



Interim Financial Report January to June 2024

SOLUTIONS FOR A WORLD ON THE MOVE

Revenue
1,114.5 EUR m

Operating EBIT
15.6 EUR m

Operating EBIT margin
1.4%

Equity ratio
19.8%

Net loss
-2.2 EUR m

Free cash flow
-57.3 EUR m

EBIT
18.8 EUR m

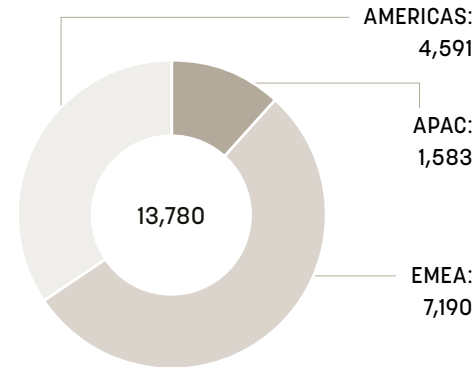
Capital expenditure
57.3 EUR m

Company profile

GRAMMER AG, which has its head office in Ursensollen, operates in two business segments: GRAMMER develops and produces high-quality interior and operating systems and innovative thermoplastic components for the global automotive industry. GRAMMER is a full service provider of driver and passenger seats for trucks, buses, trains and offroad vehicles. At present, GRAMMER AG has about 13,900 employees in 19 countries around the world. Its revenue in 2023 was about EUR 2.3 billion. GRAMMER shares are listed in the Prime Standard and traded on the Munich and Frankfurt stock exchanges as well as via the Xetra electronic trading platform.

Employees by region¹

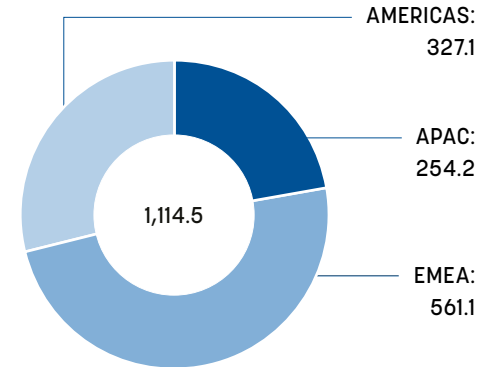
Annual average



¹ An average, 416 people were employed in Central Services.

Revenue by region²

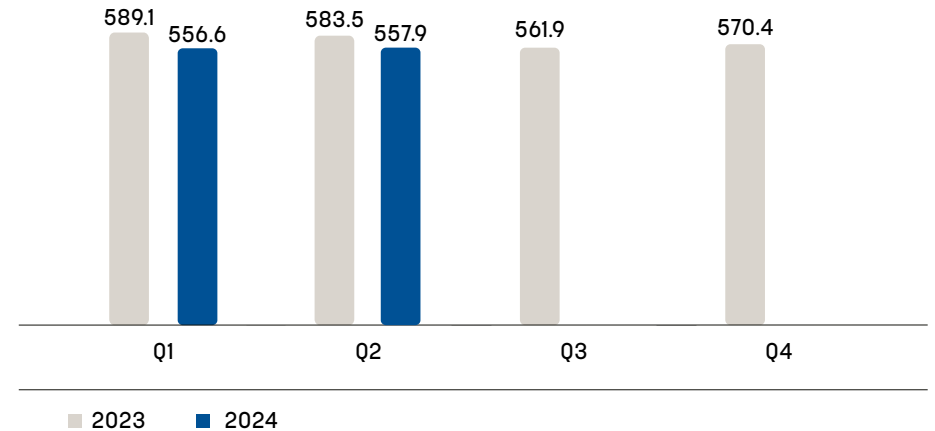
EUR m



² The consolidation effect of revenue between the regions amounts to EUR 279 million.

Revenue by quarter

EUR m



Operating EBIT by region

AMERICAS

-11.1
EUR m

EMEA

14.2
EUR m

APAC

23.7
EUR m

Overview of business performance

- The macroeconomic and industry-related uncertainties also had an impact on GRAMMER's business performance: Weaker demand in the EMEA region led to lower revenue in both product areas in the first half of 2024
- GRAMMER Group's revenue therefore declined in the reporting period, falling by 5.0% to EUR 1,114.5 million (01-06 2023: EUR 1,172.6 million); the Automotive product area showed a sideways trend with 0.3%, while the Commercial Vehicles product area recorded a significant drop in revenue of -14.4%
- As a result of this revenue trend and increased costs due to volatile plant capacity utilisation, ramp-up costs for the new Commercial Vehicles plant in North America and translation effects, GRAMMER recorded a significant decline in operating EBIT to EUR 15.6 million (01-06 2023: EUR 26.9 million), whereby negative currency effects of EUR 5.4 million and restructuring expenses of EUR 3.0 million were adjusted in the previous year; positive currency effects of EUR 3.2 million are to be recognised in the current year; this results in an operating EBIT margin of 1.4% (01-06 2023: 2.3%)
- At EUR 18.8 million (01-06 2023: EUR 18.5 million), EBIT in the first half of 2024 was slightly above the previous year's level
- Looking at the regions, there was a significant decline in both revenue and operating EBIT in the EMEA region; revenue fell by 12.3% to EUR 561.1 million in the reporting period (01-06 2023: EUR 639.8 million), with the high-margin Commercial Vehicles product area particularly affected at -20.0%, which led to a decline in operating EBIT of 59.4% to EUR 14.2 million (01-06 2023: EUR 35.0 million)
- In the AMERICAS region, revenue was up 2.9% from the previous year, at EUR 327.1 million (01-06 2023: EUR 317.9 million); operating EBIT improved to EUR -11.1 million (01-06 2023: EUR -23.0 million) but still fell short of expectations
- The APAC region achieved revenue growth of 3.3% to EUR 254.2 million in the first half of 2024 (01-06 2023: EUR 246.0 million); this growth resulted from the Automotive product area (+6.7%), while revenue in the Commercial Vehicles product area decreased by 4.2%; operating EBIT fell by 18.8% to EUR 23.7 million as a result (01-06 2023: EUR 29.2 million)
- In general, GRAMMER AG continues to expect that, following the challenging first half of the year, the ongoing difficult macroeconomic conditions will continue to have a negative impact in 2024 as a whole, particularly with regard to high material, energy and labor costs as well as the expected weak economic development in Germany
- In view of the business performance to date, the current full-year operating EBIT forecast of around EUR 75 million cannot be achieved from today's point of view, which is why GRAMMER AG adjusted its full-year forecast for 2024 in an ad hoc announcement on August 9, 2024
- The company now expects operating EBIT to come in at the previous year's level (2023: EUR 56.8 million); Group revenue for the full year 2024 is expected to remain below the previous year's level and thus below the projected level of around EUR 2.3 billion (2023: EUR 2,304.9 million)
- The initiatives introduced under the "Top 10 Measures" program cannot fully compensate for the negative volume effects, the volatile plant capacity utilization, high costs for product launches and personnel as well as lower productivity; GRAMMER is systematically continuing the program and anticipates an increase in profitability in the second half of the year and in the coming year

Index

| | | | |
|---|----------|--|-----------|
| Dashboard | 2 | B Interim Consolidated Financial Statements for the first half of the year | 15 |
| Overview of business performance | 3 | Consolidated Statement of Income | 16 |
| A Interim Group Management Report | 5 | Consolidated Statement of Comprehensive Income | 17 |
| 1. Economic conditions | 6 | Consolidated Statement of Financial Position | 18 |
| 2. GRAMMER Group key figures | 7 | Consolidated Statement of Changes in Equity | 20 |
| 3. Business performance in the first half of 2024 | 8 | Consolidated Statement of Cash Flows | 22 |
| 4. GRAMMER Group results of operations | 8 | C Notes to the Interim Consolidated Financial Statements for the first half of the year | 24 |
| 5. Performance by region | 10 | D Key figures in accordance with IFRS | 35 |
| 6. Net assets and financial position | 12 | Financial Calendar 2024 / Contact / Imprint | 37 |
| 7. Capital expenditure | 13 | | |
| 8. Cash flow statement | 13 | | |
| 9. Employees | 14 | | |
| 10. Opportunities and risks | 14 | | |
| 11. Outlook | 14 | | |
| 12. Forward-looking statements | 14 | | |
| 13. Responsibility statement | 14 | | |

A | Interim Group Management Report

1. Economic conditions

Global economy

In its latest forecast (July 2024), the IMF expects global economic growth of 3.2% in 2024. In particular, the rise in interest rates as part of the fight against inflation is hampering growth. Against the backdrop of geopolitical risks and trade tensions, a normalization of monetary policy remains difficult to achieve according to the IMF.

In Europe, where the ongoing war in Ukraine is weighing heavily on economic development, the first signs of a slow economic recovery emerged in the first half of the year, driven primarily by an improvement in the services sector. In the EMEA region, the IMF therefore revised its forecast for the eurozone slightly upwards by 0.1 percentage points compared to the April forecast. However, it continues to anticipate significantly restrained growth of 0.9% in 2024. According to the current forecast, Germany's gross domestic product (GDP) is set to rise by 0.2% in 2024.

In the AMERICAS region, economic output in the USA is expected to increase by 2.6%. The surprisingly sharp slowdown in the USA after a long phase of above-average growth recently led to a decline in consumption and a negative contribution from foreign trade. According to IMF data, economic output in Mexico is expected to increase by 2.2% in 2024, while in Brazil it is set to rise by 2.1%.

For China, the largest market in the APAC region, the IMF is forecasting growth of 5.0% in 2024, having forecast growth of 4.6% in April. The main positive factors here in the second quarter were the recovery in domestic consumption and a temporary increase in exports.

Conditions in the automotive industry

Weaker global customer demand was increasingly noticeable in the automotive markets in the first six months of 2024. Nevertheless, the global passenger car markets recorded a slight increase in the first half of the year thanks to growth in the APAC region. According to market data published by S&P Global Mobility, 0.3% more vehicles were produced worldwide in the first half of the year than in the same period of the previous year.

The market in APAC grew significantly, however sales there in the same period of the previous year were impacted by the loss of some tax breaks on car purchases. Strong exports in China and OEMs' continued competitive pricing policy had a positive impact in the first half of 2024. Against this backdrop, the passenger car market in the APAC region achieved growth of 1.7%.

The EMEA region recorded a decline in production of 2.6% or 0.3 million units in the first half of 2024. Demand fell here, particularly in the domestic sales markets, as a result of high prices for cars, a reluctance to buy electric vehicles and the end of subsidy programs. Production in EMEA had previously benefited from a catch-up effect, but in the first half of 2024, production adjusted to demand again, and inventories increased.

According to data from S&P Global Mobility, the AMERICAS region recorded a slight decline of 0.1% in the first six months of 2024 compared to the same period of the previous year. Demand in the US passenger car market was robust in the first half of 2024 despite the macroeconomic uncertainties. Accordingly, production growth was stable but lower than in the same period of the previous year, which was characterized by a significant increase in production.

Conditions in the commercial vehicles industry

In the commercial vehicles sector, S&P Global Mobility estimates an increase in global production volumes by 2.2% in the first half of 2024. Despite the growth compared to the same period last year, the overall production volume of trucks in particular remains low. The main reasons for this are capacity and logistics problems as well as the strained financial situation of some manufacturing companies.

The AMERICAS region recorded an increase in production of 1.2% in the first half of 2024 compared to the same period in the previous year. Production in South America largely recovered from the previous year's low figures. In North America, on the other hand, demand fell significantly in the first half of the year.

In the APAC region, production rose to 3.2% in the first half of 2024. China achieved an increase of 4.2% compared to the first half of last year. Following particularly strong growth last year, the truck market in this region lost momentum in the first half of the year due to weaker demand and the declining base effect but remained stable overall.

For the EMEA region, S&P Global Mobility reported only a slight increase in production figures of 0.3% in the first six months of the current year. Demand in the truck market in particular declined in the first half of the year due to challenging macroeconomic conditions and high borrowing costs. The supply chain situation, which had improved significantly in 2023, remained tense against the backdrop of the wars in Ukraine and the Middle East.

2. GRAMMER Group key figures

Key figures in accordance with IFRS GRAMMER Group

EUR m

| | 01-06 2024 | 01-06 2023 | 01-12 2023 |
|---------------------------|----------------|----------------|----------------|
| Group revenue | 1,114.5 | 1,172.6 | 2,304.9 |
| Revenue EMEA | 561.1 | 639.8 | 1,210.9 |
| Revenue AMERICAS | 327.1 | 317.9 | 622.0 |
| Revenue APAC | 254.2 | 246.0 | 532.3 |
| Income statement | | | |
| EBITDA | 61.1 | 59.6 | 123.8 |
| EBITDA margin (%) | 5.5 | 5.1 | 5.4 |
| EBIT | 18.8 | 18.5 | 42.0 |
| EBIT margin (%) | 1.7 | 1.6 | 1.8 |
| Operating EBIT | 15.6 | 26.9 | 56.8 |
| Operating EBIT margin (%) | 1.4 | 2.3 | 2.5 |
| Earnings before taxes | 3.4 | 5.0 | 9.2 |
| Net profit/loss | -2.2 | -0.3 | 3.4 |

EUR m

| | June 30, 2024 | June 30, 2023 | December 31, 2023 |
|---|-------------------|-------------------|-------------------|
| Consolidated Statement of Financial Position | | | |
| Total assets | 1,587.5 | 1,441.9 | 1,534.4 |
| Equity | 314.6 | 289.1 | 313.4 |
| Equity ratio (%) | 19.8 | 20.0 | 20.4 |
| Net debt | 491.6 | 446.3 | 401.1 |
| Gearing (%) | 156.3 | 154.4 | 128.0 |
| | 01-06 2024 | 01-06 2023 | 01-12 2023 |
| Statement of Cash Flows | | | |
| Capital expenditure (without financial assets) | 57.3 | 34.2 | 97.1 |
| Depreciation and amortization | 42.3 | 41.1 | 81.8 |
| Free cash flow | -57.3 | -2.3 | 48.2 |
| Employees (number, average) | 13,780 | 14,423 | 14,241 |

Share data

| | June 30, 2024 | June 30, 2023 | December 31, 2023 |
|---|---------------|---------------|-------------------|
| Prices (Xetra closing price in EUR) | 8.85 | 12.70 | 10.90 |
| Market capitalization (EUR m) | 134.9 | 193.5 | 166.1 |
| Earnings per share (basic/diluted, EUR) | -0.25 | -0.05 | 0.12 |

3. Business performance in the first half of 2024

The GRAMMER Group's revenue totaled EUR 1,114.5 million in the first half of the 2024 financial year (01-06 2023: EUR 1,172.6 million), down 5.0% or EUR 58.1 million from the previous year. Adjusted for currency effects, revenue was down 2.3% from the same period in the previous year. This development resulted in particular from the 12.3% decline in revenue in the EMEA region to EUR 561.1 million (01-06 2023: EUR 639.8 million). The APAC region generated revenue of EUR 254.2 million (01-06 2023: EUR 246.0 million), an increase of 3.3%. In the AMERICAS region, revenue increased 2.9% to EUR 327.1 million in the first six months of 2024 (01-06 2023: EUR 317.9 million).

At EUR 557.9 million, the GRAMMER Group's revenue in the second quarter was almost on a par with the first quarter (Q1 2024: EUR 556.6 million) but 4.4% below the same period in the previous year (Q2 2023: EUR 583.5 million). Adjusted for currency effects, revenue decreased by 2.4% to EUR 569.6 million.

Despite the decline in revenue, GRAMMER Group's earnings before interest and taxes (EBIT) in the first half of 2024 were slightly above the previous year's level, at EUR 18.8 million (01-06 2023: EUR 18.5 million). By contrast, operating EBIT fell to EUR 15.6 million (01-06 2023: EUR 26.9 million) resulting in an operating EBIT margin of 1.4% (01-06 2023: 2.3%). In the previous year, operating EBIT was adjusted for negative currency effects of EUR 5.4 million and restructuring expenses of EUR 3.0 million in the AMERICAS region. In the current year, positive currency effects of EUR 3.2 million had an offsetting effect on operating EBIT.

The macroeconomic and industry-related challenges are likely to continue to affect GRAMMER's business performance over the remainder of the year. These include high material, energy and labor costs as well as instability in the supply chains. Against

this backdrop and in view of business performance to date, the current full-year forecast for operating EBIT of around EUR 75 million cannot be achieved from today's point of view, which is why GRAMMER AG adjusted its full-year forecast for 2024 in an ad hoc announcement on August 9, 2024. The company now expects operating EBIT to remain at the previous year's level (2023: EUR 56.8 million). Group revenue for the full year 2024 is expected to be below the previous year's level and thus below the projected level of around EUR 2.3 billion (2023: EUR 2,304.9 million). The initiatives introduced under the "Top 10 Measures" program cannot compensate for the negative effects in the first half of the year. However, GRAMMER is systematically continuing the program and anticipates an increase in profitability in the second half of the year and in the coming year.

4. GRAMMER Group results of operations

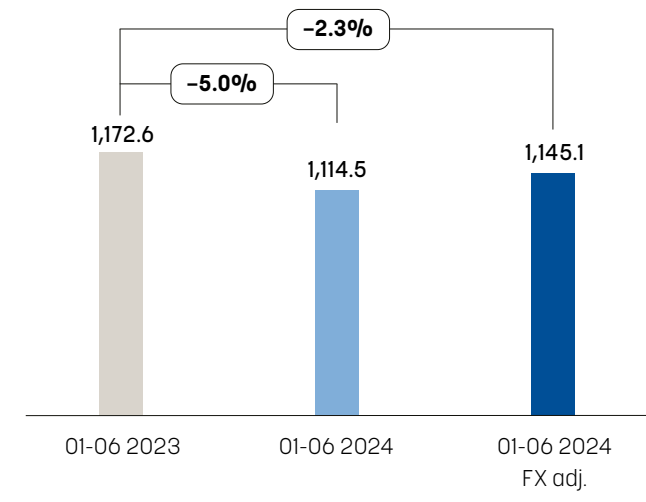
GRAMMER Group revenue

In the first half of 2024, the GRAMMER Group's Group revenue totaled EUR 1,114.5 million (01-06 2023: EUR 1,172.6 million). This equals a decrease of 5.0% from the previous year. This trend is due in particular to the decline in the EMEA region by EUR 78.7 million to EUR 561.1 million (01-06 2023: EUR 639.8 million). The APAC region's revenue grew by 3.3% to EUR 254.2 million (01-06 2023: EUR 246.0 million). In the AMERICAS region, revenue increased by EUR 9.2 million year-on-year to EUR 327.1 million (01-06 2023: EUR 317.9 million).

On a regional level, the product areas developed heterogeneously. In EMEA, revenue in both product areas declined, while these grew in AMERICAS. In the APAC region, the Automotive product area recorded an increase in revenue, while the Commercial Vehicles product area declined.

GRAMMER Group revenue (incl. FX adjustment)

EUR m



GRAMMER Group earnings

The GRAMMER Group's EBIT totaled EUR 18.8 million in the first half of 2024 (01-06 2023: EUR 18.5 million). In the APAC region, EBIT totaled EUR 23.5 million in the first two quarters (01-06 2023: EUR 28.6 million) and EUR 15.4 million in EMEA (01-06 2023: EUR 32.1 million). In AMERICAS, EBIT totaled EUR -9.6 million following EUR -27.4 million in the first six months of 2023.

At EUR 15.6 million and an operating EBIT margin of 1.4% (01-06 2023: EUR 26.9 million and an operating EBIT margin of 2.3%), the Group's operating EBIT was significantly below the previous year's level. Operating EBIT was adjusted for positive currency effects in the amount of EUR 3.2 million. GRAMMER Group's financial result of EUR -15.4 million (01-06 2023: EUR -13.6 million) is primarily attributable to lower exchange rate gains on foreign currency in the first half of 2024, in particular due to the performance of the Czech koruna and the US dollar. In the first half

of 2024, the income tax expense was reported at EUR 5.7 million (01-06 2023: EUR 5.3 million) with lower earnings before taxes of EUR 3.4 million (01-06 2023: EUR 5.0 million). This is mainly due to deferred tax assets not being recognized as loss carry-forwards in the USA tax group.

The net loss thus amounted to EUR -2.2 million in the first half of 2024 (01-06 2023: EUR -0.3 million).

Revenue performance by region and product area

EUR m

| | GRAMMER Group | | | EMEA | | | AMERICAS | | | APAC | | |
|---------------------|----------------|----------------|--------------|--------------|--------------|---------------|--------------|--------------|-------------|--------------|--------------|-------------|
| | 01-06 2024 | 01-06 2023 | Change | 01-06 2024 | 01-06 2023 | Change | 01-06 2024 | 01-06 2023 | Change | 01-06 2024 | 01-06 2023 | Change |
| Automotive | 754.0 | 751.7 | 0.3% | 317.1 | 334.8 | -5.3% | 263.9 | 255.6 | 3.2% | 181.0 | 169.6 | 6.7% |
| Commercial Vehicles | 360.5 | 420.9 | -14.4% | 244.0 | 305.0 | -20.0% | 63.2 | 62.3 | 1.4% | 73.2 | 76.4 | -4.2% |
| Revenue | 1,114.5 | 1,172.6 | -5.0% | 561.1 | 639.8 | -12.3% | 327.1 | 317.9 | 2.9% | 254.2 | 246.0 | 3.3% |

The consolidation effect of revenue generated within the Group between the regions amounted to EUR 27.9 million in the reporting period.

GRAMMER Group Condensed Statement of Income

EUR k

| | 01-06 2024 | 01-06 2023 | Change |
|--|----------------|----------------|---------------|
| Revenue | 1,114,521 | 1,172,553 | -58,032 |
| Revenue costs | -999,906 | -1,051,167 | 51,261 |
| Gross profit | 114,615 | 121,386 | -6,771 |
| Selling expenses | -15,192 | -16,556 | 1,364 |
| Administrative expenses | -93,294 | -94,762 | 1,468 |
| Other operating income | 12,700 | 8,475 | 4,225 |
| Earnings before interest and taxes (EBIT) | 18,829 | 18,543 | 286 |
| Financial result | -15,410 | -13,579 | -1,831 |
| Earnings before taxes | 3,419 | 4,964 | -1,545 |
| Income taxes | -5,667 | -5,270 | -397 |
| Net profit/loss | -2,248 | -306 | -1,942 |

Derivation of Operating EBIT

EUR m

| | 01-06 2024 | 01-06 2023 | Change |
|----------------------------------|-------------|-------------|--------------|
| EBIT | 18.8 | 18.5 | 0.3 |
| Currency translation effects | -3.2 | 5.4 | -8.6 |
| Costs for restructuring measures | 0.0 | 3.0 | -3.0 |
| Operating EBIT | 15.6 | 26.9 | -11.3 |

5. Performance by region

EMEA

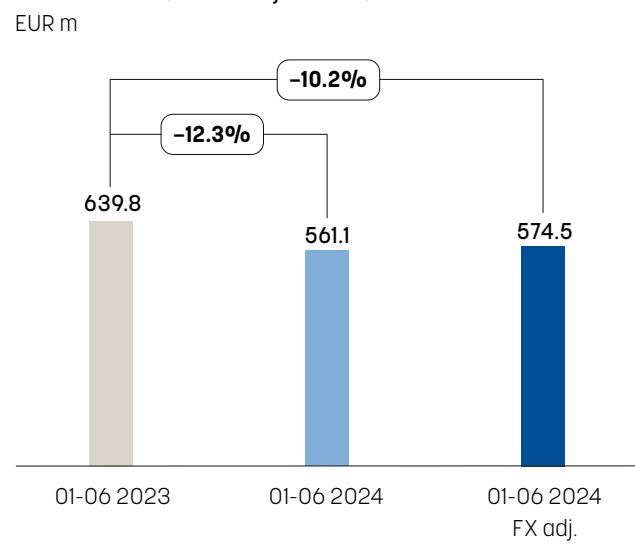
In the EMEA region, GRAMMER generated revenue of EUR 561.1 million in the first half of 2024 (01-06 2023: EUR 639.8 million), a decrease of 12.3% compared to the same period in the previous year. This was due in particular to a 20.0% decline in revenue in the higher-margin Commercial Vehicles product area to EUR 244.0 million (01-06 2023: EUR 305.0 million), which is attributable to a general decline in demand in this area. In the same period, the Automotive product area recorded a decline of 5.3% or EUR 17.7 million to EUR 317.1 million (01-06 2023: EUR 334.8 million). On a quarterly basis, revenue was 12.8% below the previous year's figure. The decline totaled 3.3% in the Automotive product area and 23.5% in the Commercial Vehicles product area.

EBIT in the EMEA region fell to EUR 15.4 million in the first half of 2024 (01-06 2023: EUR 32.1 million), mainly due to the decline in revenue in both product areas. The EBIT margin was 2.7% (01-06 2023: 5.0%). In the first two quarters, the region was primarily impacted by a significant decline in revenue due to weaker demand as a result of economic and industry-specific uncertainties. High personnel expenses also had a negative impact on earnings. Operating EBIT fell to EUR 14.2 million (01-06 2023: EUR 35.0 million). The operating EBIT margin fell accordingly to 2.5% (01-06 2023: 5.5%). Operating EBIT was adjusted for positive currency effects in the amount of EUR 1.2 million.

EMEA region key figures

| EUR m | 01-06 2024 | 01-06 2023 | Change |
|--|------------|------------|-----------------|
| Revenue | 561.1 | 639.8 | -78.7 |
| EBIT | 15.4 | 32.1 | -16.7 |
| EBIT margin (%) | 2.7 | 5.0 | -2.3% points |
| Operating EBIT | 14.2 | 35.0 | -20.8 |
| Operating EBIT margin (%) | 2.5 | 5.5 | -3.0% points |
| Capital expenditure (without financial assets) | 18.3 | 11.5 | 6.8 |
| Employees (number, average) | 7,190 | 7,712 | -522 |

EMEA revenue (incl. FX adjustment)



AMERICAS

At EUR 327.1 million, revenue in the AMERICAS region was 2.9% higher in the first half of 2024 than the previous year's level (01-06 2023: EUR 317.9 million). Even adjusted for currency effects, revenue was slightly above the previous year's figure at EUR 334.4 million. Revenue in the Automotive product area increased by 3.2% to EUR 263.9 million (01-06 2023: EUR 255.6 million). Adjusted for currency effects, this increase was 3.6%. In the Commercial Vehicles product area, revenue increased slightly by 1.4% to EUR 63.2 million (01-06 2023: EUR 62.3 million), or by as much as 11.7% when adjusted for currency effects. The increase in revenue in the first half of the year is partly due to inflation-related price increases.

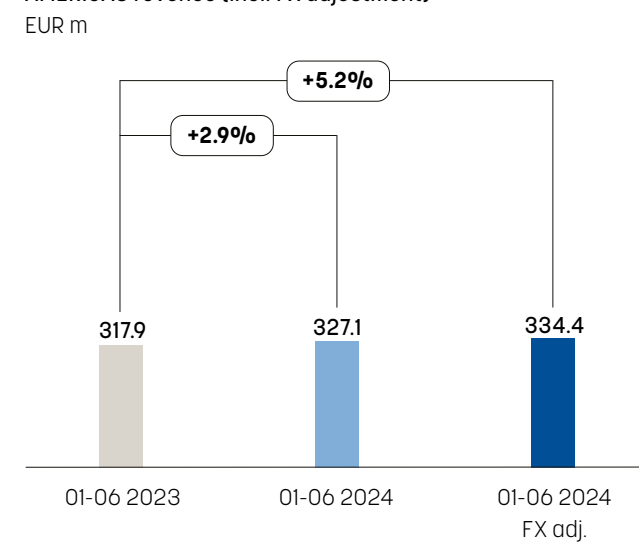
Due to ramp-up costs for the new commercial vehicles plant in North America and inefficiencies in production, EBIT in the AMERICAS region remained negative at EUR -9.6 million in the first half of 2024 (01-06 2023: EUR -27.4 million). In a quarter-on-quarter comparison, EBIT still improved slightly, from EUR -6.4 million in Q1 2024 to EUR -3.2 million in Q2 2024. The EBIT margin was -2.9% (01-06 2023: -8.6%). Overall, however, the results achieved continued to fall short of expectations.

Operating EBIT totaled EUR -11.1 million in the first six months of 2024 (01-06 2023: EUR -23.0 million). Accordingly, the operating EBIT margin totaled -3.4%, an improvement of 3.8 percentage points compared to the same period in the previous year (01-06 2023: -7.2%). In the previous year, operating EBIT was adjusted for restructuring expenses totaling EUR 3.0 million and negative currency effects of EUR 1.4 million. From January to June 2024, this was adjusted for positive currency effects of EUR 1.5 million.

AMERICAS region key figures

| EUR m | 01-06 2024 | 01-06 2023 | Change |
|--|------------|------------|----------------|
| Revenue | 327.1 | 317.9 | 9.2 |
| EBIT | -9.6 | -27.4 | 17.8 |
| EBIT margin (%) | -2.9 | -8.6 | 5.7% points |
| Operating EBIT | -11.1 | -23.0 | 11.9 |
| Operating EBIT margin (%) | -3.4 | -7.2 | 3.8% points |
| Capital expenditure (without financial assets) | 5.3 | 9.0 | -3.7 |
| Employees (number, average) | 4,591 | 4,830 | -239 |

AMERICAS revenue (incl. FX adjustment)



APAC

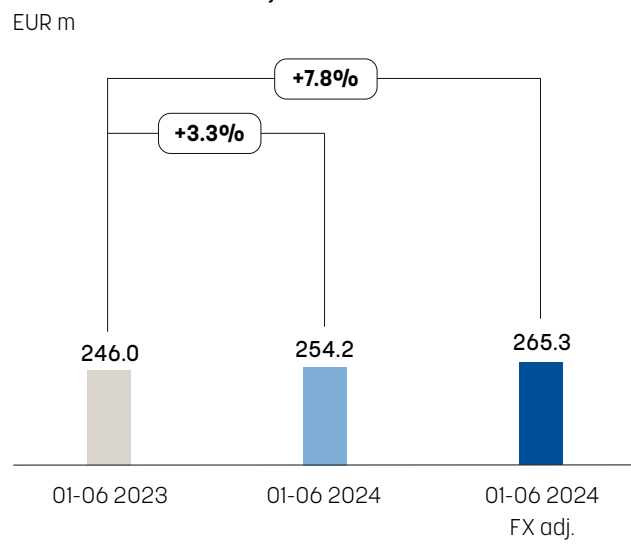
Revenue in the APAC region rose by 3.3% to EUR 254.2 million in the first half of 2024 (01-06 2023: EUR 246.0 million). In the Automotive product area, revenue increased by 6.7% year-on-year to EUR 181.0 million (01-06 2023: EUR 169.6 million). The increase was mainly due to business with the up-and-coming new energy vehicle (NEV) manufacturers. The Automotive product area now generates more than 40% of revenue with Chinese OEMs. By contrast, revenue in the Commercial Vehicles area was impacted by a market-related decline in demand and fell 4.2% from the previous year to EUR 73.2 million (01-06 2023: EUR 76.4 million).

EBIT in the APAC region fell to EUR 23.5 million (01-06 2023: EUR 28.6 million) due to a decline in revenue in the Commercial Vehicles area, translation effects and an unfavorable product mix. The EBIT margin fell to 9.2% (01-06 2023: 11.6%). Operating EBIT totaled EUR 23.7 million (01-06 2023: EUR 29.2 million) with an operating EBIT margin of 9.3% (01-06 2023: 11.9%) and was adjusted for negative currency effects of EUR 0.2 million.

APAC region key figures

| EUR m | 01-06 2024 | 01-06 2023 | Change |
|--|------------|------------|--------------|
| Revenue | 254.2 | 246.0 | 8.2 |
| EBIT | 23.5 | 28.6 | -5.1 |
| EBIT margin (%) | 9.2 | 11.6 | -2.4%-points |
| Operating EBIT | 23.7 | 29.2 | -5.5 |
| Operating EBIT margin (%) | 9.3 | 11.9 | -2.6%-points |
| Capital expenditure (without financial assets) | 27.9 | 8.2 | 19.7 |
| Employees (number, average) | 1,583 | 1,473 | 110 |

APAC revenue (incl. FX adjustment)



6. Net assets and financial position

GRAMMER Group Condensed Statement of Financial Position

| EUR k | June 30, 2024 | December 31, 2023 | Change |
|-------------------------------|------------------|-------------------|---------------|
| Non-current assets | 849,892 | 813,653 | 36,239 |
| Current assets | 737,572 | 720,768 | 16,804 |
| Assets | 1,587,464 | 1,534,421 | 53,043 |
| Equity | 314,579 | 313,355 | 1,224 |
| Non-current liabilities | 526,326 | 378,444 | 147,882 |
| Current liabilities | 746,559 | 842,622 | -96,063 |
| Equity and liabilities | 1,587,464 | 1,534,421 | 53,043 |

The GRAMMER Group's total assets increased to EUR 1,587.5 million as of June 30, 2024 (December 31, 2023: EUR 1,534.4 million). Non-current assets increased by 4.5% or EUR 36.2 million to EUR 849.9 million (December 31, 2023: EUR 813.7 million). Property, plant and equipment in particular increased by 3.3% to EUR 494.3 million (December 31, 2023: EUR 478.6 million). Contract assets increased significantly by 19.8% to EUR 88.4 million (December 31, 2023: EUR 73.8 million) as a result of the high order intake from the previous year.

Current assets saw an increase of 2.3% or EUR 16.8 million to EUR 737.6 million (December 31, 2023: EUR 720.8 million). This development includes the increase in current trade accounts receivable of 11.8% to EUR 322.6 million (December 31, 2023: EUR 288.5 million). On the other hand, cash and cash equivalents as well as short-term deposits in particular fell 18.1% to EUR 107.3 million as of June 30, 2024 (December 31, 2023: EUR 131.0 million) due to the repayment of short-term financial

liabilities and increased capital requirements as a result of the high order intake. Inventories decreased by EUR 5.2 million to EUR 181.0 million (December 31, 2023: EUR 186.2 million).

Equity increased by EUR 1.2 million or 0.4% to EUR 314.6 million as at June 30, 2024 (December 31, 2023: EUR 313.4 million). The main reasons for this development were equity measures in China of EUR 3.2 million, other comprehensive income of EUR 1.3 million (01-06 2023: EUR -11.1 million) and a net loss of EUR -2.2 million (01-06 2023: EUR -0.3 million). Other comprehensive income mainly comprises effects from the currency translation of foreign subsidiaries in the amount of EUR -1.8 million (01-06 2023: EUR -10.0 million) and effects from the currency translation of net investments in foreign operations taking into account actual taxes totaling EUR 0.9 million (01-06 2023: EUR -0.5 million). Significant actuarial effects from the interest-related adjustment of retirement benefit provisions, taking deferred taxes into account, totaled EUR 4.2 million in the first half of 2024. These were not incurred in the same period of the previous year. The equity ratio decreased slightly by 0.6 percentage points to 19.8% (December 31, 2023: 20.4%).

Non-current liabilities increased by EUR 147.9 million to EUR 526.3 million (December 31, 2023: EUR 378.4 million). The main reason for this increase is the refinancing of loans and thus a reclassification of financial liabilities from current to non-current financial liabilities, which consequently amounted to EUR 321.9 million (December 31, 2023: EUR 167.0 million).

Current liabilities fell by EUR 96.0 million or 11.4% to EUR 746.6 million (December 31, 2023: EUR 842.6 million). This development mainly resulted from the decrease in current financial liabilities by EUR 94.4 million or 33.0% to EUR 192.2 million (December 31, 2023: EUR 286.6 million) due to the reclassification and refinancing of loans. Current trade accounts payable fell by EUR 17.6 million or 4.3% to EUR 386.5 million (December 31, 2023: EUR 404.1 million) due to lower business volume. Of the increase in other current liabilities by EUR 22.8 million or 24.4%

to EUR 116.3 million (December 31, 2023: EUR 93.5 million), EUR 47.2 million was attributable to liabilities to employees.

7. Capital expenditure

In the first half of 2024, the GRAMMER Group's capital expenditure significantly exceeded the previous year's figure by EUR 23.1 million. Total capital expenditure increased to EUR 57.3 million (01-06 2023: EUR 34.2 million).

In the EMEA region, capital expenditure totaled EUR 18.3 million, higher than the EUR 11.5 million in the first half of 2023. Capital expenditures in this region continued to focus on new product ramp-ups in the Automotive area and replacement investments in the Commercial Vehicles product area.

Capital expenditure in the AMERICAS region fell to EUR 5.3 million (01-06 2023: EUR 9.0 million) and related mainly to investments in new machinery.

In the APAC region, capital expenditure increased the most, by EUR 19.7 million year-on-year to EUR 27.9 million in the period from January to June 2024 (01-06 2023: EUR 8.2 million). Of this amount, EUR 15.7 million was attributable to leased assets as defined by IFRS 16 and related in particular to the capitalization of leases for the plants in Tianjin, Changzhou and Shenyang. The cash-out effect for these investments extends over the term of the leasing contracts, usually several years.

At EUR 5.8 million (01-06 2023: EUR 5.5 million), capital expenditure in Central Services remained almost at the previous year's level. Of this amount, EUR 0.5 million (01-06 2023: EUR 0.5 million) was attributable to the continuation of the digitization project „Management of Product lifecycles“ and EUR 3.9 million (01-06 2023: EUR 3.4 million) to capitalized development costs. As in previous years, these mainly related to the long-term development of new seat generations for the Commercial Vehicles area.

Capital expenditure

| EUR m | 01-06 2024 | 01-06 2023 | Change |
|----------------------|-------------|-------------|-------------|
| EMEA | 18.3 | 11.5 | 6.8 |
| AMERICAS | 5.3 | 9.0 | -3.7 |
| APAC | 27.9 | 8.2 | 19.7 |
| Central Services | 5.8 | 5.5 | 0.3 |
| GRAMMER Group | 57.3 | 34.2 | 23.1 |

8. Cash flow statement

In the period from January to June 2024, cash flow from operating activities totaled EUR -16.8 million (01-06 2023: EUR 21.1 million). In working capital, trade accounts receivable, other assets, and contract assets increased and could not be offset by equity and liabilities. The cash outflow from investing activities increased significantly in the first half of 2024 by EUR 17.2 million to EUR -40.5 million (01-06 2023: EUR -23.3 million). The first six months of 2024 include investments in leased assets as defined by IFRS 16 in the amount of EUR 19.4 million (01-06 2023: EUR 4.5 million), which are non-cash items.

Free cash flow totaled EUR -57.3 million in the first half of 2024 (01-06 2023: EUR -2.3 million) and was thus significantly lower than in the same period of the previous year. Cash flow from financing activities totaled EUR 52.2 million (01-06 2023: EUR -33.9 million). This was significantly higher than the previous year's figure, as more financial liabilities were taken on in the first half of 2024 in order to pre-finance the high order intake of the previous year.

9. Employees

In the first half of 2024, GRAMMER employed on average 13,780 people worldwide (01-06 2023: 14,423). This is a decrease of 4.5% compared to the previous year. The APAC region had an average of 1,583 employees (01-06 2023: 1,473), the EMEA region had an average of 7,190 employees (01-06 2023: 7,712) and the AMERICAS region had an average of 4,591 employees (01-06 2023: 4,830).

Average Number of Employees

| | 01-06 2024 | 01-06 2023 | Change |
|----------------------|---------------|---------------|-------------|
| EMEA | 7,190 | 7,712 | -522 |
| AMERICAS | 4,591 | 4,830 | -239 |
| APAC | 1,583 | 1,473 | 110 |
| Central Services | 416 | 408 | 8 |
| GRAMMER Group | 13,780 | 14,423 | -643 |

10. Opportunities and risks

The opportunities and risks referred to and described in detail in the Management Report of the Annual Report as of December 31, 2023 persist.

Locally operating teams continuously analyze the market, customer and supplier situation and propose specific measures to Management as soon as there is a need for action. The company also monitors the development of (raw) material and energy prices as well as the global supply situation in order to be able to react to changing conditions early.

Default risks are also monitored. These are limited due to customer structure and are monitored by active debtor manage-

ment. However, corporate insolvencies and financial problems among EV manufacturers are on the rise. These may lead to production shutdown or interruption at EV manufacturers and to adjustments to GRAMMER's receivables. Depending on the duration of the interruption, the level of planned sales volumes and the success of restructuring, additional risks may arise for the GRAMMER Group's revenue and operating profit.

11. Outlook

In the forecast for the 2024 financial year published on March 28, 2024, GRAMMER assumed that the burdens associated with the difficult macroeconomic conditions would persist in the 2024 financial year and, against this backdrop, expected revenue at the previous year's level of around EUR 2.3 billion (2023: EUR 2.3 billion) and operating EBIT of around EUR 75 million (2023: EUR 56.8 million).

Based on the business trend to date, however, GRAMMER's earnings performance has fallen short of expectations, which is why the full-year forecast was adjusted in an ad hoc announcement on August 9, 2024. The company now expects operating EBIT to remain at the previous year's level (2023: EUR 56,8 million). In addition, Group revenue for 2024 as a whole is expected to be below the previous year's level and thus below the projected level of around EUR 2.3 billion (2023: EUR 2,304.9 million). GRAMMER AG's forecast adjustment is due to negative volume effects. Moreover, volatile plant capacity utilization, high costs for product launches and personnel as well as lower productivity also had an adverse impact on GRAMMER AG's operating EBIT. The initiatives launched in the context of the Top 10 Measures program aimed at increasing the company's profitability cannot fully compensate for these effects.

12. Forward-looking statements

This report on the first half of the year contains forward-looking statements based on current assumptions and estimates by GRAMMER Management with regard to future trends. Such statements refer to periods in the future or are characterized by terms such as "expect", "predict", "intend", "forecast", "plan", "estimate", "anticipate", or similar terms. Such statements are subject to risks and uncertainties that GRAMMER can neither estimate nor influence with any precision, e.g., future market conditions and the macroeconomic environment, the behavior of other market actors, the successful integration of newly acquired companies, and the materialization of expected synergistic benefits and government actions. If any of these or other uncertainties or imponderables were to occur, or if any of the assumptions on which these statements are based prove to be incorrect, the actual results could differ materially from the results expressed or implied in these statements. GRAMMER neither intends nor is under any obligation to update any forward-looking statements in light of any changes occurring after the publication of this document.

13. Responsibility statement

To the best of our knowledge, and in accordance with the applicable principles for financial reporting, the Consolidated Financial Statements/Interim Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

**B | Interim Consolidated Financial
Statements for the first half of
the year**

Consolidated Statement of Income

January 1 – June 30 of the respective financial year

| EUR k | 01-06 2024 | 01-06 2023 |
|--|----------------|----------------|
| Revenue | 1,114,521 | 1,172,553 |
| Cost of sales | -999,906 | -1,051,167 |
| Gross profit | 114,615 | 121,386 |
| Selling expenses | -15,192 | -16,556 |
| Administrative Expenses | -93,294 | -94,762 |
| Other operating income | 12,700 | 8,475 |
| Earnings before interest and taxes (EBIT) | 18,829 | 18,543 |
| Financial income | 5,168 | 2,348 |
| Financial expenses | -21,276 | -20,148 |
| Other financial result | 698 | 4,221 |
| Earnings before taxes | 3,419 | 4,964 |
| Income taxes | -5,667 | -5,270 |
| Net profit/loss | -2,248 | -306 |
| Of which attributable to: | | |
| Shareholders of the parent company | -3,719 | -738 |
| Non-controlling interests | 580 | 151 |
| Hybrid loan lender's compensation claims | 891 | 281 |
| Net profit/loss | -2,248 | -306 |
| Earnings per share | | |
| Basic/diluted earnings per share in EUR | -0.25 | -0.05 |

Consolidated Statement of Comprehensive Income

January 1 – June 30 of the respective financial year

| EUR k | 01-06 2024 | 01-06 2023 | EUR k | 01-06 2024 | 01-06 2023 |
|---|---------------|----------------|--|---------------|----------------|
| Net profit/loss | -2,248 | -306 | | | |
| Amounts that will not be reclassified to profit and loss in future periods | | | Gains/losses (-) from cash flow hedges | | |
| Actuarial gains/losses (-) from defined benefit plans | | | Gains/losses (-) arising in the current period | -1,950 | 2,689 |
| Gains/losses (-) arising in the current period | 5,838 | 8 | Plus/less (-) amounts reclassified to the income statement through profit and loss | -1,153 | -3,479 |
| Tax expenses (-)/tax income | -1,687 | -2 | Tax expenses (-)/tax income | 998 | 298 |
| Actuarial gains/losses (-) from defined benefit plans (after tax) | 4,151 | 6 | Gains/losses (-) from cash flow hedges (after tax) | -2,105 | -492 |
| Total amount that will not be reclassified to profit and loss in future periods | 4,151 | 6 | Gains/losses (-) from net investments in foreign operations | | |
| Amount that will be reclassified to profit and loss in future periods under certain conditions | | | Gains/losses (-) arising in the current period | 1,069 | -642 |
| Gains/losses (-) from currency translation of foreign subsidiaries | | | Tax expenses (-)/tax income | -195 | 113 |
| Gains/losses (-) arising in the current period | -1,608 | -10,123 | Gains/losses (-) from net investments in foreign operations (after tax) | 874 | -529 |
| Gains/losses (-) from currency translation of foreign subsidiaries (after tax) | -1,608 | -10,123 | Total amounts that will be reclassified to profit and loss in future periods under certain conditions | -2,839 | -11,144 |
| | | | | | |
| | | | Other comprehensive income | 1,312 | -11,138 |
| | | | Total comprehensive income after taxes | -936 | -11,444 |
| | | | Of which attributable to: | | |
| | | | Shareholders of the parent company | -2,644 | -11,756 |
| | | | Non-controlling interests | 817 | 31 |
| | | | Hybrid loan lender's compensation claims | 891 | 281 |

Consolidated Statement of Financial Position

as of June 30, 2024 and December 31, 2023

Assets

EUR k

| | June 30, 2024 | December 31, 2023 |
|-----------------------------------|------------------|----------------------|
| Property, plant and equipment | 494,267 | 478,553 |
| Intangible assets | 148,500 | 147,781 |
| Investments measured at equity | 1,334 | 1,085 |
| Other financial assets | 20,583 | 11,757 |
| Deferred tax assets | 43,820 | 53,269 |
| Other assets | 53,025 | 47,442 |
| Contract assets | 88,363 | 73,766 |
| Non-current assets | 849,892 | 813,653 |
| Inventories | 181,032 | 186,207 |
| Current trade accounts receivable | 322,550 | 288,474 |
| Other current financial assets | 6,750 | 11,909 |
| Current income tax receivables | 4,369 | 3,232 |
| Cash and short-term deposits | 107,325 | 131,005 |
| Other current assets | 60,258 | 47,010 |
| Current contract assets | 55,288 | 52,931 |
| Current assets | 737,572 | 720,768 |
| Total assets | 1,587,464 | 1,534,421 |

Consolidated Statement of Financial Position

as of June 30, 2024 and December 31, 2023

Equity and liabilities

| EUR k | June 30, 2024 | December 31, 2023 | EUR k | June 30, 2024 | December 31, 2023 |
|--|------------------|----------------------|-------------------------------------|------------------|----------------------|
| Subscribed capital | 39,009 | 39,009 | Current financial liabilities | 192,178 | 286,628 |
| Capital reserve | 162,947 | 162,947 | Current trade accounts payable | 386,542 | 404,051 |
| Own shares | -7,441 | -7,441 | Other current financial liabilities | 21,710 | 23,169 |
| Retained earnings | 120,094 | 124,075 | Other current liabilities | 116,292 | 93,476 |
| Cumulative other comprehensive income | -53,570 | -54,645 | Current income tax liabilities | 3,923 | 4,193 |
| Equity attributable to shareholders of the parent company | 261,039 | 263,945 | Provisions | 24,315 | 29,022 |
| Hybrid loan | 38,658 | 38,795 | Current contract liabilities | 1,599 | 2,083 |
| Non-controlling interests | 14,882 | 10,615 | Current liabilities | 746,559 | 842,622 |
| Equity | 314,579 | 313,355 | | | |
| | | | Total liabilities | 1,272,885 | 1,221,066 |
| Non-current financial liabilities | 321,874 | 167,025 | Total equity and liabilities | 1,587,464 | 1,534,421 |
| Trade accounts payable | 1,303 | 1,474 | | | |
| Other financial liabilities | 63,085 | 55,221 | | | |
| Retirement benefits and similar obligations | 118,139 | 122,925 | | | |
| Deferred tax liabilities | 18,769 | 29,013 | | | |
| Contract liabilities | 3,156 | 2,786 | | | |
| Non-current liabilities | 526,326 | 378,444 | | | |

Consolidated Statement of Changes in Equity

as of June 30, 2024

EUR k

| | Cumulative other comprehensive income | | | | | | | | Total | Hybrid loan | Non-controlling interests | Consolidated equity |
|--|---------------------------------------|-----------------|-------------------|---------------|------------------|-----------------------------|---------------------------------------|---|----------------|---------------|---------------------------|---------------------|
| | Subscribed capital | Capital reserve | Retained earnings | Own shares | Cash flow hedges | Foreign currency conversion | Net investments in foreign operations | Actuarial gains and losses from defined benefit plans | | | | |
| As of January 1, 2024 | 39,009 | 162,947 | 124,075 | -7,441 | 1,381 | -10,958 | -15,853 | -29,215 | 263,945 | 38,795 | 10,615 | 313,355 |
| Net profit/loss | 0 | 0 | -3,719 | 0 | 0 | 0 | 0 | 0 | -3,719 | 891 | 580 | -2,248 |
| Other comprehensive income | 0 | 0 | 0 | 0 | -2,105 | -1,845 | 874 | 4,151 | 1,075 | 0 | 237 | 1,312 |
| Total comprehensive income | 0 | 0 | -3,719 | 0 | -2,105 | -1,845 | 874 | 4,151 | -2,644 | 891 | 817 | -936 |
| Transaction involving non-controlling interests | 0 | 0 | -262 | 0 | 0 | 0 | 0 | 0 | -262 | 0 | 3,450 | 3,188 |
| Distribution of hybrid loan lender's compensation claims | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -1,028 | 0 | -1,028 |
| As of June 30, 2024 | 39,009 | 162,947 | 120,094 | -7,441 | -724 | -12,803 | -14,979 | -25,064 | 261,039 | 38,658 | 14,882 | 314,579 |

Consolidated Statement of Changes in Equity

as of June 30, 2023

EUR k

| | Cumulative other comprehensive income | | | | | | | | Total | Hybrid loan | Non-controlling interests | Consolidated equity |
|--|---------------------------------------|-----------------|-------------------|---------------|------------------|-----------------------------|---------------------------------------|---|----------------|---------------|---------------------------|---------------------|
| | Subscribed capital | Capital reserve | Retained earnings | Own shares | Cash flow hedges | Foreign currency conversion | Net investments in foreign operations | Actuarial gains and losses from defined benefit plans | | | | |
| As of January 1, 2023 | 39,009 | 162,947 | 122,276 | -7,441 | 2,438 | 6 | -14,842 | -24,589 | 279,804 | 19,610 | 1,694 | 301,108 |
| Net profit/loss | 0 | 0 | -738 | 0 | 0 | 0 | 0 | 0 | -738 | 281 | 151 | -306 |
| Other comprehensive income | 0 | 0 | 0 | 0 | -492 | -10,003 | -529 | 6 | -11,018 | 0 | -120 | -11,138 |
| Total comprehensive income | 0 | 0 | -738 | 0 | -492 | -10,003 | -529 | 6 | -11,756 | 281 | 31 | -11,444 |
| Transaction involving non-controlling interests | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Distribution of hybrid loan lender's compensation claims | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -598 | 0 | -598 |
| As of June 30, 2023 | 39,009 | 162,947 | 121,538 | -7,441 | 1,946 | -9,997 | -15,371 | -24,583 | 268,048 | 19,293 | 1,725 | 289,066 |

Consolidated Statement of Cash Flows

January 1 – June 30 of the respective financial year

EUR k

| | 01-06 2024 | 01-06 2023 |
|--|----------------|---------------|
| 1. Cash flow from operating activities | | |
| Earnings before taxes | 3,419 | 4,964 |
| Reconciliation of earnings before taxes with cash flow from operating activities | | |
| Depreciation and impairment of property, plant and equipment | 37,579 | 36,228 |
| Amortization and impairment of intangible assets | 4,753 | 4,898 |
| Profit (-)/loss from asset disposals | -402 | 301 |
| Other non-cash changes | 3,210 | 3,175 |
| Financial result | 15,410 | 13,579 |
| Change in operating assets and liabilities | | |
| Decrease/increase (-) in trade accounts receivable and other assets | -67,091 | -67,346 |
| Decrease/increase (-) in inventories | 5,175 | 20,563 |
| Decrease (-)/increase in provisions and pension provisions | -10,558 | -10,964 |
| Decrease (-)/increase in accounts payable and other liabilities | 65 | 25,379 |
| Income taxes paid | -8,353 | -9,723 |
| Cash flow from operating activities | -16,793 | 21,054 |

| EUR k | 01-06 2024 | 01-06 2023 |
|---|----------------|----------------|
| 2. Cash flow from investing activities | | |
| Purchases | | |
| Purchase of property, plant and equipment | -33,845 | -26,043 |
| Purchase of intangible assets | -4,079 | -3,609 |
| Purchase of financial assets | -8,618 | 0 |
| Purchase of subsidiaries | -1,363 | 0 |
| Disposals | | |
| Disposal of property, plant and equipment | 2,095 | 2,572 |
| Disposal of financial assets | 107 | 1,401 |
| Interest received | 5,168 | 2,348 |
| Cash flow from investing activities | -40,535 | -23,331 |
| 3. Cash flow from financing activities | | |
| Payments made for hybrid loan lender's compensation claim | -1,028 | -598 |
| Inflow from capital increase by minority shareholders | 4,551 | 0 |
| Payments received from raising financial liabilities | 212,645 | 140,955 |
| Payments made for settlement of financial liabilities | -135,115 | -146,432 |
| Payments made for settlement of lease liabilities | -11,305 | -11,775 |
| Interest paid | -17,544 | -16,003 |
| Cash flow from financing activities | 52,204 | -33,853 |
| 4. Cash and cash equivalents at end of period | | |
| Changes in cash and cash equivalents recognized in the cash flow statement (sub-total of items 1-3) | -5,124 | -36,130 |
| Effects of exchange rate differences on cash and cash equivalents | -1,424 | 4,974 |
| Cash and cash equivalents as of January 1 | 51,451 | 35,549 |
| Cash and cash equivalents as of June 30 | 44,903 | 4,393 |
| 5. Analysis of cash and cash equivalents | | |
| Cash and short-term deposits | 107,325 | 76,000 |
| Bank overdrafts (incl. current liabilities from factoring agreements) with banks | -62,422 | -71,607 |
| Cash and cash equivalents as of June 30 | 44,903 | 4,393 |

**C | Notes to the Interim Consolidated
Financial Statements for the first
half of the year**

General principles

GRAMMER AG has prepared its consolidated financial statements for financial year 2023 and these consolidated half-year financial statements as of June 30, 2024 in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB). In preparing the consolidated half-year financial statements and the comparative figures for the previous year, the same accounting and valuation policies and basis of consolidation were applied as at June 30, 2024 as were used for the consolidated financial statements as at December 31, 2023. These principles and methods were described in detail in the notes to the 2023 consolidated financial statements, which are also published in full in the 2023 annual report, and should therefore be read together with the half-year report. These consolidated half-year financial statements have not been reviewed by an auditor and contain all standard adjustments to be made on an ongoing basis in order to present a true and fair view of the company's business performance in the reporting periods. The results achieved in the first half of the year or the first six months of 2024 do not necessarily allow predictions to be made about the further course of business. The consolidated half-year financial statements were prepared in euros (EUR). Unless otherwise indicated, all values are rounded to the nearest thousand euros (EUR k). Individual amounts and percentages may not exactly equal the aggregated amounts due to rounding differences.

Scope of consolidation

The consolidated financial statements include the following companies:

2024

| | Germany | International | Total |
|---|----------|---------------|-----------|
| Fully consolidated companies (including Grammer AG) | 6 | 36 | 42 |
| Companies accounted for at equity | 0 | 2 | 2 |
| Companies | 6 | 38 | 44 |

In addition to GRAMMER AG, the consolidated financial statements include five domestic and 36 foreign companies that are directly or indirectly controlled by GRAMMER AG in accordance with IFRS 10. There were no changes to the scope of consolidation in the first half of 2024. Companies accounted for using the equity method are the joint venture GRA-MAG Truck Interior Systems LLC, London (OH), USA (GRA-MAG), in which GRAMMER AG holds 50% of the voting rights, and the associate ALLYGRAM Systems and Technologies Private Limited, Pune, India (ALLYGRAM), in which GRAMMER AG holds 30% of the voting rights.

Income taxes

In the first half of 2024, income tax expense amounted to EUR 5.7 million (01-06 2023: EUR 5.3 million). The Group tax rate of 165.8% differs significantly from the German tax rate of 28.9%, as no deferred tax assets on loss carryforwards can be capitalized in the USA, which means that the negative earnings before taxes of the US companies are not offset by any deferred tax income, as no deferred tax assets were recognized on the newly created tax loss carryforwards due to a lack of recoverability. In addition, despite the negative earnings before taxes, income tax expenses were incurred in the German tax group due to non-deductible withholding taxes on management fees charged to subsidiaries. The other GRAMMER companies (AMERICAS excluding the USA; EMEA excluding Germany and the APAC region) recorded tax rates that roughly correspond to the nominal tax rate of the respective country. The Group assumes that it will have sufficient taxable income to make use of existing unused tax losses for which deferred tax assets have been recognized. Only the Tax Group in the USA, four entities in China and one company in Belgium did not recognize deferred tax assets in the first half of 2024 due to a lack of probable usability of the tax loss. Deferred tax assets decreased by EUR 9.5 million to EUR 43.8 million, while deferred tax liabilities fell by EUR 10.3 million to EUR 18.8 million. Both are primarily due to the reversal of temporary differences in the USA by amortization of the underlying balance sheet items and additional offsetting of deferred tax items as a result of the change in the maturities of the balance sheet items underlying the temporary differences.

Financial liabilities

Non-current financial liabilities

Non-current financial liabilities break down as follows:

| EUR k | June 30, 2024 | December 31, 2023 |
|--|------------------|----------------------|
| Bonded loans | 77,361 | 77,375 |
| Loans | 244,513 | 89,650 |
| Non-current financial liabilities | 321,874 | 167,025 |

Non-current financial liabilities increased due to the refinancing and raising of a new loan, of which EUR 194.4 million is classified as non-current.

Current financial liabilities

Current financial liabilities break down as follows:

| EUR k | June 30, 2024 | December 31, 2023 |
|---|------------------|----------------------|
| Bonded loans | 1,313 | 7,839 |
| Bank overdrafts (including liabilities under factoring contracts) | 62,422 | 79,554 |
| Loans | 128,443 | 199,235 |
| Current financial liabilities | 192,178 | 286,628 |

Current financial liabilities totaling EUR 192.2 million were significantly below the level of the 2023 annual financial statements (previous year: EUR 286.6 million). This decrease is the result of repayments of current financial liabilities due to scheduled maturity.

Equity

The development of the GRAMMER Group's equity is shown in the statement of changes in equity on page 20. Subscribed capital and the capital reserve remained unchanged compared to December 31, 2023. Retained earnings decreased due to the net loss after taxes in the first half of 2024. Accumulated other comprehensive income includes gains from the currency translation of foreign subsidiaries, actuarial gains from the measurement of defined-benefit pension obligations, gains from cash-flow hedges and gains from net investments in foreign operations, including deferred or actual taxes offset against these. As of April 20 and 21, 2024, the remuneration claim from the hybrid loan, consisting of accrued interest for the period from April 21, 2023 to April 19, 2024, was paid out to the hybrid lender, Ningbo Jifeng Auto Parts Co., Ltd., a company of the Ningbo Jifeng Group (the majority shareholder of GRAMMER AG), at the equivalent of EUR 1,028 thousand. The hybrid loan of EUR 38,658 thousand reported in equity as at June 30, 2024 is made up of the hybrid loan of EUR 38,219 thousand and the interest of EUR 439 thousand accrued since April 22, 2024.

The change in non-controlling interests is mainly due to the capital increase at GRAMMER Vehicle Parts (Harbin) Co., Ltd. insofar as this is attributable to the minority shareholder at the equivalent of EUR 4,551 thousand.

This was offset by the acquisition of additional shares in GRAMMER FAWSN Vehicle Parts Co., Ltd. in the amount of EUR 1,363 thousand.

Financial instruments

Additional information on financial instruments

The following table shows the fair values and carrying amounts of financial assets and liabilities. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

EUR k

| | Measurement category in accordance with IFRS 9 | Carrying amount on June 30, 2024 | Fair Value on June 30, 2024 | Carrying amount on December 31, 2023 | Fair Value on December 31, 2023 |
|---|--|----------------------------------|-----------------------------|--------------------------------------|---------------------------------|
| Assets | | | | | |
| Cash and short-term deposits | FAAC | 107,325 | 107,325 | 131,005 | 131,005 |
| Trade accounts receivable | FAAC | 322,550 | 322,550 | 288,474 | 288,474 |
| Other financial assets | | | | | |
| Loans and receivables | FAAC | 8,532 | 8,532 | 11,214 | 11,214 |
| Investments in associates | FVOCI | 17,652 | 17,652 | 8,948 | 8,948 |
| Financial assets held for trading | FVtPL | 0 | 0 | 509 | 509 |
| Derivatives with hedge relationship | n.a. | 1,149 | 1,149 | 2,995 | 2,995 |
| Equity and liabilities | | | | | |
| Trade accounts payable | FLAC | 387,845 | 387,845 | 405,525 | 405,400 |
| Current and non-current financial liabilities | FLAC | 514,052 | 514,052 | 453,653 | 436,914 |
| Other financial liabilities | | | | | |
| Other financial liabilities | FLAC | 521 | 521 | 5,478 | 5,478 |
| Lease liabilities | n.a. | 81,778 | 81,778 | 71,540 | 71,540 |
| Derivatives with no hedge relationship | FLtPL | 80 | 80 | 193 | 193 |
| Derivatives with hedge relationship | n.a. | 2,416 | 2,416 | 1,179 | 1,179 |

EUR k

| | Measurement category in accordance with IFRS 9 | Carrying amount on June 30, 2024 | Fair Value on June 30, 2024 | Carrying amount on December 31, 2023 | Fair Value on December 31, 2023 |
|---|---|-------------------------------------|--------------------------------|---|------------------------------------|
| Of which aggregated by category in accordance with IFRS 9 | | | | | |
| Assets | | | | | |
| Financial assets at amortized cost | FAAC | 438,407 | 438,407 | 430,693 | 430,693 |
| Financial assets at fair value through other comprehensive income | FVOCI | 17,652 | 17,652 | 8,948 | 8,948 |
| Financial assets at fair value through profit and loss | FVtPL | 0 | 0 | 509 | 509 |
| Equity and Liabilities | | | | | |
| Financial liabilities at amortized cost | FLAC | 902,418 | 902,418 | 864,656 | 847,792 |
| Financial liabilities at fair value through profit and loss | FLtPL | 80 | 80 | 193 | 193 |

Fair value measurement

The following table shows the quantitative disclosures for fair-value measurement of assets and liabilities by hierarchy level as at June 30, 2024:

| EUR k | Total | Level 1 | Level 2 | Level 3 |
|---|----------------|---------|---------|---------|
| Assets recognized at fair value | | | | |
| Derivative financial assets | | | | |
| Currency forwards | 1,149 | 0 | 1,149 | 0 |
| Interest rate swaps | 0 | 0 | 0 | 0 |
| Liabilities recognized at fair value | | | | |
| Derivative financial liabilities | | | | |
| Currency forwards | 2,496 | 0 | 2,496 | 0 |
| Interest rate swaps | 0 | 0 | 0 | 0 |
| Liabilities for which a fair value is recognized | | | | |
| Interest-bearing liabilities | | | | |
| Liabilities under hire purchase contracts | 1,639 | 0 | 1,639 | 0 |
| Current and non-current financial liabilities | 514,052 | 0 | 514,052 | 0 |

The following table shows the quantitative disclosures for fair-value measurement of assets and liabilities by hierarchy level as at December 31, 2023:

| EUR k | Total | Level 1 | Level 2 | Level 3 |
|---|----------------|---------|---------|---------|
| Assets recognized at fair value | | | | |
| Derivative financial assets | | | | |
| Currency forwards | 3,504 | 0 | 3,504 | 0 |
| Interest rate swaps | 0 | 0 | 0 | 0 |
| Liabilities recognized at fair value | | | | |
| Derivative financial liabilities | | | | |
| Currency forwards | 1,372 | 0 | 1,372 | 0 |
| Interest rate swaps | 0 | 0 | 0 | 0 |
| Liabilities for which a fair value is recognized | | | | |
| Interest-bearing liabilities | | | | |
| Liabilities under hire purchase contracts | 1,676 | 0 | 1,676 | 0 |
| Current and non-current financial liabilities | 436,914 | 0 | 436,914 | 0 |

The levels of the fair-value hierarchy reflect the significance of the input data used for measurement and are categorized as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Valuation of assets or liabilities is based on direct or indirect market observables, which are not quoted prices in accordance with Level 1.

Level 3: Valuation techniques are based upon inputs that are not observable in the market.

There were no reclassifications between Level 1 and Level 2 in the reporting period. No assets or liabilities were assigned to Level 3.

Segment reporting

Segment information

The segment information is shown for the EMEA, AMERICAS and APAC segments. Central items and eliminations of intragroup transactions are reported in the „Central Services“ and „Eliminations“ columns. The corresponding notes on the areas of activity are also disclosed in the consolidated financial statements as at December 31, 2023.

01-06 2024

| EUR k | EMEA | AMERICAS | APAC | Central Services | Eliminations | GRAMMER Group |
|--|----------------|----------------|----------------|------------------|----------------|------------------|
| Revenue from sales to external customers | 538,039 | 326,557 | 249,925 | 0 | 0 | 1,114,521 |
| Inter-segment revenue | 23,027 | 497 | 4,231 | 0 | -27,755 | 0 |
| Revenue | 561,066 | 327,054 | 254,156 | 0 | -27,755 | 1,114,521 |
| Segment earnings (EBIT) | 15,447 | -9,626 | 23,494 | -10,747 | 261 | 18,829 |

01-06 2023

| EUR k | EMEA | AMERICAS | APAC | Central Services | Eliminations | GRAMMER Group |
|--|----------------|----------------|----------------|------------------|----------------|------------------|
| Revenue from sales to external customers | 614,213 | 317,258 | 241,082 | 0 | 0 | 1,172,553 |
| Inter-segment revenue | 25,602 | 598 | 4,893 | 0 | -31,093 | 0 |
| Revenue | 639,815 | 317,856 | 245,975 | 0 | -31,093 | 1,172,553 |
| Segment earnings (EBIT) | 32,077 | -27,435 | 28,637 | -14,940 | 204 | 18,543 |

Information on product areas

The following tables contain information on revenue from external customers of the Group's product areas:

01-06 2024

EUR k

| By product area | Automotive | Commercial Vehicles | GRAMMER Group |
|------------------|----------------|---------------------|------------------|
| Revenue EMEA | 317,106 | 243,960 | 561,066 |
| Revenue AMERICAS | 263,843 | 63,211 | 327,054 |
| Revenue APAC | 180,952 | 73,204 | 254,156 |
| Eliminations | -7,888 | -19,867 | -27,755 |
| Revenue | 754,013 | 360,508 | 1,114,521 |

01-06 2023

EUR k

| By product area | Automotive | Commercial Vehicles | GRAMMER Group |
|------------------|----------------|---------------------|------------------|
| Revenue EMEA | 334,806 | 305,009 | 639,815 |
| Revenue AMERICAS | 255,545 | 62,311 | 317,856 |
| Revenue APAC | 169,571 | 76,404 | 245,975 |
| Eliminations | -8,228 | -22,865 | -31,093 |
| Revenue | 751,694 | 420,859 | 1,172,553 |

In the Automotive product area, the GRAMMER Group operates as a supplier to the automotive industry, developing and producing headrests, armrests, center console systems, high-quality interior components and operating systems as well as innovative thermoplastic solutions, which it sells to automotive manufacturers and their system suppliers. The Commercial Vehicles product area develops and produces driver and passenger seats for trucks, driver seats for off-road commercial vehicles (tractors, construction machinery and forklifts) as well as seats and seating systems for trains and buses. In this segment, GRAMMER is active as a supplier to the commercial vehicle industry, marketing driver and passenger seats to commercial vehicle OEMs or as an aftermarket supplier. It also markets driver and passenger seats to bus and rolling stock OEMs, as well as railway operators.

Related parties disclosures

The following table shows transactions with related parties as at June 30, 2024 and June 30, 2023:

EUR k

| Related parties | | Sales to related Parties | Purchases from related parties | Receivables from related Parties | Liabilities from related Parties |
|--|------|--------------------------|--------------------------------|----------------------------------|----------------------------------|
| GRA-MAG Truck Interior Systems LLC | 2024 | 6,655 | 0 | 3,595 | 0 |
| | 2023 | 7,201 | 0 | 7,683 | 0 |
| Ningbo Jifeng Auto Parts Co., Ltd. | 2024 | 460 | 5,997 | 1,420 | 4,874 |
| | 2023 | 408 | 3,697 | 337 | 2,591 |
| Jiye Auto Parts GmbH | 2024 | 0 | 0 | 0 | 0 |
| | 2023 | 0 | 0 | 0 | 0 |
| Jifeng Automotive Interior GmbH | 2024 | 22 | 470 | 6 | 0 |
| | 2023 | 0 | 0 | 0 | 0 |
| Jifeng Automotive Interior CZ s.r.o. | 2024 | 1,213 | 51 | 364 | 43 |
| | 2023 | 1,479 | 71 | 452 | 1 |
| Ningbo Jifeng Technology Co., Ltd. | 2024 | 0 | 1,549 | 0 | 363 |
| | 2023 | 0 | 1,918 | 0 | 632 |
| Ningbo Jiye Trading Co., Ltd. | 2024 | 0 | -33 | 0 | -38 |
| | 2023 | 0 | 1,537 | 0 | 0 |
| Tianjin Jifeng Auto Parts Co., Ltd. | 2024 | 0 | 13 | 0 | 5 |
| | 2023 | 0 | 12 | 0 | 6 |
| Jifeng Seating (Hefei) Co., Ltd. (formerly Hefei Jiye Auto Parts Co., Ltd.) | 2024 | 60 | 1,332 | 11 | 586 |
| | 2023 | 151 | 302 | 10 | 33 |
| Hefei Jifeng Auto Parts Co., Ltd. | 2024 | 0 | 0 | 0 | 0 |
| | 2023 | 0 | 107 | 0 | 0 |
| Shenyang Jifeng Auto Parts Co., Ltd. | 2024 | 0 | 384 | 0 | 30 |
| | 2023 | 0 | 288 | 0 | 13 |
| Jifeng Seating Shanghai Co., Ltd. | 2024 | 20 | 0 | 20 | 0 |
| | 2023 | 24 | 0 | 0 | 0 |

EUR k

| Related parties | | Sales to related Parties | Purchases from related parties | Receivables from related Parties | Liabilities from related Parties |
|---|-------------|---------------------------------|---------------------------------------|---|---|
| Ningbo Jixin Automotive Technology Co., Ltd. | 2024 | 15 | 0 | 0 | 0 |
| | 2023 | 13 | 0 | 1 | 0 |
| ALLYGRAM Systems and Technologies Private Limited | 2024 | 0 | 2,492 | 0 | 466 |
| | 2023 | 0 | 1,615 | 0 | 242 |
| Yiping Wang | 2024 | 0 | 0 | 0 | 0 |
| | 2023 | 0 | 0 | 0 | 0 |
| Grammer Vehicle Parts (Tianjin) Co. Ltd | 2024 | 55 | 0 | 33 | 0 |
| | 2023 | 0 | 0 | 0 | 0 |
| Grammer Vehicle Parts (Changchun) Co. Ltd | 2024 | 1,247 | 0 | 574 | 0 |
| | 2023 | 0 | 0 | 0 | 0 |
| Grammer Jifeng Automotive | 2024 | 185 | 0 | 185 | 0 |
| | 2023 | 0 | 0 | 0 | 0 |

The companies Jifeng Automotive Interior CZ s.r.o., Česká Lípa, Czech Republic, Ningbo Jifeng Technology Co., Ltd., Ningbo City, China, Ningbo Jiye Trading Co., Ltd., Ningbo City, China, Tianjin Jifeng Auto Parts Co., Ltd., Tianjin, China, Jifeng Seating (Hefei) Co., Ltd., Hefei, China, Hefei Jifeng Auto Parts Co., Ltd., Hefei, China, Shenyang Jifeng Auto Parts Co., Ltd., Shenyang, China, Jifeng Seating Shanghai Co., Ltd., Shanghai, China, and Ningbo Jixin Automotive Technology Co., Ltd., Ningbo City, China, as well as the direct parent of GRAMMER AG (Jiye Auto Parts GmbH), are governed by Ningbo Jifeng Auto Parts Co., Ltd. GRAMMER maintains direct relations for the delivery of goods and the provision of services with these companies.

Contingent liabilities

As at June 30, 2024, there are guarantees in the amount of EUR 1,137 thousand. These related primarily to guarantees against breaches of contract.

Supplementary Report

On August 9, 2024, GRAMMER AG and Jifeng Automotive Interior GmbH (JAI) concluded a Framework Asset Purchase Agreement. JAI is a wholly owned subsidiary of the majority shareholder Ningbo Jifeng. It was founded in 2013 and, like GRAMMER, is active in the automotive headrests, armrests and functional components segments. This will result in synergies and a strengthening of the EMEA region. The maximum purchase price for these assets amounts to EUR 45.0 million. Based on a fairness opinion from an internationally recognized consulting firm, the maximum purchase price is appropriate from a financial perspective.

D | Key figures in accordance with IFRS

GRAMMER GROUP – Quarterly overview

Key figures in accordance with IFRS

| EUR m | Q2 2024 | Q2 2023 | 01-06 2024 | 01-06 2023 | 01-12 2023 |
|--|--------------|--------------|----------------|----------------|----------------|
| Group revenue | 557.9 | 583.5 | 1,114.5 | 1,172.6 | 2,304.9 |
| Revenue EMEA | 271.6 | 311.3 | 561.1 | 639.8 | 1,210.9 |
| Revenue AMERICAS | 167.2 | 158.4 | 327.1 | 317.9 | 622.0 |
| Revenue APAC | 132.9 | 128.6 | 254.2 | 246.0 | 532.3 |
| Income Statement | | | | | |
| EBITDA | 36.4 | 27.5 | 61.1 | 59.6 | 123.8 |
| EBITDA margin (%) | 6.5 | 4.7 | 5.5 | 5.1 | 5.4 |
| EBIT | 14.9 | 6.8 | 18.8 | 18.5 | 42.0 |
| EBIT margin (%) | 2.7 | 1.2 | 1.7 | 1.6 | 1.8 |
| Operating EBIT | 13.2 | 13.0 | 15.6 | 26.9 | 56.8 |
| Operating EBIT margin (%) | 2.4 | 2.2 | 1.4 | 2.3 | 2.5 |
| Earnings before taxes | 8.0 | 1.1 | 3.4 | 5.0 | 9.2 |
| Net profit/loss | 3.4 | -3.2 | -2.2 | -0.3 | 3.4 |
| Statement of Cash Flows | | | | | |
| Capital expenditure (without financial assets) | 33.4 | 19.8 | 57.3 | 34.2 | 97.1 |
| Depreciation and amortization | 21.5 | 20.7 | 42.3 | 41.1 | 81.8 |
| Free cash flow | -97.5 | -11.0 | -57.3 | -2.3 | 48.2 |
| Employees (number, average) | | | 13,780 | 14,423 | 14,241 |

| EUR m | June 30, 2024 | June 30, 2023 | December 31, 2023 |
|---|---------------|---------------|-------------------|
| Statement of Financial Position | | | |
| Total assets | 1,587.5 | 1,441.9 | 1,534.4 |
| Equity | 314.6 | 289.1 | 313.4 |
| Equity ratio (%) | 19.8 | 20.0 | 20.4 |
| Net debt | 491.6 | 446.3 | 401.1 |
| Gearing (%) | 156.3 | 154.4 | 128.0 |
| Share data | | | |
| Prices (Xetra closing price in EUR) | 8.85 | 12.70 | 10.90 |
| Market capitalization (EUR m) | 134.9 | 193.5 | 166.1 |
| Earnings per share (basic/diluted, EUR) | -0.25 | -0.05 | 0.12 |

Financial Calendar ¹

Important dates for shareholders and analysts

2024



Publication of
Interim Report
3rd Quarter 2024

Contact

GRAMMER AG

Grammer-Allee 2
92289 Ursensollen

P.O. Box 14 54
92204 Amberg, Germany

Phone +49 (0)9621 66 0
Fax +49 (0)9621 66 31000
www.grammer.com

Investor Relations

Tanja Bücherl
Phone +49 (0) 9621 66 2113
Fax +49 (0) 9621 66 32113
E-mail investor-relations@grammer.com

Masthead

Published by

GRAMMER AG
Grammer-Allee 2
92289 Ursensollen, Germany

Release date

August 14, 2024

Concept, layout

IR.on AG, Köln
<https://ir-on.com/>

Image Credits

Adobe Stock

¹ All dates are tentative and subject to change.