the war in Ukraine, such as further acts of war, ceasefire or peace treaty and their medium and long-term consequences
- Shortage of skilled workers
- Warranties
- Raw material and energy prices
- Availability of individual components, especially in the electronics sector

It is not foreseeable whether these risks will have any major negative effects on the Group companies. By securing financial resources in the amount of € 18.8 million through bank financing and raising further funds in 2025, we will have the basis to secure the Group's continued existence even in a deteriorating economic environment, while also being able to take advantage of any opportunities that arise.

However, we wish to explicitly emphasize in this context that the forecast risks are very high in view of the upcoming economic policy decisions in Germany and the United States.

10.2 Opportunities and risks

In January 2025, the International Monetary Fund (IMF) is forecasting global economic growth of 3.3 % for 2025 and 3.6 % for 2026. For the USA, the IMF is assuming 2.7 % and 2.1 %, respectively, for these periods, and 1.0 % and 1.4 % for the eurozone. However, the IMF is much more pessimistic for Germany at 0.3 % and 1.1 %. Compared to the last estimate from fall 2024, the figures for Germany have fallen by 0.5 percentage points and 0.3 percentage points, respectively. High growth is forecast for China at 4.6 % and 4.5 %, respectively, and in particular for India at 6.5 % in both years. Since January 2024, the IMF's estimates for the growth rates in 2025 for China and the USA have improved over time, while those for the eurozone have worsened.

In the Economic Experts Survey (EES) conducted by the ifo Institute in December 2024, the experts surveyed expected inflation to average 3.9 % worldwide in 2025. This corresponds to the expectations of the previous quarter, i.e. the estimates are stagnating but remain at a high level. By contrast, the experts forecast an inflation rate of just 2.1 % for Western Europe and a slightly higher rate of 2.6 % for North America (this last figure has increased by 0.2 percentage points compared to the last estimate).

This EES survey also asked about the expected impact of Donald Trump's second presidency: a clear majority of respondents in both Europe and the USA expect a negative impact on economic growth. In Africa and Asia, on the other hand, opinions are less critical, with only a small minority expecting a negative impact on economic growth. However, 80 % of the experts surveyed expect trade policy to have a negative impact. In North America, Europe and Oceania, almost all experts predict that international trade will become more difficult under Trump's administration. In the meantime, this has come true following the announcement and introduction of punitive tariffs. According to an estimate by the German Economic Institute (IW) from February 2025, Germany's GDP will be up to 0.4 % lower in 2026 if the tariffs are implemented or maintained as announced. The study estimates a loss of € 25 billion for the German economy in both 2025 and 2026.

It remains to be hoped that the financial leeway the new German government has created by amending the Basic Law with regard to the debt brake will be used appropriately. Time will tell what policies can be implemented with the new majority in the Bundestag. Citizens in general and the economy in particular will have to wait and see how the future federal government intends to solve the existing problems.

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According to the latest risk report from the World Economic Forum (WEF), experts’ risk assessments for the near future have worsened. Now 36 % of experts expect an increased probability of global disasters in the next two years, compared to 30 % in the previous year. In the long term (10 years), around 60 % of those surveyed are clearly pessimistic, with no change in their assessment compared to the previous year.

“Armed state conflict” was rated as the most frequently mentioned global risk by 23 % of respondents in 2025. In 2023, however, this risk did not play a role from the perspective of those surveyed at the time. This is an example of how quickly risks can arise and risk assessments can change.

Inequality in income and wealth is seen as a key risk that plays an important role in triggering or exacerbating other risks.

For the two-year outlook, “misinformation and disinformation” is cited as the risk with the greatest impact, followed by the risk of “extreme weather events”. For the 10-year outlook, the risks with the greatest impact in the first four positions all include environmental risks, followed by “misinformation and disinformation” and “undesirable effects of artificial intelligence”. The latter only ranks 31st in the short-term outlook.

As in the previous year, almost two thirds of respondents believe that a multipolar or fragmented world order will emerge in the next ten years. Central and major powers will set new rules and norms in competition with each other and also try to enforce them.

According to the experts, the global order under Western leadership will continue to shrink over the next 10 years, but the West will still remain a relevant center of power. However, other players, such as China, India and the Gulf states, will play a greater role in the future than they do today.

In the short to medium term, the effects of the punitive tariffs or their announcement alone are likely to have a major impact. An indicator that has been used since the 1960s to measure trade policy uncertainty (TPU Trade Policy Uncertainty Index) is at an all-time high in March 2025. In such an uncertain environment, however, it cannot be assumed that companies will make large investments.

In order for AdCapital to hold its own in such a volatile environment and take advantage of the opportunities that arise, sufficient resources must be available: People, strategies, values,

ideas, financial resources, organization and processes. Only if sufficient resources are available we can survive unexpected crises and hold our own against competitors.

Our primary goal is therefore to continue to increase the resilience and agility of our investments and thus of the entire AdCapital Group. In our opinion, AdCapital is well equipped to be able to operate successfully and proactively in the coming years, even in a volatile environment.

11. Final remarks

This Annual Report contains prospective statements and information. These statements are identified by words such as “expect”, “plan”, “estimate”, “will”, or similar expressions. Such prospective statements are based on our expectations or the expectations of forecasting experts on the basis of certain assumptions. Therefore, they contain a number of risks and uncertainties.

A variety of factors, many of which are beyond AdCapital AG’s control, affect AdCapital Group’s business activities, success, business strategy and results. These factors could cause AdCapital Group’s actual results, performance or achievements to differ significantly from any future results, performance or achievements that may be expressed or implied by such prospective statements.

Tuttlingen, May 7, 2025

AdCapital AG



Dr. Andreas J. Schmid
CEO

CONSOLIDATED

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AdCapital AG, Tuttlingen
Consolidated balance sheet as of December 31, 2024

All figures in K€

ASSETS	Notes	31.12.2024	31.12.2023
A. Fixed assets	4.1		
I. Intangible assets		1,348	325
II. Tangible assets		28,911	28,809
III. Financial assets		424	419
		30,683	29,553
B. Current assets			
I. Inventories	4.2	44,711	48,137
II. Receivables and other assets	4.3	23,323	29,127
IV. Cash on hand and bank balances	4.4	3,896	4,476
		71,930	81,740
C. Prepaid expenses and deferred charges	4.5	601	543
D. Deferred tax assets	4.12	31	191
		103,245	112,027

EQUITY AND LIABILITIES	Notes	31.12.2024	31.12.2023
A. Equity			
I. Subscribed capital	4.6	42,000	42,000
II. Capital reserve		4,592	4,592
III. Retained earnings	4.7	17,764	17,764
IV. Net loss	4.7	-28,430	-23,193
V. Balancing item from currency translation	4.8	101	1,107
VI. Minority interests	4.9	4,976	5,615
		41,003	47,885
B. Provisions	4.10	9,527	10,313
C. Liabilities	4.11	52,712	53,793
D. Deferred income		3	36
		103,245	112,027

AdCapital AG, Tuttlingen
Consolidated income statement for the fiscal year 2024

All figures in K€

	Notes	2024	2023
1. Sales revenues	5.1	158,995	165,119
2. Changes in inventories		1,925	-1,146
3. Other own work capitalized		0	0
		160,920	163,973
4. Other operating income	5.2	8,863	7,287
		169,783	171,260
5. Cost of materials	5.3	-85,678	-89,373
6. Personnel expenses	5.4	-47,068	-44,895
7. Depreciation and amortization	5.5	-3,941	-4,015
8. Other operating expenses	5.6	-33,815	-29,598
		-170,502	-167,881
9. Operating result		-719	3,379
10. Financial result	5.7	-2,268	-1,895
11. Taxes on income	5.8	-1,153	-2,202
12. Earnings after taxes		-4,140	-718
13. Other taxes		-58	-57
14. Consolidated annual net loss		-4,198	-775
15. Earnings attributable to minority shareholders		-854	-1,698
16. Group earnings		-5,052	-2,473

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AdCapital AG, Tuttlingen
Consolidated assets analysis as of December 31, 2024

All figures in K€

	Acquisition and manufacturing costs					
	01.01.2024	Additions (+)	Disposals (-)	Transfers	Change in currency	31.12.2024
I. Intangible assets						
1. Acquired concessions, industrial property and similar rights and assets as well as licences in such rights and assets	9,536	399	0	57	-31	9,961
2. Goodwill from capital consolidation	10,815	0	0	0	0	10,815
3. Advance payments	0	197	0	488	0	685
	20,351	596	0	545	-31	21,461
II. Tangible assets						
1. Land, similar rights and buildings including buildings on leasehold land	23,118	509	54	0	-111	23,462
2. Technical equipment and machinery	53,964	2,725	589	33	-274	55,859
3. Other equipment, factory and office equipment	38,988	862	154	144	-33	39,777
4. Prepayments and construction in process	2,937	775	0	-692	-70	2,950
	119,007	4,871	797	-545	-448	122,048
III. Financial assets						
1. Shares in affiliated companies	5,730	5	0	0	0	5,735
	5,730	5	0	0	0	5,735
	145,088	5,472	797	0	-519	149,244

Accumulated depreciation and amortization					Book values	
01.01.2024	Additions (+)	Disposals (-)	Change in currency	31.12.2024	31.12.2024	31.12.2023
9,226	108	0	-21	9,313	648	310
10,800	0	0	0	10,800	15	15
0	0	0	0	0	685	0
20,026	108	0	-21	20,113	1,348	325
14,205	596	37	-50	14,714	8,748	8,913
41,717	1,924	433	-224	42,984	12,875	12,247
34,276	1,313	154	4	35,439	4,338	4,712
0	0	0	0	0	2,950	2,937
90,198	3,833	624	-270	93,137	28,911	28,809
5,311	0	0	0	5,311	424	419
5,311	0	0	0	5,311	424	419
115,535	3,941	624	-291	118,561	30,683	29,553

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AdCapital AG, Tuttlingen
Consolidated statement of changes in equity for 2024

All figures in K€

	Parent company						Minority shareholders	Group equity
	Subscribed capital Ordinary shares	Capital reserve	Retained earnings	Consolidated net profit / loss	Balancing item from currency translation	Equity	Minority interests in equity	
01.01.2023	41,700	4,592	18,064	-20,730	1,414	45,040	5,301	50,341
Dividend	0	0	0	0	0	0	-1,037	-1,037
Debt consolidation (DRS 25)	0	0	0	0	0	0	0	0
Allocation to retained profits	0	0	0	0	0	0	0	0
Annual result	0	0	0	-2,473	0	-2,473	1,698	-775
Other changes	300	0	-300	10	-307	-297	-347	-644
Overall result	300	0	-300	-2,463	-307	-2,770	314	-2,456
31.12.2023	42,000	4,592	17,764	-23,193	1,107	42,270	5,615	47,885
01.01.2024	42,000	4,592	17,764	-23,193	1,107	42,270	5,615	47,885
Dividend	0	0	0	0	0	0	-1,672	-1,672
Annual result	0	0	0	-5,052	0	-5,052	854	-4,198
Other changes	0	0	0	-185	-1,006	-1,191	179	-1,012
Overall result	0	0	0	-5,237	-1,006	-6,243	-639	-6,882
31.12.2024	42,000	4,592	17,764	-28,430	101	36,027	4,976	41,003

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AdCapital AG, Tuttlingen
Consolidated cash-flow statement for 2024

All figures in K€

		2024	2023
Period result (including profit attributable to minority interests)		-4,198	-775
+/-	Depreciations/appreciations of fixed asset items	3,941	4,015
+/-	Increase/decrease in provisions	-929	-4,001
+/-	Other non-cash expenses/income	176	-136
+/-	Decrease/increase in inventories, trade receivables and other assets not attributable to investment or financing activities	6,547	585
+/-	Increase/decrease in trade payables and other liabilities not attributable to investment or financing activities	831	451
+/-	Loss/profit from the disposal of fixed asset items	-476	3
+/-	Interest expenses/interest income	2,268	1,895
+/-	Income tax expenses/income	1,153	1,463
-/+	Income tax payments	-850	-1,528
Cash-flow from operating activities		8,464	1,972
-	Payments for investments in intangible fixed assets	-596	-164
+	Proceeds from disposals of fixed tangible assets	649	75
-	Payments for investments in tangible fixed assets	-4,871	-6,146
-	Payments for investments in financial assets	-5	0
+	Proceeds from disposals of financial assets	0	598
+	Interest received	27	52
Cash-flow from investment activities		-4,796	-5,585

All figures in K€

		2024	2023
+	Proceeds from the raising of credits	1,647	8,173
-	Payments for the repayment of credits	-3,593	-4,045
-	Interest paid	-2,243	-1,947
-	Dividends paid to minority shareholders	-59	-1,037
Cash-flow from financing activities		-4,248	1,144
Cash-effective change in cash and cash equivalents		-580	-2,469
+/-	Exchange-rate related changes in cash and cash equivalents	0	81
+	Cash and cash equivalents at the beginning of the period	4,476	6,864
=	Cash and cash equivalents at the end of the period *)	3,896	4,476

*) Cash and cash equivalents exclusively comprise cash and cash at bank

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Notes to the consolidated financial statements for the fiscal year 2024

1. General information on the Company

AdCapital AG is an industrial holding company with an investment focus on the electrical engineering, metal and plastics processing, mechanical engineering, toolmaking and automotive sectors.

It is registered in the commercial register at the Stuttgart Local Court under the number HRB 225669. The Company's shares are traded on the Frankfurt Stock Exchange's Basic Board. The Company is not subject to the German Commercial Code's provisions applicable to capital market-oriented companies pursuant to Art. 264d HGB (German Commercial Code).

AdCapital AG's registered office is in Germany, 78532 Tuttlingen, Daimlerstraße 14. Since November 2020, there has been a permanent establishment of the AG with its business address at Im Ermlisgrund 11, 76337 Waldbronn, which is registered in the commercial register and is the place of the Company's management.

2. Accounting and valuation methods

2.1 Basis for the financial statements' preparation

The currency used in the consolidated financial statements is EUR (€). The figures in the consolidated financial statements are generally stated in KEUR (K€).

Pursuant to Art. 290 HGB, AdCapital AG is required to prepare consolidated financial statements and a group management report. AdCapital AG's consolidated financial statements as of December 31, 2024 have been prepared in accordance with the provisions pursuant to German Commercial Code and German Stock Corporation Act.

In order to enhance the presentation's clarity, consolidated balance sheet and consolidated income statement items are combined and presented separately in the notes to the consolidated financial statements.

For the sake of clarity, the notes required by law to be made to the balance sheet and the income statement items, as well as the notes which may optionally be made in the balance sheet, the income statement or the notes to the financial statements,

have all been presented in the notes to the consolidated financial statements.

The income statement has been prepared according to the total cost method.

2.2 Applied accounting and valuation methods

Internally generated fixed intangible assets are not capitalized.

Acquired intangible assets are capitalized at cost and amortized on a straight-line basis. The useful lives are 3 to 10 years. The capitalized goodwill from capital consolidation is amortized on a straight-line basis over a useful life of 15 years. The useful life is based on the expected remaining useful life of existing customer relationships and operational know-how.

Tangible assets are recognized at acquisition or manufacturing costs, reduced by scheduled straight-line depreciations. Depreciations are calculated on the basis of the following useful lives: Buildings 10 to 50 years, technical equipment and machinery as well as other equipment, factory and office equipment 2 to 15 years.

Low-value assets are fully depreciated in the year of acquisition and reported as disposals in the assets analysis.

Non-scheduled depreciation or amortization is made if this is required in order to recognize intangible or tangible assets at a lower value to be attributed to them on the reporting date, if the impairment is expected to be permanent.

Financial assets are recognized at acquisition costs including incidental acquisition costs or the lower fair value. They are depreciated to the lower fair value if such value is expected to be permanent.

Inventories of raw materials, supplies and merchandise are recognized at the lower of average acquisition costs including incidental costs or the stock exchange or market price or the fair value at the balance sheet date. Work in progress and finished goods have been valued at manufacturing cost. These include direct material and production costs, special production costs as well as appropriate surcharges for material and production overheads. Manufacturing costs also include proportionate depreciations on production equipment and administrative expenses for materials and production. Inventory risks due to slow-moving items or long storage periods are taken into account by depreciations.

Receivables are valued at their nominal amount. The impairment of doubtful or uncollectible receivables is reasonably taken into account by appropriate individual value adjustments. The general credit risk is taken into account by means of a general value adjustment. Non-interest-bearing or low-interest receivables are not discounted due to their insignificance or short remaining terms.

Other assets are valued by taking into account the type of asset, based on acquisition costs or nominal value and, if applicable, reduced by depreciations.

Bank balances and cash on hand have been recognized at nominal value.

Prepayments that represent expenses in future periods are recognized pro rata temporis under prepaid expenses.

Subscribed capital has been recognized at nominal value.

Pension provisions are valued, according to actuarial principles, at present value. The projected unit credit method with the "2018 G" mortality tables by Prof. Dr. Klaus Heubeck was used for the valuation. A pension trend of 0 % to 1.7 % has been applied as in the previous year. The 10-year average interest rates determined and published monthly by Deutsche Bundesbank in accordance with Art. 253 (2) Sentence 4 HGB are used for discounting (reporting year: 1.25 to 1.89 %, previous year: 1.06 to 1.82 %).

In accordance with Art. 246 (2) HGB, liabilities are offset against assets if they are used exclusively to settle liabilities arising from pension obligations or comparable long-term obligations and are not accessible to all other creditors. In case of an excess of assets over liabilities, such excess is reported under the item "Excess of plan assets over pension liabilities".

Tax provisions and other provisions take into account all identifiable risks and uncertain liabilities. They are recognized at the settlement amount required pursuant to prudent commercial assessment.

Liabilities have been recognized at their respective settlement amounts.

Provisions or non-interest-bearing liabilities with a remaining term of more than one year are discounted in accordance with their remaining term at the past seven years' average market interest rate.

Income received prior to the balance sheet date is recognized as deferred income on the liabilities side to the extent it represents income for a certain period after such date.

Deferred taxes are recognized according to the temporary concept. No deferred tax assets are recognized for tax loss carryforwards. Deferred tax assets and liabilities are netted.

2.3 Group of consolidated companies and consolidation methods

The consolidated financial statements include AdCapital AG, Tuttlingen, as well as the significant affiliated companies in which AdCapital AG directly or indirectly holds 50% or more of the voting rights or over which it can otherwise exercise a controlling influence. Thus, in addition to AdCapital AG, 16 companies had to be included in the consolidated financial statements as of December 31, 2024 (previous year: 16).

A total of five (previous year: four) companies with a low business volume or no business operations are not included in the consolidated financial statements in accordance with Art. 296 (2) HGB due to their minor significance for the presentation of the Group's net assets, financial position and profit situation.

One associated company, too, has not been included on the basis of the equity method for reasons of materiality.

A complete list of the consolidated companies is included in the notes.

The consolidated financial statements are based on the annual financial statements of the companies included in the Group, which have been prepared in accordance with uniform accounting and valuation principles. Correspondingly, the assets and liabilities included in the consolidated financial statements have been recognized in accordance with the uniform Group accounting and valuation principles applicable to all Group companies.

Capital consolidation is made in accordance with Art. 301 HGB according to the purchase method. Investments acquired or sold during the year are included in the consolidated financial statements from the actual date of acquisition and until the actual date of disposal, respectively. The acquisition costs of a corporate transaction are valued according to the fair value of the assets given and liabilities incurred or assumed at the date of acquisition, plus any directly attributable acquisition costs. Identifiable assets acquired and liabilities assumed during a

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business combination are valued at their fair values at the acquisition date, irrespective of the extent of any minority interest in equity. The excess of the business acquisition’s costs over the net fair value of the proportionate assets acquired and liabilities assumed is recognized as goodwill.

All intercompany transactions and balances are fully eliminated within the scope of consolidation. Intercompany profits and losses pursuant to Art. 304 HGB are eliminated unless they are of minor importance.

3. Currency translation

With the exception of equity, asset and liability items in the subsidiaries’ financial statements prepared in foreign currencies are translated into Euro at the average spot exchange rate on the reporting date. Income statement items are translated into Euro at the average exchange rate in each case. Differences resulting from currency translation are reported separately within equity under “Balancing item from currency translation”. This item also includes currency translation differences in the context of debt consolidation and elimination of intercompany profits.

In the financial statements prepared in euros, foreign currency transactions for receivables and liabilities are translated according to the average spot exchange rate applicable on the reporting date. In accordance with Art. 256a (2) HGB, Art. 253 (1) sentence 1 and Art. 252 (1) no. 4 HGB were not applied for remaining terms of one year or less and the translation was therefore made in accordance with the provisions of Art. 256a HGB.

4. Notes to the consolidated balance sheet

4.1 Fixed assets

The development of fixed assets is shown in the consolidated assets analysis. Additions of companies consolidated for the first time and disposals of companies sold are reported separately under acquisition costs and under depreciation and amortization.

Fixed assets are structured as follows:

	31.12.2024 K€	31.12.2023 K€
Acquired concessions, industrial property and similar rights and assets as well as licences in such rights and assets	648	310
Goodwill from capital consolidation	15	15
Advance payments	685	0
Intangible assets	1,348	325

Acquired intangible assets are capitalized at cost and amortized according to schedule.

	31.12.2024 K€	31.12.2023 K€
Land, similar rights and buildings including buildings on leasehold land	8,748	8,913
Technical equipment and machinery	12,875	12,247
Other equipment, factory and office equipment	4,338	4,712
Advance payments and construction in process	2,950	2,937
Tangible assets	28,911	28,809

	31.12.2024 K€	31.12.2023 K€
Shares in non-consolidated companies	424	419
Financial assets	424	419

4.2 Inventories

Inventories are structured as follows:

	31.12.2024 K€	31.12.2023 K€
Raw materials and supplies	22,650	22,997
Work in progress	4,725	5,296
Finished goods and merchandise	17,236	19,650
Prepayments	100	194
	44,711	48,137

4.3 Receivables and other assets

Receivables and other assets are structured as follows:

	Total K€	Maturity up to 1 year K€	Maturity more than 1 year K€
Trade receivables (previous year)	14,235 (17,529)	14,235 (17,529)	0 (0)
Receivables from affiliated companies * (previous year)	5 (1,094)	5 (1,094)	0 (0)
Other assets (previous year)	9,083 (10,504)	9,083 (10,504)	0 (0)
	23,323 (29,127)	23,323 (29,127)	0 (0)

* (including from trade receivables K€ 5 (previous year: K€ 3))

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4.4 Cash and cash equivalents

Cash and cash equivalents in the amount of K€ 3,896 (previous year: K€ 4,476) include cash on hand, Postbank balances, bank balances and checks.

4.5 Prepaid expenses and deferred charges

Prepaid expenses in the amount of K€ 601 (previous year: K€ 543) include expenses incurred prior to the reporting date representing expenses for a certain period after such date. As in the previous year, no discount is included.

4.6 Equity

Please refer to the separate statement of changes in equity.

Subscribed capital and capital reserve

The capital stock amounts to K€ 42,000 (previous year: K€ 42,000).

The capital stock is divided into 14,000,000 no-par value bearer shares. Each share has an arithmetical interest in the capital stock of € 3.00 (previous year: € 3.00).

Shares outstanding

In 2009, 371,116 treasury shares were acquired and offset directly against retained earnings in an amount equal to the acquisition costs of K€ 2,269. The amount in the capital stock is K€ 1,105. In 2024, no treasury shares were sold, so that, as in the previous year, a total of 58,430 shares with an arithmetical share in the capital stock of K€ 174 are still held by AdCapital AG itself. This corresponds to a share of 0.4 % of the share capital.

Therefore, unchanged from the previous year, a total number of 13,941,570 shares was outstanding as of the balance sheet date.

Unchanged from the previous year, the capital reserve amounts to K€ 4,592.

4.7 Retained earnings and net profit/loss

Retained earnings and the net loss amount to K€ -10,666 (previous year: K€ -5,429).

The generated consolidated equity includes the Group companies' annual results (excluding minority interests in the annual results), the consolidation entries affecting equity, and the withdrawals from AdCapital AG's retained earnings less the dividends paid to AdCapital AG's shareholders.

For details, please refer to the statement of changes in equity.

4.8 Balancing item from foreign currency translation

Currency translation differences were incurred for foreign investments in the Czech Republic, the USA, China, Moldova and Mexico.

Please refer to the statement of changes in equity.

4.9 Minority interests

The minority interests in the consolidated subsidiaries' equity relate in particular to Jaeger Poway Automotive Systems Ltd. (Shenzhen) and Jaeger Poway Ltd.

4.10 Provisions

	31.12.2024 K€	31.12.2023 K€
Provisions for pensions and similar obligations	2,925	2,912
Tax provisions	903	760
Other provisions	5,699	6,641
	9,527	10,313

Provisions for pensions and similar obligations take into account claims by various Group companies' employees.

Settlement amounts for pension obligations were netted against the existing reinsurance policy's fair value if the requirements pursuant to Art. 246 (2) HGB were met. The acquisition costs of the offset assets are derived from the pro-rata contributions made to the reinsurance policy in the past.

	Balance sheet 31.12.2024 K€	Acquisition costs K€	Income statement K€	Income statement K€
Pension provision	3,328			
Reinsurance's asset value	403	403		
Expenses for pensions				74
Interest income from asset value			55	
Offset interest expense from pension provision			6	
After offsetting	2,925		49	

Pension payments within the Group amounted to K€ 233 in the reporting year (previous year: K€ 254).

The difference blocked for distribution in accordance with Art. 253 (6) sentence 1 HGB amounts to K€ 26.

Tax provisions relate to fiscal years not yet assessed.

Other provisions have been recognized mainly for personnel expenses, warranty expenses, annual financial statements and audit costs, legal and consulting fees, and for other uncertain liabilities to third parties.

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4.11 Liabilities

Liabilities are structured as follows:

	Total K€	Maturities up to 1 year K€	Maturities more than 1 year K€	Maturities thereof more than 5 years K€
Payables to banks (Previous year)	29,419 (31,223)	21,463 (22,954)	7,956 (8,269)	0 (1,235)
Prepayments received on account of orders (Previous year)	198 (965)	198 (965)	0 (0)	0 (0)
Trade payables (Previous year)	13,815 (14,249)	13,815 (14,249)	0 (0)	0 (0)
Payables to companies in which the Company has a participating interest (Previous year)	30 (30)	30 (30)	0 (0)	0 (0)
Other liabilities (Previous year)	9,250 (7,326)	5,208 (3,500)	4,042 (3,826)	0 (437)
	52,712	40,714	11,998	0
(Previous year)	(53,793)	(41,698)	(12,095)	(1,672)

Other liabilities include tax liabilities in the amount of K€ 768 (previous year: K€ 680) and social security liabilities in the amount of K€ 937 (previous year: K€ 453).

Of liabilities, an amount of K€ 17,960 (previous year: K€ 5,283) was secured by mortgages, bank guarantees and other collateral.

4.12 Deferred taxes

Art. 274 HGB provides a general option for the recognition of deferred tax assets resulting from the standalone financial statements. However, they must be capitalized at least in an amount equal to deferred tax liabilities. Apart from that, no

use has been made of the optional capitalization pursuant to Art. 274 HGB.

In contrast hereto, deferred tax assets arising from consolidation must mandatorily be recognized in accordance with Art. 306 HGB; they were reported by exercising the option pursuant to Art. 306 HGB and by netting them against deferred tax liabilities (K€ 0; previous year: K€ 0).

Deferred tax assets in the amount of K€ 31 (previous year: K€ 192) mainly resulted from the elimination of intercompany profits. Tax rates between 19 % and 30 % were applied in the valuation of deferred taxes.

The change in deferred taxes can be presented as follows:

	01.01.2024 K€	Addition K€	Consumption K€	31.12.2024 K€
Deferred tax assets	191	0	160	31
Deferred tax liabilities	0	0	0	0

Deferred taxes on loss carryforwards were not capitalized.

5. Notes to the consolidated income statement

5.1 Sales revenues

Sales revenues are structured as follows according to regions:

	2024 K€	2023 K€
Germany	47,925	49,335
EU (excl. Germany)	62,426	62,440
Abroad	48,644	53,344
	158,995	165,119

Sales revenues are structured as follows according to regions:

	2024 K€	2023 K€
Automotive	98,099	105,531
Energy	41,190	41,742
Plastics processing	7,149	7,977
Electrical engineering	12,413	9,725
Other	144	144
	158,995	165,119

5.2 Other operating income

	2024 K€	2023 K€
Income from the sale of fixed assets	477	58
Income from the reversal of provisions	81	3,311
Currency gains	2,616	3,542
Other	5,689	376
	8,863	7,287

Income relating to other periods was recognized in the total amount of K€ 558 (previous year: K€ 3,369). This related to income from the sale of fixed assets in the amount of K€ 477 (previous year: K€ 58) as well as reversal of provisions in the amount of K€ 81 (previous year: K€ 3,311).

5.3 Cost of materials	2024 K€	2023 K€
Cost of raw materials, supplies and purchased goods	83,628	87,371
Cost of purchased services	2,050	2,002
	85,678	89,373

5.4 Personnel expenses / number of employees

	2024 K€	2023 K€
Wages and salaries	39,218	37,525
Social security and pensions – of which relating to pensions K€ 85 (previous year: K€ 93)	7,850	7,370
	47,068	44,895

The average number of employees for the year is as follows:

	2024	2023
Direct employees	1,118	1,056
Indirect employees	305	293
	1,423	1,349

Direct employees are persons who are directly involved in the production process.

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5.5 Depreciation and amortization

	2024 K€	2023 K€
Scheduled depreciation and amortization of fixed tangible and intangible assets	3,914	4,015
Non-scheduled depreciation of tangible assets	27	0
	3,941	4,015

Please also refer to the information in the assets analysis.

5.6 Other operating expenses

	2024 K€	2023 K€
General operating expenses	5,027	3,899
Rent and lease, occupancy costs	3,340	3,536
Currency losses	3,292	3,141
Transport costs	3,178	2,973
Personnel leasing	3,083	2,200
Energy costs	2,445	2,283
Legal and consulting fees	2,246	2,096
Repairs and maintenance	2,107	2,007
IT costs	1,386	947
Distribution and advertising costs	1,126	1,286
Insurances	1,125	911
Travel expenses	1,079	729
Vehicle costs	919	923
Other administrative expenses	551	280
Communication costs	482	470
License fees (excl. IT)	421	425
Commissions	376	358
Other	1,632	1,134
	33,815	29,598

Expenses related to other periods amounted to K€ 226 (previous year: K€ 47). They include bad debts, additions to individual and general value adjustments on receivables and other costs related to other periods.

5.7 Financial result

	2024 K€	2023 K€
Other interest and similar income	27	51
Interest and similar expenses	-2,295	-1,946
	-2,268	-1,895

Interest expenses from the compounding of provisions amounted to K€ 52 (previous year: K€ 58).

5.8 Taxes on income

	2024 K€	2023 K€
Income taxes in the fiscal year	1,030	2,196
Income (-)/Expenses (+) from change in deferred taxes	160	19
Other income taxes Previous years	-37	-13
	1,153	2,202

6. Contingent liabilities / off-balance-sheet transactions / other financial obligations

Erich Jaeger GmbH + Co. KG is liable for outstanding liabilities of the subsidiaries Erich Jaeger s.r.o., Koprivnice, Czech Republic, and Erich Jaeger Mexico, S. de R.L. de C.V. from existing rental agreements in the form of guarantees.

Based on the information obtained up to the time of preparation, the Company currently assumes that the obligations underlying the contingent liabilities can be met by the respective principal debtors. The risk of a claim arising from the contingent liabilities listed is not considered likely because the companies are reporting growth in both sales and profits for the coming years on the basis of multi-year planning.

AdCapital Group's other financial obligations are as follows:

	31.12.2024 K€	31.12.2023 K€
Other financial obligations	21,890	14,448
Obligations from commitments, rent and leasing contracts		

There are no other transactions or obligations not included in the consolidated balance sheet or the notes to the consolidated financial statements.

7. Management Board

The following person is the Company's CEO:

Dr. Andreas J. Schmid

In accordance with Art. 286 (4) HGB, the Management Board's compensation is not disclosed.

8. Supervisory Board

The following persons have been appointed to the Supervisory Board:

Chairwoman

Dr. Sonja Zobl-Leibinger,
Self-employed attorney-at-law

Deputy Chairman

Dr. Christoph Zobl,
Self-employed attorney-at-law

Further members

Mr. Hans-Joachim Holstein,
Business Consultant

Mr. Maximilian Meyer zu Schwabedissen,
German CPA

In the 2024 fiscal year, expenses of K€ 111 (previous year: K€ 105) were incurred for the Supervisory Board's remuneration.

9. Auditor's total fee

	2024 K€	2023 K€
Audit of annual and consolidated financial statements of the current year	320	255
Tax consulting fees	52	33
	372	288

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10. Significant transactions with related parties

AdCapital AG has not entered into any transactions with related parties at non-arm’s length terms.

11. AdCapital AG’s Group companies, consolidated on the basis of full consolidation (shareholdings of 50 % and more)

In addition to AdCapital AG, the following 16 companies have been included in the consolidated financial statements:

Name	Registered office	Share in capital in %
AdCapital Beteiligungs GmbH	Tuttlingen	100.00
EP Connectors GmbH	Bruchsal	100.00
Berliner Elektro-Technik GmbH	Tuttlingen	100.00
Bavaria Digital Technik GmbH	Pfronten	100.00
FRAKO Kondensatoren- und Anlagenbau GmbH	Teningen	100.00
Erich Jaeger GmbH + Co. KG	Friedberg	100.00
Erich Jaeger s.r.o.	Kopřivnice (Czech Republic)	100.00
Jaeger France SARL	Lyon (France)	100.00
Erich Jaeger Mexico, S. de R.L.	Piedras Negras (Mexico)	99.00
Erich Jaeger U.S.A. Inc.	Plymouth, MI (USA)	100.00
Erich Jaeger MOL S.R.L.	Chisinau (Moldova)	100.00
Jaeger Poway Ltd.	Hongkong (China)	60.00
Jaeger Poway Automotive Systems (Shenzhen) Ltd.	Shenzhen (China)	60.00
KTS Kunststoff Technik Schmölln GmbH	Schmölln	100.00
Taller GmbH	Waldbronn	99.95
OPUS Grundstücksgesellschaft mbH	Heiligkreuzsteinach	100.00

12. AdCapital AG’s Group companies, not consolidated

The following companies are not consolidated due to their insignificant balance sheet total and sales or insufficient influence:

Name	Registered office	Share in capital in %
Jaeger Verwaltungs GmbH	Friedberg	100.00
fps Verwaltungs GmbH	Teningen	100.00
OPUS GmbH	Schönau	50.00
AdCapital Invest, GmbH i.L.*	Tuttlingen	100.00
frako power systems GmbH & Co. KG	Teningen	100.00
Facundo Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG	Mainz	100.00

* Deleted from the commercial register on January 16, 2024

For reasons of immateriality, profit and equity pursuant to Art. 313 (2) No. 4 sentence 3 HGB were not disclosed.

13. Appropriation of profits as proposed by the parent company

AdCapital AG’s annual financial statements as of December 31, 2024 show an annual net loss of K€ 3,334. A proposal was made to the Annual General Meeting to carry forward the annual net loss to new account.

14. Other information

The consolidated financial statements as of December 31, 2024 will be filed with the commercial register at the Stuttgart Local Court and published in the electronic Federal Gazette.

15. Supplementary report

There were no significant events of particular importance after the balance sheet date.

Tuttlingen, May 7, 2025

AdCapital AG



Dr. Andreas J. Schmid
CEO

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 - Consolidated income statement
 - Consolidated assets analysis
 - Consolidated statement of changes in equity
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Independent Auditor's Report

To AdCapital AG, Tuttlingen:

Audit opinions

We have audited AdCapital AG, Tuttlingen and its subsidiaries' (the Group) consolidated financial statements, comprising the consolidated balance sheet as of December 31, 2024, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the fiscal year from January 1, 2024 through December 31, 2024 as well as the notes to the consolidated financial statements, including a presentation of accounting and valuation methods. In addition, we have audited AdCapital AG, Tuttlingen's group management report for the fiscal year from January 1, 2024 through December 31, 2024.

According to our assessment based on our audit's findings

- the attached consolidated financial statements comply, in all material respects, with the provisions pursuant to German commercial law and provide, in compliance with German generally accepted accounting principles, a true and fair view of the Group's assets and financial position as of December 31, 2024, and of its profit situation for the fiscal year from January 1, 2024 through December 31, 2024; and
- the attached group management report as a whole provides a true and fair view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of the Group's future development.

Pursuant to Art. 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the consolidated financial statements' and the group management report's legal compliance.

Basis for the audit opinions

We have conducted our audit of the consolidated financial statements and of the group management report in accordance with Art. 317 HGB and in compliance with German Generally Accepted Standards for the Audit of Financial Statements promulgated by the Institute of Public Auditors in Germany (In-

stitut der Wirtschaftsprüfer; "IDW"). Our responsibilities under these requirements and principles are further described in our auditor's report's section "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report". We are independent of the Group companies in accordance with the requirements pursuant to German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe the audit evidence we have obtained is sufficient and appropriate in order to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Legal Representatives' and Supervisory Board's Responsibilities for the Consolidated Financial Statements and the Group Management Report

The legal representatives are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the requirements pursuant to German commercial law and that the consolidated financial statements, in compliance with German generally accepted accounting principles, provide a true and fair view of the Group's assets, financial position, and profit situation. Furthermore, the legal representatives are responsible for such internal controls they have, in compliance with German generally accepted accounting principles, deemed necessary in order to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud (i.e., manipulation of accounting and property damage) or error.

When preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility to disclose, as applicable, matters related to the going concern principle. Furthermore, they are responsible for financial reporting on a going concern basis unless otherwise required due to actual or legal circumstances.

Furthermore, the legal representatives are responsible for the preparation of the group management report that, as a whole, provides a true and fair view of the Group's position and is, in all material respects, consistent with the consolidated finan-

cial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for such precautions and measures (systems) they have deemed necessary in order to enable the preparation of a group management report in accordance with the applicable German legal requirements and in order to be able to provide sufficient appropriate evidence for the statements made in the group management report.

The Supervisory Board is responsible for monitoring the Group's financial reporting process for the preparation of the consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Group Management Report

Our objective is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and whether the group management report as a whole presents a true and fair view of the Group's position and is, in all material respects, consistent with the consolidated financial statements and the knowledge obtained during our audit, complies with German legal requirements and appropriately presents the opportunities and risks of the Group's future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Art. 317 HGB and in compliance with German Generally Accepted Standards for the Audit of Financial Statements promulgated by the IDW will always detect any material misstatement. Misstatements can arise from fraud or error and are considered material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and the group management report.

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

- identify and assess the risks of material misstatements in the consolidated financial statements and the group management report, whether due to fraud or error, plan and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting any material misstatements resulting from fraud is higher than the risk of not detecting any material misstatements resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;
- obtain an understanding of the internal controls relevant for the audit of the consolidated financial statements and of arrangements and measures relevant for the audit of the group management report, in order to plan audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the Group's internal controls or of these precautions and measures;
- evaluate the appropriateness of accounting policies applied by the legal representatives and the reasonableness of accounting estimates and the related disclosures made by the legal representatives;
- draw conclusions on the appropriateness of the going concern principle applied by the legal representatives and, based on the audit evidence obtained, whether there is a material uncertainty in connection with events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that there is a material uncertainty, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the group management report or, if such disclosures are inadequate, to modify our respective audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit certificate. However, future events or conditions may cause the Group to cease to continue as a going concern;

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- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements, in compliance with German generally accepted accounting principles, provide a true and fair view of the Group's assets, liabilities, financial position and profit situation;
- obtain sufficiently appropriate audit evidence regarding the financial information of the entities or business activities within the Group in order to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions;
- evaluate the group management report's consistency with the consolidated financial statements, its conformity with German law, and its presentation of the Group's situation;
- perform audit procedures on the prospective information presented by the legal representatives in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the legal representatives as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We discuss with the supervisors, inter alia, the planned scope and timing of the audit as well as significant audit findings, including any significant deficiencies in the internal controls we identify during our audit.

Stuttgart, May 7, 2025

Baker Tilly GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Manuel Prinz
German CPA

Jürgen Bechtold
German CPA

AdCapital AG, Tuttlingen
Consolidated financial statements as of December 31, 2024
and group management report for the 2024 fiscal year

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AdCapital AG, Tuttlingen
Balance sheet as of December 31, 2024

ASSETS	Notes	31.12.2024	31.12.2023
A. Fixed assets	3.1	€	K€
I. Intangible assets		0.00	0
II. Tangible assets		5,583,054.86	5,232
III. Financial assets		49,092,717.17	49,093
		54,675,772.03	54,325
B. Current assets	3.2		
I. Receivables and other assets		9,060,139.30	9,811
II. Cash on hand, bank balances		984,015.89	1,247
		10,044,155.19	11,058
C. Prepaid expenses and deferred charges		24,615.59	19
		64,744,542.81	65,402
EQUITY AND LIABILITIES	Notes	31.12.2024	31.12.2023
A. Equity	3.3	€	K€
I. Subscribed capital		42,000,000.00	42,000
II. Capital reserve		4,592,052.68	4,592
III. Retained earnings		17,763,687.48	17,764
IV. Net loss		-3,584,872.58	-251
		60,770,867.58	64,105
B. Provisions	3.4	560,123.00	462
C. Liabilities	3.5	3,413,552.23	835
		64,744,542.81	65,402

AdCapital AG, Tuttlingen
Income statement for the fiscal year 2024

	Notes	2024	2023
		€	K€
1. Sales revenues	4.1	1,122,623.76	1,123
2. Other operating income incl. from currency translation EUR 0,00 (previous year KEUR 0)	4.2	862,122.31	575
		1,984,746.07	1,698
3. Personnel expenses	4.3	1,139,000.66	-871
4. Depreciation and amortization of fixed tangible and intangible assets	4.4	-119,650.36	-119
5. Other operating expenses incl. from currency translation EU 0,00 (previous year KEUR 0)	4.5	-4,424,531.82	-3,493
6. Financial result	4.6	359,790.57	343
7. Taxes on income	4.7	20,752.03	0
8. Earnings after taxes		-3,317,894.17	-2,442
9. Other taxes	4.8	-15,961.11	-16
10. Annual net loss		-3,333,855.28	-2,458
11. Profit/loss carried forward		-251,017.30	2,207
12. Dividend distribution		0.00	0
13. Allocation to retained earnings		0.00	0
14. Net loss		-3,584,872.58	-251

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AdCapital AG, Tuttlingen
Development of fixed assets during the fiscal year 2024

All figures in K€

	Acquisition or manufacturing costs				
	as of 01.01.2024	Additions (+)	Disposals (-)	Transfer	as of 31.12.2024
I. Intangible assets					
1. Software	1,506	0	0	0	1,506
	1,506	0	0	0	1,506
II. Tangible assets					
1. Land and buildings	5,416	24	0	0	5,440
2. Other equipment, factory and office equipment	239	7	4	0	242
3. Advance payments	0	444	0	0	444
	5,655	475	4	0	6,126
III. Financial assets					
1. Shares in affiliated companies	69,663	0	0	0	69,663
2. Loans to affiliated companies	0	0	0	0	0
3. Participating interests	0	0	0	0	0
	69,663	0	0	0	69,663
	76,824	475	4	0	77,295

	Depreciations /appreciations				Book values	
	as of 01.01.2024	Additions (+)	Disposals (-)	Transfer	as of 31.12.2024	as of 31.12.2023
	1,506	0	0	0	1,506	0
	1,506	0	0	0	1,506	0
	220	111	0	0	331	5,109
	203	9	0	0	212	30
	0	0	0	0	0	444
	423	120	0	0	543	5,583
	20,570	0	0	0	20,570	49,093
	0	0	0	0	0	0
	0	0	0	0	0	0
	20,570	0	0	0	20,570	49,093
	22,499	120	0	0	22,619	54,676

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Notes to the annual financial statements for the 2024 fiscal year

1. General information

AdCapital AG, registered office in Tuttlingen, is registered with the Stuttgart Local Court under register number HRB 225669. Since November 2020, the AG has a permanent establishment in 76337 Waldbronn, im Ermisgrund 11, which is registered in the commercial register and is the Company's place of management.

The annual financial statements have been prepared in accordance with the general valuation requirements pursuant to Art. 252 to 256a HGB and by taking into account the special accounting and valuation requirements for corporations (Art. 268, 270 to 272, 274 HGB) as well as the German Stock Corporation Act's supplementary provisions. For AdCapital AG's annual financial statements as of December 31, 2024, the provisions for small corporations pursuant to German Commercial Code apply. Accounting and valuation methods have been retained unchanged from the previous year. Please refer to the individual items' explanations in the notes.

The financial statements have been prepared in €.

2. Notes to the accounting and valuation methods

Intangible and tangible fixed assets are recognized at acquisition or manufacturing costs, reduced by scheduled and non-scheduled depreciation and amortization. Tangible fixed assets are depreciated according to the straight-line method. Low-value assets with an amount of up to € 1,000 are fully depreciated and reported as disposal in the year of acquisition. The assets' useful lives are three to five years.

Financial assets are recognized at the lower of cost or fair value. If the impairment test reveals a lower fair value on the basis of the approved corporate planning, such value is recognized if it is expected to be permanent. If the reasons for the write-downs no longer apply, they are reversed up to a maximum of the acquisition cost.

Receivables are valued at nominal values. Impairments of doubtful or uncollectible receivables are reasonably taken into account by corresponding individual value adjustments.

Other assets are valued by taking into account the asset's type on the basis of acquisition costs and, if applicable, reduced by depreciations.

Bank balances and cash on hand have been recognized at nominal value.

Prepayments that represent expenses in future periods are recognized pro rata temporis under prepaid expenses.

Equity has been recognized at nominal value.

Tax provisions and other provisions take into account all discernible risks and uncertain liabilities. They have been recognized at the settlement amount required pursuant to prudent commercial assessment. Provisions with a maturity of more than one year are discounted with the past seven fiscal years' average market rate according to their remaining term.

Liabilities have been recognized at their settlement amount.

Provisions or non-interest-bearing liabilities with a remaining term of more than one year are discounted in accordance with their remaining term at the past seven years' average market interest rate.

Foreign currency receivables are valued at the lower of the ask price as of the date of acquisition or the rate as of the reporting date, foreign currency liabilities at the higher of the bid price as of the date of acquisition or the rate as of the reporting date. If the foreign currency assets and liabilities have a remaining term of one year or less, Art. 253 (1) sentence 1 and Art. 252 (1) No. 4 HGB were not applied in accordance with Art. 256a HGB.

The income statement has been prepared according to the total cost method.

3. Notes to the balance sheet

3.1 Fixed assets

The development of fixed assets is presented in the assets analysis as attachment to these notes.

Financial assets comprise all directly held shares in affiliated companies as well as AdCapital AG's participations.

3.2 Receivables and other assets

Receivables and other assets are structured as follows:

	Total K€	Maturity up to 1 year K€	Maturity more than 1 year K€
Trade receivables (previous year)	0 (0)	0 (0)	0 (0)
Receivables from affiliated companies (previous year)	8,617 (8,690)	6,192 (6,487)	2,425 (2,203)
Receivables from other portfolio companies (previous year)	21 (1,094)	21 (1,094)	0 (0)
Other assets (previous year)	422 (27)	422 (27)	0 (0)
Total (previous year)	9,060 (9,811)	6,635 (7,608)	2,425 (2,203)

Receivables from affiliated companies mainly relate to granted loans in the amount of K€ 5,179 (previous year K€ 5,326) as well as drawdowns from the cash pool in the amount of K€ 4,661 (previous year: K€ 5,404) of AdCapital AG, each after deducting individual value adjustments as of December 31, 2024. AdCapital AG formed a cash pool with several associated companies, where both the parent company's and the subsidiaries' cash inflows and outflows are offset on the same day. The corresponding balance per subsidiary is recognized either as receivable from affiliated companies or as payable to affiliated companies.

Other assets mainly relate to tax receivables for the reporting year.

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3.3 Equity

The capital stock amounts to € 42,000,000 (previous year: € 42,000,000). Subscribed capital is divided into 14,000,000 (previous year: 14,000,000) no-par value bearer shares. Every share has an arithmetical interest in the share capital of € 3.

In 2009, 371,116 treasury shares were acquired and offset directly against retained earnings in an amount equal to the acquisition costs of K€ 2,269. The amount in the capital stock is K€ 1,105. In 2024, no treasury shares were sold, so that, as in the previous year, a total of 58,430 shares with an arithmetical share in the capital stock of K€ 174 are still held by AdCapital AG itself. This corresponds to a share of 0.4% of the share capital.

Therefore, unchanged from the previous year, a total number of 13,941,570 shares was outstanding as of the balance sheet date.

The capital reserve amounts, unchanged from the previous year, to K€ 4,592.

Retained earnings exclusively relate to other retained earnings and amount to K€ 17,764 (K€ 17,764).

The net loss developed as follows:

	31.12.2024 K€	31.12.2023 K€
Annual net loss	-3,334	-2,458
Loss/profit carried forward 01/01	-251	2,207
Dividend	0	0
Loss/profit carried forward 12/31	-251	2,207
Allocation to retained earnings	0	0
Net loss	-3,585	-251

3.4 Provisions

	31.12.2024 K€	31.12.2023 K€
Tax provisions	0	0
Other provisions	560	462
	560	462

Other provisions include in particular expenses for bonuses, Supervisory Board remuneration, as well as expenses for the preparation, auditing, and publication of the annual and consolidated financial statements and the annual report.

3.5 Liabilities

Liabilities are structured as follows:

	Total	incl. with a maturity up to 1 year	incl. with a maturity >1 year	incl. with a maturity more than 5 years
	K€	K€	K€	K€
Trade payables (previous year)	50 (24)	50 (24)	0 (0)	0 (0)
Payables to affiliated companies (previous year)	2,475 (671)	2,475 (671)	0 (0)	0 (0)
Other liabilities* (previous year)	889 (140)	889 (140)	0 (0)	0 (0)
Total (previous year)	3,414 (835)	3,414 (835)	0 (0)	0 (0)

* including from taxes: K€ 445 (previous year K€ 140)

Payables to affiliated companies mainly include liabilities arising from the cash pool and from the transfer of administrative expenses.

In addition to tax liabilities, other liabilities mainly include liabilities due to a leased machine.

4. Notes to the income statement

4.1 Sales revenues

	2024 K€	2023 K€
Sales revenues	1,123	1,123

Income mainly relates to income from the Group allocation agreement and rental income.

4.2 Other operating income

	2024 K€	2023 K€
Income from the reversal of value adjustments	101	95
Other proceeds and group-internal cost transfers	735	428
Income from the reversal of provisions	0	20
Income from the sale of fixed assets	0	0
Other income	26	32
	862	575

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4.3 Personnel expenses

Personnel expenses are made up as follows:

	2024 K€	2023 K€
Salaries	1,083	820
Social security contributions	56	50
	1,139	870

In the fiscal year, the average number of employees was 3 (previous year: 3). These are exclusively white-collar workers.

4.4 Depreciation and amortization of intangible and tangible fixed assets

	2024 K€	2023 K€
	120	119

A detailed presentation of the depreciation and amortization of intangible and tangible fixed assets can be seen from the assets analysis (attachment to the notes).

4.5 Other operating expenses

	2024 K€	2023 K€
Legal and consulting fees	598	390
Office rental expenses and land costs	2	3
Costs for annual report and annual general meeting	188	179
Administration costs	139	160
Insurances	191	126
Maintenance and servicing	495	377
Waiver of receivables from subsidiaries	2,507	2,059
Other	305	199
	4,425	3,493

The “Waiver of receivables” item results from agreements with subsidiaries. The debt waivers were issued as conditional debt waivers with debtor warrants, which lead to the receivables being reinstated if earnings develop positively.

Legal and consulting fees can be broken down as follows:

	2024 K€	2023 K€
Legal consulting	447	231
Audits of annual and consolidated financial statements	145	146
Tax consulting services	6	13
	598	390

4.6 Financial result

	2024 K€	2023 K€
Appreciations (+)/ Depreciations (-) of financial assets	0	0
Valuation result	0	0
Interest income from affiliated companies	372	352
Interest and similar income	0	1
Interest to affiliated companies	-4	-10
Interest to third parties	-8	0
Interest result	360	343
	360	343

4.7 Taxes on income

	2024 K€	2023 K€
Previous years' tax expense	21	0
Foreign withholding tax	0	0
	21	0

4.8 Other taxes

	2024 K€	2023 K€
Property tax	16	16
Vehicle tax	0	0
	16	16

5. Contingent liabilities, off-balance-sheet transactions and other financial obligations

There are six directly enforceable maximum amount guarantees in order to secure current account credit lines and other financing in the amount of K€ 29,126. The loans in question are valued at K€ 17,206 as of the balance sheet date. There is currently no risk for AdCapital AG to be held liable under such guarantees.

AdCapital AG's other financial obligations as of December 31, 2024 amount to a total of K€ 25 (previous year: K€ 5). They relate to IT maintenance agreements and car leasing agreements.

There are no further off-balance-sheet transactions.

6. Rights from debtor warrants

In previous years and in the reporting year, AdCapital AG issued various conditional debt waivers with better fortunes clauses to affiliated companies. These are divided among the respective debtor companies as follows:

	31.12.2024 K€	31.12.2023 K€
Berliner Elektro-Technik GmbH	7,770	7,770
KTS Kunststoff Technik Schmölln GmbH	263	263
Taller GmbH	4,807	2,300
	12,840	10,333

The revival of the receivables is in each case linked to the achievement of certain earnings and capital structure ratios, which were not achieved by any of the companies in the fiscal year 2024.

7. Consolidated financial statements

AdCapital AG, Tuttlingen, as the parent company, prepares consolidated financial statements (largest group of companies), which are published together with these annual financial statements in the electronic Federal Gazette.

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8. Management Board

The following person is the Company's CEO:
Dr. Andreas J. Schmid

9. Supervisory Board

The following persons have been appointed to the Supervisory Board:

Chairwoman
Dr. Sonja Zobl-Leibinger,
Self-employed attorney-at-law

Deputy chairman
Dr. Christoph Zobl,
Self-employed attorney-at-law

Further members
Mr. Hans-Joachim Holstein,
Business Consultant

Mr. Maximilian Meyer zu Schwabedissen,
German CPA

In the 2024 fiscal year, expenses of K€ 105 (previous year: K€ 105) were incurred for the Supervisory Board's remuneration.

10. Significant transactions with related parties

AdCapital AG has not entered into any transactions with related parties at non-arm's length terms.

11. Dependency report

There is no control agreement between the shareholder Mr. Günther Leibinger, who holds more than 50% of the shares, and AdCapital AG. Mr. Leibinger also holds interests in other companies. Therefore, AdCapital AG's Management Board is required to prepare a report on relations with affiliated companies pursuant to Art. 312 AktG.

The Management Board declares that, according to the circumstances known to the Management Board at the time the legal transaction was undertaken, or the measure was taken or omitted, AdCapital AG received appropriate consideration for each legal transaction and was not disadvantaged by the fact that the measure was taken or not taken.

12. Supplementary report

There were no significant events of particular importance after the balance sheet date.

13. Net loss

AdCapital AG's annual financial statements as of December 31, 2024 show an annual net loss of K€ 3,334. A proposal is made to the Annual General Meeting to carry forward the annual net loss to new account.

Waldbronn, May 7, 2025

AdCapital AG



Dr. Andreas J. Schmid
CEO

Independent Auditor's Report

To AdCapital AG, Tuttlingen:

Audit opinion

We have audited AdCapital AG, Tuttlingen annual financial statements, comprising the balance sheet as of December 31, 2024 and the income statement for the fiscal year from January 1, 2024 through December 31, 2024 as well as the notes to the annual financial statements, including a presentation of the accounting and valuation methods.

According to our assessment based on the knowledge obtained during the audit, the attached annual financial statements comply, in all material respects, with the requirements pursuant to German commercial law as applicable to corporations and provide, by taking into account German generally accepted accounting principles, a true and fair view of the Company's assets and financial position as of December 31, 2024 and of its profit situation for the fiscal year from January 1, 2024 through December 31, 2024.

Pursuant to Art. 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the annual financial statements' legal compliance.

Basis for our audit opinion

We have conducted our audit of the annual financial statements in accordance with Art. 317 HGB and in compliance with German Generally Accepted Standards for the Audit of Financial Statements as promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer; "IDW"). Our responsibilities pursuant to these requirements and principles are further described in the section "Auditor's Responsibilities for the Audit of the Annual Financial Statements" in our auditor's report. We are independent from the Company in accordance with the requirements pursuant to German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe the audit evidence we have obtained is sufficient and appropriate in order to provide a basis for our audit opinion expressed on the annual financial statements.

Legal Representatives' and Supervisory Board's Responsibilities for the Annual Financial Statements

The legal representatives are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements pursuant German commercial law as applicable to corporations and that the annual financial statements, in compliance with German generally accepted accounting principles, provide a true and fair view of the Company's assets, liabilities, financial position, and profit situation. Furthermore, the legal representatives are responsible for such internal controls they have determined, in accordance with German generally accepted accounting principles, as being necessary in order to provide for the preparation of annual financial statements that are free from material misstatements, whether due to fraud (i.e., manipulation of accounting and property damage) or error.

When preparing the annual financial statements, the legal representatives are responsible to assess the Company's ability to continue as a going concern. They also have the responsibility to disclose, as applicable, matters related to the continuation as a going concern. Furthermore, they are responsible for financial reporting based on the going concern principle unless otherwise required due to actual or legal circumstances.

The Supervisory Board is responsible to monitor the Company's financial reporting process for the preparation of the annual financial statements.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objective is to obtain reasonable assurance as to whether the annual financial statements as a whole are free from any material misstatements, whether due to fraud or error, as well as to issue an auditor's report that includes our audit opinion on the annual financial statements.

- Balance sheet
 - Income statement
 - Development of fixed assets
- Notes
 - Auditor's note

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Art. 317 HGB and in compliance with German Generally Accepted Standards for the Audit of Financial Statements as issued by the IDW will always detect any material misstatement. Mis-statements can arise from fraud or error and are considered material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and the management report.

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

- identify and assess the risks of material misstatements in the annual financial statements, whether due to fraud or error, plan and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting any material misstatements resulting from fraud is higher than the risk of not detecting any material misstatements resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;
- obtain an understanding of the internal controls relevant for the audit of the annual financial statements in order to plan audit procedures being appropriate under the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the Company's internal controls;
- evaluate the appropriateness of accounting methods applied by the legal representatives and the reasonableness of estimates made by the legal representatives as well as the related disclosures;
- draw conclusions on the appropriateness of the going concern principle applied by the legal representatives and, based on the audit evidence obtained, whether there is a material uncertainty in connection with events or conditions that may

cast significant doubt on the Company's ability to continue as a going concern. If we conclude that there is a material uncertainty, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our respective audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit certificate. 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 financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements provide, by taking into account German generally accepted accounting principles, a true and fair view of the Company's assets, liabilities, financial position and profit situation;

We discuss with the supervisors, inter alia, the planned scope and timing of the audit as well as significant audit findings, including any deficiencies in the internal controls we identify during our audit.

Stuttgart, May 7, 2025

Baker Tilly GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

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AdCapital AG, Tuttlingen
Annual Financial Statements as of December 31, 2024

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