Interim Financial Report January to June 2025

SHARPEN FOCUS, INCREASE RESULTS

GRAMMER

Revenue

953.7 EUR m

Operating EBIT

35.6 EUR m

Operating EBIT margin

3.7%

Equity ratio

16.2%

Net profit

13.1 EUR m

Free cash flow – continued operations

–47.8 EUR m

The figures for the first half of 2024 have been adjusted retrospectively due to the sale of TMD on September 20, 2024.

EBIT

24.2

EUR m

Capital expenditure

35.0

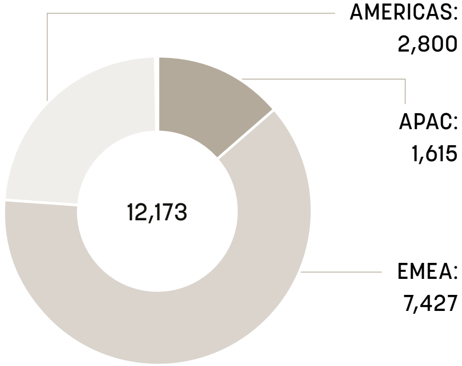
EUR m

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 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 12,000 employees in 19 countries around the world. Its revenue in 2024 was about EUR 1.9 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 region[1]

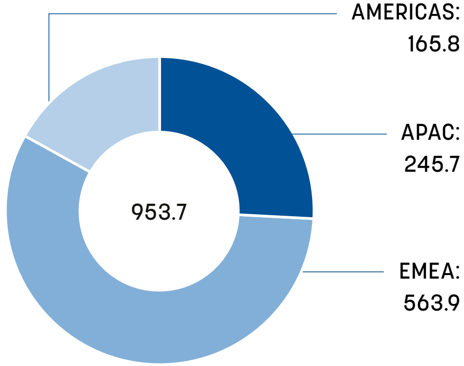
Annual average



[1] On average, 331 people were employed in Central Services.

Revenue by region[2]

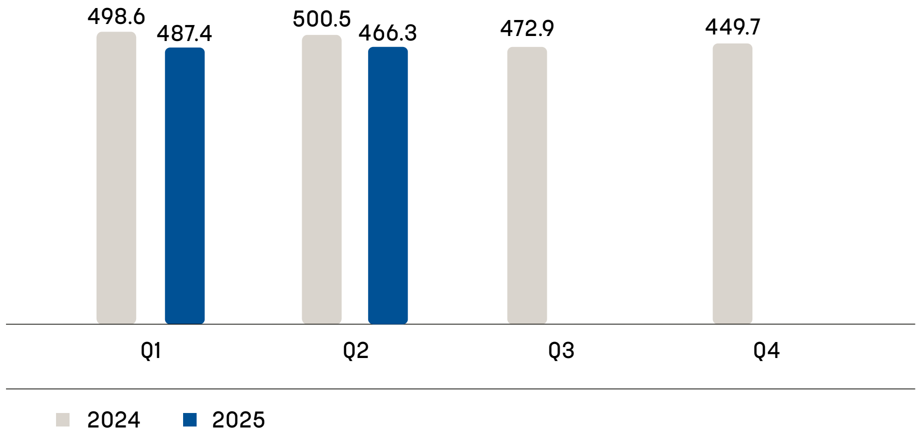
EUR m



[2] The consolidation effect of revenue between the regions amounts to EUR 21.7 million.

Revenue by quarter

EUR m



Operating EBIT by region

AMERICAS	EMEA	APAC
–0.2	24.4	17.7
EUR m	EUR m	EUR m

Overview of business performance

- The major macroeconomic and industry-specific uncertainties had a growing impact on GRAMMER's business performance in the first half of 2025, and neither the Commercial Vehicles product area nor the Automotive product area were able to escape the cyclical weakness in demand that characterized the first six months of the year

- The GRAMMER Group's revenue therefore declined in the reporting period, falling by 4.5% to EUR 953.7 million (01–06 2024: EUR 999.1 million); both product areas recorded a drop in revenue, with Automotive experiencing a 4.1% decline to EUR 612.6 million and Commercial Vehicles a 5.4% decline to EUR 341.1 million

- The second quarter in particular fell short of expectations, with a 6.8% decline in revenue to EUR 466.3 million (Q2 2024: EUR 500.5 million) and operating EBIT of EUR 11.7 million (Q2 2024: EUR 20.2 million)

- The restructuring measures initiated as part of the „Top 10 Measures" program increasingly took effect in the first half of the year and resulted in an improvement in profitability; in particular, the adjustment of capacity in the EMEA region to meet demand and the successful conclusion of the restructuring and future-oriented collective agreement had a positive impact on the GRAMMER Group's earnings performance

- As a result of the restructuring measures that have been initiated and despite the decline in revenue, GRAMMER's operating EBIT was EUR 35.6 million, which is higher than the previous year's level (01–06 2024: EUR 29.6 million); and produces an improved operating EBIT margin of 3.7% (01–06 2024: 3.0%)

- Operating EBIT includes adjustments for negative currency effects of EUR 11.4 million, for income from the dissolving of restructuring provisions of EUR 1.6 million, and for a deconsolidation loss of a US Group company of EUR 1.5 million; the previous year was adjusted by positive currency effects of EUR 3.3 million; at EUR 24.2 million, EBIT in the first half of 2025 was thus lower than the previous year's figure (01–06 2024: EUR 32.9 million)

- Looking at the regions, the EMEA region developed positively in terms of revenue and operating EBIT; revenue increased slightly by 0.5% to EUR 563.9 million (01–06 2024: EUR 561.1 million) in the reporting period, with the Automotive product area in particular recording a 3.9% rise in revenue, while the Commercial Vehicles product area suffered a drop of 4.0%; at EUR 24.4 million, operating EBIT was significantly higher than in the previous year (01–06 2024: EUR 14.2 million)

- Revenue in the AMERICAS region was at EUR 165.8 million, which is 21.6% down on the previous year's level (01–06 2024: EUR 211.6 million); operating EBIT fell to EUR −0.2 million (01–06 2024: EUR 3.0 million)

- The APAC region recorded a 3.3% decline in revenue to EUR 245.7 million in the first half of 2025 (01–06 2024: EUR 254.2 million); this can primarily be attributed to a 10.5% fall in the higher-margin Commercial Vehicles product area, while the Automotive product area recorded only a slight drop of 0.4%; operating EBIT declined to EUR 17.7 million as a result (01–06 2024: EUR 23.7 million)

- Although the „Top 10 Measures" program is already showing initial success in increasing GRAMMER's long-term profitability and securing its future, the company still expects the environment to remain challenging as a result of the difficult macroeconomic and industry-specific conditions; additional risks could also arise from the US tariff policy; against this backdrop, GRAMMER is continuing to systematically implement the measures in its restructuring program

- For 2025 as a whole, GRAMMER continues to expect revenue at the previous year's level of approximately EUR 1.9 billion with operating EBIT of around EUR 60 million; however, the outlook depends significantly on further geopolitical developments and their impact on the global economy

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1. Economic conditions

Global economy
In its current forecast (July 2025), the IMF expects the global economy to grow by 3.0% this year. Alongside persistent geopolitical tensions, the ongoing trade conflicts and the increase in protectionist measures are weighing appreciably on economic momentum. The extraordinarily high level of uncertainty regarding future economic developments that is resulting from this is complicating investment decisions and dampening growth potential.

The IMF forecasts modest growth in Europe in 2025. The main reasons for the subdued development are the increased uncertainty and higher trade tariffs. Even though signs of a modest recovery are visible for 2026, based on more robust consumption resulting from rising real wages and fiscal easing in Germany following the reform of the debt brake, the IMF expects growth of 1.0% in the EMEA region in 2025. Germany's GDP is expected to rise by 0.1% in 2025.

In the AMERICAS region, economic output is expected to increase by 1.9% in the US. The economic activity is slowed down by the trade tariffs and the resulting uncertainty, after demand momentum had already weakened. The IMF expects growth of 0.2% in Mexico, while Brazil is anticipated to grow by 2.3%.

The APAC region is significantly influenced by the development of China as the largest market. The IMF forecasts growth of 4.8% for China in 2025, with the country being hit particularly hard by the latest trade restrictions. Despite the temporary suspension of the tariff rises on China and the positive fiscal stimulus, the ongoing trade uncertainty is overshadowing the prospects for growth.

Conditions in the automotive industry
The global automotive markets have followed two different paths in the first half of 2025. Despite a variety of challenges, global vehicle production increased by 2.3% year-on-year according to market data from S&P Global Mobility; an increase that has been driven primarily by China and the APAC region. Europe and North America, on the other hand, suffered declines in production. This discrepancy highlights the different general conditions of the transformation: The growth momentum in Asia contrasts sharply with restrictive factors in the traditional automotive markets.

The APAC region recorded a dynamic performance, growing by 7.5%. China consolidated its position as a global growth engine with a double-digit increase in production that reached 11.6%. This expansion is the result of the interplay of government support measures, the rapid market penetration of alternative drive systems, and a strategic export campaign. The remaining APAC markets developed more moderately at 2.5%, but also contributed to the region's growth.

In the EMEA region, production shrank by 5.3% in the first half of 2025, a result primarily of subdued domestic demand and increased cost pressures. Declining demand, rising production costs, and looming trade barriers are weighing on investment confidence and dampening export prospects.

According to data from S&P Global Mobility, the AMERICAS region featured a mixed development in the first half of 2025. While the region as a whole recorded a decline of 2.7%, the submarkets diverged considerably: North America suffered a drop of 4.6%, whereas South America expanded by 9.0%. Several factors weighed on the development of production in the US, including increased financing costs and trade policy uncertainties.

Conditions in the commercial vehicles industry
The global commercial vehicles market recorded a decline of 6.1% in the first half of 2025 according to figures from S&P Global Mobility. The ongoing weakness in the transport sector, exacerbated by trade policy uncertainties and structural overcapacity, impacted the truck segment in particular. The increase in financing costs had a detrimental effect, raising the costs of fleet upgrades and further aggravating the already tight margin situation faced by operators.

The AMERICAS region suffered a significant decline in production of 21.1% in the first half of 2025. Whereas North America was particularly hard hit by a 26.7% fall, South America managed to stabilize its situation with moderate growth of 1.3%. Regulatory and trade policy uncertainties have resulted in a marked reluctance in the US and Canada to make purchases. Brazil, on the other hand, benefited from favorable tax conditions and robust demand from the agricultural and commodities sector.

APAC recorded a stable overall performance with growth of 1.8%, although momentum varied within the region. While China struggled with a decline of 1.4%, the other APAC markets expanded by 6.9%. The Chinese market suffered from structural pressures: high vehicle stocks, the ongoing real estate crisis, and declining exports – particularly to Russia – dampened demand.

In the EMEA region, production shrank by 10.8%, with Europe particularly affected by a decline of 12.3%. Weak industrial and trade growth weighed on demand despite targeted public sector investments. Moreover, the unclear regulatory outlook concerning CO_2 requirements led to delays in investments by fleet operators. Geopolitical tensions continued to put pressure on supply chains.

2. GRAMMER Group key figures

Key figures in accordance with IFRS GRAMMER Group

EUR m	01-06 2025	01–06 2024[1]	01-12 2024[1]
Group revenue[1]	**953.7**	**999.1**	**1,921.7**
Revenue EMEA	563.9	561.1	1,044.3
Revenue AMERICAS[1]	165.8	211.6	391.7
Revenue APAC	245.7	254.2	536.6
Income statement[1]			
EBITDA	63.5	68.2	80.9
EBITDA margin (%)	6.7	6.8	4.2
EBIT	24.2	32.9	8.1
EBIT margin (%)	2.5	3.3	0.4
Operating EBIT	35.6	29.6	41.6
Operating EBIT margin (%)	3.7	3.0	2.2
Earnings before taxes	6.8	18.5	–23.7
Net profit/loss	13.1	13.2	–48.0

[1] Continued operations

EUR m	June 30, 2025	June 30, 2024[1]	December 31, 2024[1]
Consolidated Statement of Financial Position			
Total assets	1,564.6	1,587.5	1,699.8
Equity	253.8	314.6	266.9
Equity ratio (%)	16.2	19.8	15.7
Net debt	544.8	491.6	485.5
Gearing (%)	214.7	156.3	181.9

	01-06 2025	01–06 2024[1]	01-12 2024[1]
Statement of Cash flows			
Capital expenditure (without acquisitions through business combinations and financial assets)	35.0	55.6	96.3
Depreciation and amortization	39.3	35.3	72.8
Free cash flow – continued operations	–47.8	–46.1	–24.5
Employees (number, average)	12,173	12,466	12,116

	June 30, 2025	June 30, 2024[1]	December 31, 2024[1]
Share data			
Prices (Xetra closing price in EUR)	6.25	8.85	4.80
Market capitalization (in EUR m)	95.2	134.9	73.1
Earnings per share continued operations (in EUR)	0.79	0.79	–3.33

3. Business performance in the first half of 2025

The GRAMMER Group's revenue from continuing operations totaled EUR 953.7 million in the period from January to June 2025 (01–06 2024: EUR 999.1 million) and was thus 4.5% or EUR 45.4 million down on the previous year's figure, a result in particular of the cyclical weakness in demand. Discontinued operations refer to the TMD Group, which was sold on September 20, 2024 and is therefore no longer included in the financial reporting. The previous year's figures have therefore been adjusted accordingly. Adjusted for currency effects, revenue was 3.6% lower than in the same period in the previous year. This development resulted from a decline in revenue of 21.6% in the AMERICAS region to EUR 165.8 million (01–06 2024: EUR 211.6 million) and of 3.3% in the APAC region to EUR 245.7 million (01–06 2024: EUR 254.2 million). In EMEA, however, revenue increased slightly by 0.5% to EUR 563.9 million (01–06 2024: EUR 561.1 million).

From the quarterly perspective, the GRAMMER Group's business performance fell short of expectations in the second quarter. The GRAMMER Group's revenue in the second quarter amounted to EUR 466.3 million, which was lower than the level recorded in the first quarter of 2025 (EUR 487.4 million) and 6.8% lower than in the same period of the previous year (Q2 2024: EUR 500.5 million). Adjusted for currency effects, revenue decreased by 4.4% to EUR 478.5 million year-on-year.

However, GRAMMER was able to significantly increase profitability in the first six months of 2025. The positive performance in the half-year comparison can be attributed to the strong first quarter in 2025, during which the Group's restructuring measures increasingly took effect particularly in EMEA. Significant contributions were made by the adjustment of capacity in the EMEA region to align with the fall in customer demand as well as by the continued streamlining of the organization. In addition, the conclusion of the restructuring and future-oriented collective agreement for the Amberg locations had a positive impact on the earnings performance. Operating EBIT increased by 20.3% to EUR 35.6 million (01–06 2024: EUR 29.6 million) in the first six months of the year, corresponding to an operating EBIT margin of 3.7% (01–06 2024: 3.0%). Operating EBIT was adjusted for negative currency effects of EUR 11.4 million, income from the dissolving of restructuring provisions of EUR 1.6 million, and a deconsolidation loss of a US Group company of EUR 1.5 million (01–06 2024: positive currency effects of EUR 3.3 million). EBIT in the first half of 2025 was therefore EUR 24.2 million (01–06 2024: EUR 32.9 million).

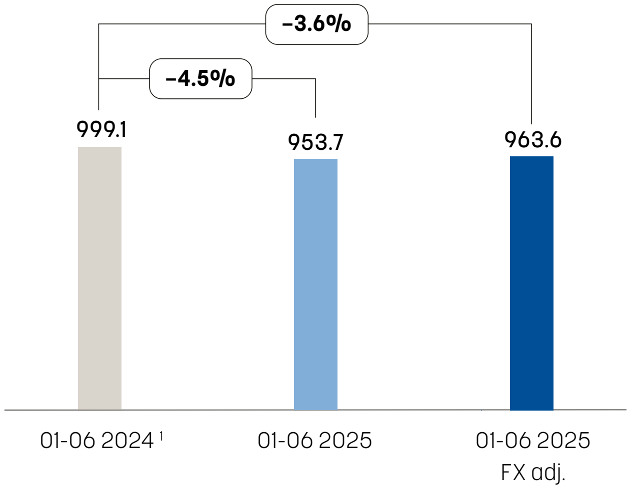
Macroeconomic and industry-specific challenges will continue to weigh on GRAMMER throughout the rest of the year, however. These continue to include higher material, energy and personnel costs, as well as the geopolitical situation and its impact on the global economy. In addition, the US tariff policy could result in additional burdens, which is why GRAMMER will continue to systematically implement the measures of its restructuring program in the second half of the year and continuously adapt to changing circumstances. For the full year 2025, GRAMMER continues to expect revenues at the previous year's level of around EUR 1.9 billion with an operating EBIT of around EUR 60 million. However, the outlook depends significantly on the uncertainties mentioned above and their impact on the global economy.

4. GRAMMER Group results of operations

GRAMMER Group revenue
Against the backdrop of weak economic demand, the Group revenue of the GRAMMER Group was EUR 953.7 million (01–06 2024: EUR 999.1 million) in the first half of 2025. This corresponds to a year-on-year decline of 4.5%. This revenue performance can primarily be attributed to a decrease in revenue of 21.6% to EUR 165.8 million in the AMERICAS region (01–06 2024: EUR 211.6 million) and of 3.3% to EUR 245.7 million (01-06 2024: EUR 254.2 million) in the APAC region. In the EMEA region, however, GRAMMER recorded a slight increase in revenue of 0.5% to EUR 563.9 million (01–06 2024: EUR 561.1 million).

From a regional perspective, the product areas largely experienced a decline. In EMEA, revenue decreased in the Commercial Vehicles product area, while it increased in the Automotive product area. In the AMERICAS, both areas recorded a decline in revenue, which was more pronounced in the Automotive area, however, where the drop was 26.1%. In APAC, the high-margin Commercial Vehicles business in particular experienced a decline in revenue, whereas the Automotive product area was only slightly lower in the year-on-year comparison.

GRAMMER Group revenue (incl. FX adjustment)
EUR m



[1] Continued operations

GRAMMER Group earnings
The GRAMMER Group's EBIT totaled EUR 24.2 million in the first six months of 2025 (01–06 2024: EUR 32.9 million). EBIT came to EUR 17.5 million (01–06 2024: EUR 23.5 million) in the APAC region and to EUR 20.0 million (01–06 2024: EUR 15.4 million) in EMEA in the first half of the year. In the AMERICAS region, EBIT was EUR –5.8 million, compared with EUR 4.4 million in the first six months of 2024.

At EUR 35.6 million and an operating EBIT margin of 3.7%, the Group's operating EBIT was higher than the previous year's level (01–06 2024: EUR 29.6 million and an operating EBIT margin of 3.0%). Operating EBIT was adjusted for negative currency effects of EUR 11.4 million, income from the dissolving of restructuring provisions of EUR 1.6 million, and a deconsolidation loss of a US Group company of EUR 1.5 million. The GRAMMER Group's financial result of EUR –17.5 million (01–06 2024: EUR –14.4 million) can be attributed to lower finance income compared to the first half of 2024, when it included income from the two quasi-VAT levies PIS and COFINS (Programa de Integracao Social / Contribuicao para o Financiamento da Seguridade Social) in Brazil, which were not incurred in the first six months of 2025. Income tax income of EUR 6.3 million was reported in the first half of 2025 (01–06 2024: income tax expense of EUR 5.3 million), with lower earnings before taxes of EUR 6.8 million generated by continuing operations (01–06 2024: EUR 18.5 million). This is mainly due to the first-time recognition of deferred tax assets on loss carry-forwards at a company in Mexico.

Earnings from continuing operations after taxes in the first half of 2025 were EUR 13.1 million (01–06 2024: EUR 13.2 million).

Revenue performance by region and product area

EUR m

	GRAMMER Group			EMEA			AMERICAS			APAC		
	01-06 2025	01–06 2024[1]	Change	01-06 2025	01–06 2024	Change	01-06 2025	01–06 2024[1]	Change	01-06 2025	01–06 2024	Change
Automotive	612.6	638.6	–4.1%	329.6	317.1	3.9%	109.6	148.4	–26.1%	180.2	181.0	–0.4%
Commercial Vehicles	341.1	360.5	–5.4%	234.3	244.0	–4.0%	56.2	63.2	–11.1%	65.5	73.2	–10.5%
Revenue	**953.7**	**999.1**	**–4.5%**	**563.9**	**561.1**	**0.5%**	**165.8**	**211.6**	**–21.6%**	**245.7**	**254.2**	**–3.3%**

[1] Continued operations
The consolidation effect of revenue between the regions amounts to EUR 21.7 million.

GRAMMER Group Condensed Statement of Income

EUR k

	01–06 2025	01–06 2024[1]	Change
Revenue	953,658	999,083	–45,425
Cost of sales	–862,838	–886,468	23,630
Gross profit	**90,820**	**112,615**	**–21,795**
Selling expenses	–16,221	–13,682	–2,539
Administrative expenses	–88,929	–78,309	–10,620
Other operating income	38,563	12,284	26,279
Earnings before interest and taxes (EBIT)	**24,233**	**32,908**	**–8,675**
Financial result	–17,455	–14,397	–3,058
Earnings from continuing operations before taxes	**6,778**	**18,511**	**–11,733**
Income taxes	6,281	–5,262	11,543
Net profit/loss from continuing operations	**13,059**	**13,249**	**–190**
Net profit/loss from discontinued operations	0	–15,497	15,497
Net profit/loss	**13,059**	**–2,248**	**15,307**

[1] Continued operations

Derivation of Operating EBIT

EUR m

	01–06 2025	01–06 2024[1]	Change
EBIT from continuing operations	**24.2**	**32.9**	**–8.7**
Currency translation effects	11.4	–3.3	14.7
Income from the dissolving of restructuring provisions	–1.6	0.0	–1.6
Deconsolidation of a US Group company	1.5	0.0	1.5
Operating EBIT from continuing operations	**35.6**	**29.6**	**6.0**

5. Performance by region

EMEA

In the EMEA region, GRAMMER generated revenue of EUR 563.9 million in the first half of 2025 (01–06 2024: EUR 561.1 million) – an increase of 0.5% from the same period in the previous year. Revenue in the Commercial Vehicles product area decreased by 4.0% to EUR 234.3 million (01–06 2024: EUR 244.0 million), mainly as a result of lower demand in the offroad division caused by economic and industry-specific uncertainties. This was offset by an increase in the Automotive area of 3.9% to EUR 329.6 million (01–06 2024: EUR 317.1 million) as a result of higher call-offs from major customers.

The "Top 10 Measures" program already proved its effectiveness in the first half of the year, particularly in the first quarter, and had a positive impact on the earnings figures. EBIT in the EMEA region increased to EUR 20.0 million (01–06 2024: EUR 15.4 million) as a result of capacity adjustments, organizational stream-lining, and the conclusion of the restructuring and future-oriented collective agreement for the Amberg sites. The increase also reflects higher customer compensation during the reporting period. The EBIT margin was 3.5% (01–06 2024: 2.7%). Operating EBIT increased to EUR 24.4 million (01–06 2024: EUR 14.2 million) and was adjusted for negative currency effects of EUR 5.1 million, income from the dissolving of restructuring provisions of EUR 1.0 million and a deconsolidation loss of EUR 0.3 million. The operating EBIT margin increased accordingly to 4.3% (01–06 2024: 2.5%).

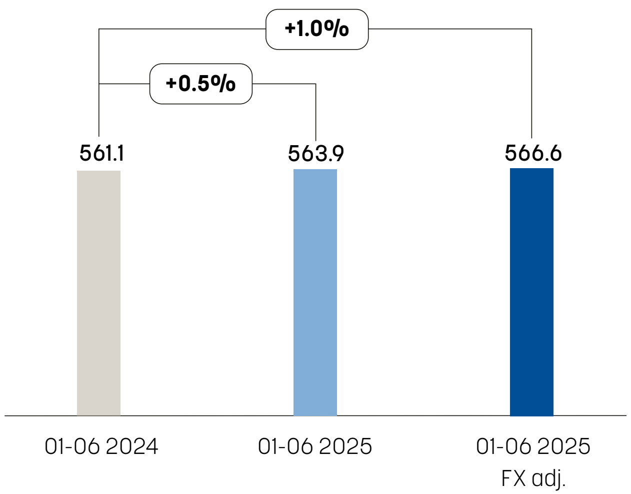
EMEA region key figures

EUR m

	01–06 2025	01–06 2024	Change
Revenue	563.9	561.1	2.8
EBIT	20.0	15.4	4.6
EBIT margin (%)	3.5	2.7	0.8%-points
Operating EBIT	24.4	14.2	10.2
Operating EBIT margin (%)	4.3	2.5	1.8%-points
Capital expenditure (without acquisitions through business combinations and financial assets)	12.9	18.3	–5.4
Employees (number, average)	7,427	7,190	237

EMEA revenue (incl. FX adjustment)

EUR m



AMERICAS

In the AMERICAS region, the GRAMMER Group generated revenue of EUR 165.8 million in the first half of 2025, down 21.6% on the same period last year. Adjusted for currency effects, revenue was also down on the previous year at EUR 171.0 million. Revenue in the Automotive product area fell by 26.1% to EUR 109.6 million (01–06 2024: EUR 148.4 million). Adjusted for currency effects, the decline was 25.3%.

In the Commercial Vehicles product area, revenue declined by 11.1% to EUR 56.2 million (01–06 2024: EUR 63.2 million) and by 4.9% on a currency-adjusted basis. The prior-year figures were adjusted for the activities of the TMD Group, which was sold and deconsolidated in September 2024. Due to ongoing ramp-up costs for the new Commercial Vehicles plant in the USA and inefficiencies in production, EBIT in the AMERICAS region remained negative at EUR −5.8 million in the first half of 2025 (01–06 2024: EUR 4.4 million). The EBIT margin declined to −3.5% compared with the prior-year figure (01–06 2024: 2.1%).

Operating EBIT amounted to EUR −0.2 million in the first six months of 2025 (01–06 2024: EUR 3.0 million). The operating EBIT margin was −0.1%, down 1.5 percentage points on the same period last year (01–06 2024: 1.4%). Operating EBIT in the previous year was adjusted for negative currency effects of EUR 1.5 million. From January to June 2025, negative currency effects of EUR 6.1 million and a deconsolidation loss of EUR 0.5 million were adjusted.

AMERICAS region key figures

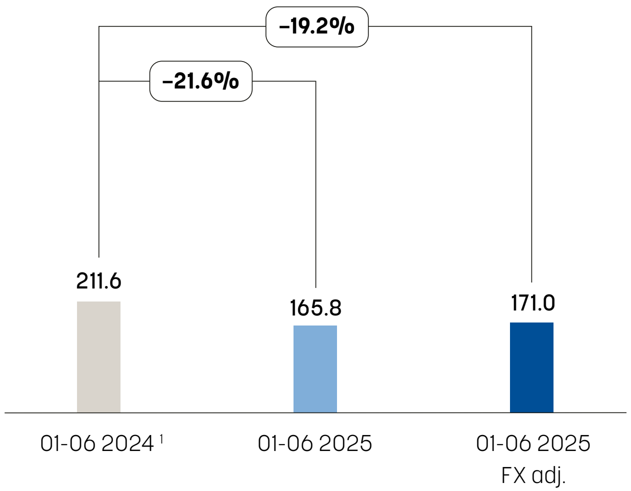
EUR m

	01–06 2025	01–06 2024[1]	Change
Revenue	165.8	211.6	−45.8
EBIT	−5.8	4.4	−10.2
EBIT margin (%)	−3.5	2.1	−5.6%-points
Operating EBIT	−0.2	3.0	−3.2
Operating EBIT margin (%)	−0.1	1.4	−1.5%-points
Capital expenditure (without acquisitions through business combinations and financial assets)	9.8	3.6	6.2
Employees (number, average)	2,800	3,277	−477

[1] Continued operations

AMERICAS revenue (incl. FX adjustment)

EUR m



[1] Continued operations

APAC

Revenue in the APAC region declined by 3.3% to EUR 245.7 million in the first half of 2025 (01–06 2024: EUR 254.2 million). Against the backdrop of a weak economy and a difficult industry environment, the performance in the Automotive product area remained robust with revenue of EUR 180.2 million in the first six months of 2025 (01–06 2024: EUR 181.0 million). The strong business performance with Chinese manufacturers largely offset the weaker demand from German OEMs during the reporting period. The Automotive product area now generates more than 50% of its revenue with Chinese OEMs. Revenue in the Commercial Vehicles division, on the other hand, was more severely affected by declining demand due to the general market situation and, at EUR 65.5 million, was 10.5% down on the previous year's level (01–06 2024: EUR 73.2 million).

EBIT in the APAC region fell to EUR 17.5 million (01–06 2024: EUR 23.5 million) as a result of the decline in sales in the higher-margin Commercial Vehicles area, currency effects, and an unfavorable product mix. The EBIT margin fell to 7.1% (01–06 2024: 9.2%). Operating EBIT totaled EUR 17.7 million (01–06 2024: EUR 23.7 million) at an operating EBIT margin of 7.2% (01–06 2024: 9.3%) and was adjusted for negative currency effects of EUR 0.2 million.

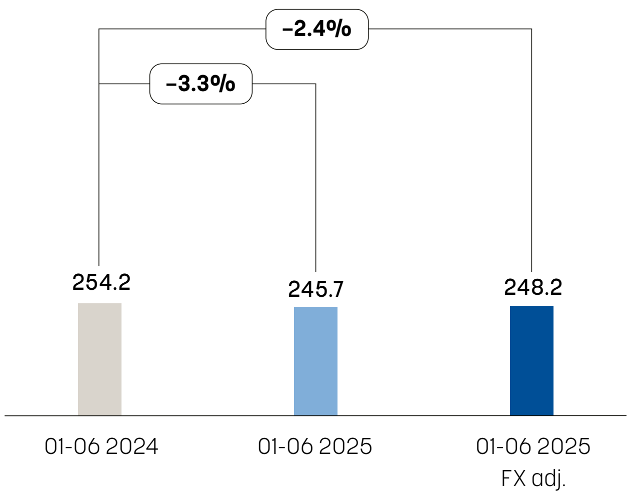
APAC region key figures

EUR m

	01-06 2025	01-06 2024	Change
Revenue	245.7	254.2	–8.5
EBIT	17.5	23.5	–6.0
EBIT margin (%)	7.1	9.2	–2.1%-points
Operating EBIT	17.7	23.7	–6.0
Operating EBIT margin (%)	7.2	9.3	–2.1%-points
Capital expenditure (without acquisitions through business combinations and financial assets)	8.4	27.9	–19.5
Employees (number, average)	1,615	1,583	32

APAC revenue (incl. FX adjustment)

EUR m



6. Net assets and financial position

GRAMMER Group Condensed Statement of Financial Position

EUR k

	June 30, 2025	December 31, 2024	Change
Non-current assets	896,929	927,203	–30,274
Current assets	667,662	772,589	–104,927
Assets	**1,564,591**	**1,699,792**	**–135,201**
Equity	253,803	266,924	–13,121
Non-current liabilities	733,886	764,928	–31,042
Current liabilities	576,902	667,940	–91,038
Equity and Liabilities	**1,564,591**	**1,699,792**	**–135,201**

The GRAMMER Group's total assets fell to EUR 1,564.6 million as of June 30, 2025 (December 31, 2024: EUR 1,699.8 million). Non-current assets declined by 3.3% or EUR 30.3 million to EUR 896.9 million (December 31, 2024: EUR 927.2 million). In particular, property, plant and equipment fell by 4.7% to EUR 460.1 million (December 31, 2024: EUR 482.5 million). Similarly, non-current assets from customer contracts decreased by 4.4% to EUR 69.3 million (December 31, 2024: EUR 72.5 million), while other non-current financial assets declined by 6.1% to EUR 87.4 million (December 31, 2024: EUR 93.1 million).

A 13.6% or EUR 104.9 million decline to EUR 667.7 million was recorded in current assets (December 31, 2024: EUR 772.6 million). This development includes the 10.7% reduction in inventories to EUR 153.9 million (December 31, 2024: EUR 172.3 million) on the one hand while, on the other, cash and short-term deposits decreased by 49.3% to EUR 111.5 million as of June 30, 2025 (December 31, 2024: EUR 219.8 million) following the repayment of current financial liabilities and as a result of increased capital requirements.

Equity decreased by EUR 13.1 million or 4.9% to EUR 253.8 million as of June 30, 2025 (December 31, 2024: EUR 266.9 million). The main reason for this development was the negative other comprehensive income of EUR –24.1 million (01–06 2024: EUR 1.3 million). Other comprehensive income mainly includes effects from the currency translation of foreign subsidiaries totaling EUR –20.9 million (01–06 2024: EUR –1.6 million) and effects from the currency translation of net investments in foreign operations taking into account current taxes amounting to EUR –13.6 million (01–06 2024: EUR 0.9 million). Significant actuarial effects from the interest-related adjustment of retirement benefit provisions while taking deferred taxes into account arose in the first half of 2025 and amounted to EUR 4.8 million (01-06 2024: EUR 4.2 million). The equity ratio increased slightly by 0.5 percentage points to 16.2% (December 31, 2024: 15.7%) as a result of the reduction in total assets.

Non-current liabilities decreased by EUR 31.0 million to EUR 733.9 million (December 31, 2024: EUR 764.9 million). At EUR 396.4 million, non-current financial liabilities were lower than the level as of December 31, 2024 (December 31, 2024: EUR 409.5 million) in particular following a reclassification of non-current to current financial liabilities.

Current liabilities decreased by EUR 91.0 million or 13.6% to EUR 576.9 million (December 31, 2024: EUR 667.9 million). This development results from the decrease in current financial liabilities by EUR 23.8 million or 26.7% to EUR 65.3 million (December 31, 2024: EUR 89.1 million) on account of scheduled repayments. In addition, current trade accounts payable fell by EUR 72.3 million or 18.0% to EUR 328.9 million (December 31, 2024: EUR 401.2 million) because of the reduced business volume. Of the increase in other current liabilities by EUR 11.7 million or 11.4% to EUR 114.5 million (December 31, 2024: EUR 102.8 million), EUR 10.5 million can be attributed to liabilities to employees due to the build-up of accruals for bonuses, Christmas and vacation pay, as well as accruals for unused vacation and overtime.

7. Capital expenditure

The GRAMMER Group's capital expenditure experiences a significant decline of EUR 20.6 million to EUR 35.0 million EUR in the first half of 2025 compared to the previous year's figure (01–06 2024: EUR 55.6 million). The main reason for the decline was capital expenditure in China in the previous year, which included a high proportion of leased assets within the meaning of IFRS 16.

In the APAC region, capital expenditure fell by EUR 19.5 million to EUR 8.4 million between January and June 2025 (01–06 2024: EUR 27.9 million). The leases under IFRS 16 mentioned above totaling EUR 15.7 million in volume for the plants in Tianjin, Changzhou, and Shenyang were included here in the previous year. Only EUR 1.2 million was recorded for leases in the first half of 2025.

In the EMEA region, capital expenditure totaled EUR 12.9 million and was thus lower than the figure of EUR 18.3 million recorded in the first half of 2024. The decline can primarily be attributed to a lower capitalization volume resulting from changed project start dates compared to the previous year. This development was mainly related to a plant in the Czech Republic (Žatec) and to GRAMMER System (Zwickau). The capital expenditure made in this region continued to focus on product launches in the plants in the Czech Republic (Žatec, Česká Lípa) and Serbia (Aleksinac) in the Automotive product area.

In contrast, capital expenditure in the AMERICAS region rose significantly to EUR 9.8 million (01–06 2024: EUR 3.6 million) and essentially involved investments in new production facilities and machinery. Locations in Mexico and the US are being equipped to start production on a new project.

Capital expenditure in the Central Services division totaled EUR 3.9 million in the first half of 2025 (01–06 2024: EUR 5.8 million). The majority of this was attributable to capitalized own work for projects in the Commercial Vehicles product area. Other capital expenditure involved the continuation of the "Product Lifecycle Management" (PLM) digitalization project.

Capital expenditure

EUR m

	01–06 2025	01–06 2024[1]	Change
EMEA	12.9	18.3	–5.4
AMERICAS	9.8	3.6	6.2
APAC	8.4	27.9	–19.5
Central Services	3.9	5.8	–1.9
GRAMMER Group	**35.0**	**55.6**	**–20.6**

[1] Continued operations

8. Cash flow statement

Cash flow from operating activities totaled EUR 16.6 million (01–06 2024: EUR –16.8 million) in the period from January to June 2025. That marks a significant improvement that can primarily be attributed to a considerable boost in working capital compared to the first half of 2024. In particular, a significantly lower increase in trade accounts receivable and other assets had a positive effect. An improvement of EUR 47.3 million was achieved in this item in the first half of 2025 compared to the same period in the previous year. The reduction in inventory of EUR 18.4 million during the reporting period (01-06 2024: EUR 6.3 million) also made a positive contribution to the operating cash flow.

Other non-cash changes of EUR –7.2 million include the non-cash effects from the deconsolidation of a Group company in the US, currency effects, and non-cash changes in provisions. The cash outflow from investing activities increased significantly in the first half of 2025 by EUR –21.6 million to EUR –62.1 million (01–06 2024: EUR –40.5 million), which can mainly be attributed to the partial settlement of the liability arising from the acquisition of the European business of the Ningbo Jifeng Group, while the capital expenditure in property, plant and equipment, intangible assets, and financial investments decreased compared to the same period in the previous year.

Free cash flow from continuing operations thus amounted to EUR –47.8 million in the first half of 2025 (01–06 2024: EUR –46.1 million). Cash flow from financing activities totaled EUR –63.3 million (01–06 2024: EUR 52.2 million). The decline is mainly due to the lower level of new financial liabilities incurred during the reporting period.

9. Employees

GRAMMER employed on average 12,173 employees worldwide in the period from January to June 2025 (01–06 2024: 12,466). This represents a decrease of 2.4% compared to the previous year. Of these, 1,615 were employed on average in the APAC region (01–06 2024: 1,583) and 2,800 were employed on average in the AMERICAS region (01–06 2024: 3,277). In EMEA, the GRAMMER Group's largest region, the number of employees in the first half of 2025 averaged 7,427. This corresponds to an increase of 3.3%, which results from the integration of the Jifeng Automotive Interior Group (JAI), a wholly owned subsidiary of the majority shareholder Ningbo Jifeng, and its locations in Eastern Europe as of December 31, 2024 (01–06 2024: 7,190).

Average Number of Employees

	01–06 2025	01–06 2024[1]	Change
EMEA	7,427	7,190	3.3%
AMERICAS	2,800	3,277	–14.6%
APAC	1,615	1,583	2.0%
Central Services	331	416	–20.4%
GRAMMER Group	**12,173**	**12,466**	**–2.4%**

[1] Continued operations

10. Opportunities/risks

The opportunities and risks referred to and described in detail in the management report contained in the Annual Report for the year ended December 31, 2024 continue to be relevant today.

Local 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 prices and energy prices as well as the global supply situation in order to be able to respond to changing conditions in good time.

Default risks are also monitored. These are limited due to customer structure and are monitored by active debtor management. However, corporate insolvencies and financial problems among EV manufacturers are on the rise. These may result in production being disrupted or shut down at the EV manufacturers as well as in adjustments to GRAMMER's receivables. Additional risks for the GRAMMER Group's revenue and operating earnings may arise depending on the duration of any interruption, the volume of planned sales, and the success of any restructuring.

11. Outlook

GRAMMER published its forecast for the 2025 financial year on March 28, 2025. This guidance continues to apply.

Accordingly, the Executive Board of GRAMMER expects revenue to remain at the previous year's level of approximately EUR 1.9 billion and operating EBIT to be around EUR 60 million. However, the outlook for the GRAMMER Group depends largely on challenging economic conditions and further geopolitical developments and their impact on the global economy. Risks could arise in particular from trade policy uncertainties. For example, the tariffs introduced by the US could have a significant impact on the automotive industry and lead to disruptions in global supply chains. A detailed assessment of the company's expected development in the current year is included in the business development forecast in the 2024 annual report.

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 which GRAMMER can neither estimate nor influence with any precision, e.g. future market conditions and the macroeconomic environment, the behavior of other market participants, 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 the 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 reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and results of operations of the Group, and the combined management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material 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 2025	01–06 2024[1]
Revenue	953,658	999,083
Cost of sales	–862,838	–886,468
Gross profit	**90,820**	**112,615**
Selling expenses	–16,221	–13,682
Administrative expenses	–88,929	–78,309
Other operating income	38,563	12,284
Earnings before interest and taxes (EBIT)	**24,233**	**32,908**
Financial income	3,831	5,168
Financial expenses	–22,235	–20,574
Other financial result	949	1,009
Earnings from continuing operations before taxes	**6,778**	**18,511**
Income taxes	6,281	–5,262
Net profit/loss from continuing operations	**13,059**	**13,249**
Net profit/loss from discontinued operations	0	–15,497
Net profit/loss	**13,059**	**–2,248**
Of which attributable to:		
Shareholders of the parent company	11,793	–3,719
Non-controlling interests	–184	580
Hybrid loan lender's compensation claims	1,450	891
Net profit/loss	**13,059**	**–2,248**
Earnings per share		
Basic/diluted earnings per share from continuing operations in EUR	0.79	0.79
Basic/diluted earnings per share from discontinued operations in EUR	0.00	–1.04
Basic/diluted earnings per share in EUR	**0.79**	**–0.25**

[1] Continued operations

Consolidated Statement of Comprehensive Income

January 1 – June 30 of the respective financial year

EUR k	01–06 2025	01–06 2024[1]
Net profit/loss	**13,059**	**–2,248**
Amounts that will not to be reclassified to profit and loss in future periods		
Actuarial gains/losses (–) under defined benefit plans		
Gains/losses (–) arising in the current period	6,712	5,838
Tax expenses (–)/tax income	–1,939	–1,687
Actuarial gains/losses (–) under defined benefit plans (after tax)	**4,773**	**4,151**
Total amount that will not be reclassified to profit and loss in future periods	**4,773**	**4,151**
Amount that will be reclassified to profit and loss in future periods under certain conditions		
Gains/losses (–) from currency translation of foreign subsidiaries		
Gains/losses (–) arising in the current period	–20,850	–1,608
Gains/losses (–) from currency translation of foreign subsidiaries (after tax)	**–20,850**	**–1,608**

[1] Continued operations

EUR k	01–06 2025	01–06 2024[1]
Gains/losses (–) from cash flow hedges		
Gains/losses (–) arising in the current period	6,578	–1,950
Plus/less (–) amounts reclassified to the income statement through profit and loss	1,387	–1,153
Tax expenses (–)/tax income	–2,427	998
Gains/losses (–) from cash flow hedges (after tax)	**5,538**	**–2,105**
Gains/losses (–) from net investments in foreign operations		
Gains/losses (–) arising in the current period	–14,319	1,069
Tax expenses (–)/tax income	747	–195
Gains/losses (–) from net investments in foreign operations (after tax)	**–13,572**	**874**
Total amounts that will be reclassified to profit and loss in future periods under certain conditions	**–28,884**	**–2,839**
Other comprehensive income	**–24,111**	**1,312**
Total comprehensive income from continuing operations	**–11,052**	**14,561**
Total comprehensive income from discontinued operations	**0**	**–15,497**
Total comprehensive income after taxes	**–11,052**	**–936**
Of which attributable to:		
Shareholders of the parent company	–10,844	–2,644
Non-controlling interests	–1,658	817
Hybrid loan lender's compensation claims	1,450	891

[1] Continued operations

Consolidated Statement of Financial Position

as of June 30, 2025 and December 31, 2024

Assets

EUR k

	June 30, 2025	December 31, 2024
Property, plant and equipment	460,092	482,531
Intangible assets	158,230	157,341
Investments measured at equity	2,412	1,651
Other non-current financial assets	87,357	93,068
Deffered tax assets	51,355	52,175
Other non-current assets	68,172	67,913
Non-current assets from customer contracts	69,311	72,524
Non-current assets	**896,929**	**927,203**
Inventories	153,921	172,314
Current trade accounts receivable	264,723	257,479
Other current financial assets	5,449	5,063
Current income tax receivables	3,810	4,040
Cash and short-term deposits	111,488	219,846
Other current assets	56,502	50,325
Current contract assets	71,769	63,522
Current assets	**667,662**	**772,589**
Total assets	**1,564,591**	**1,699,792**

Consolidated Statement of Financial Position

as of June 30, 2025 and December 31, 2024

Equity and liabilities

EUR k	June 30, 2025	December 31, 2024
Subscribed capital	39,009	39,009
Capital reserve	162,947	162,947
Own shares	–7,441	–7,441
Retained earnings	41,213	29,420
Cumulative other comprehensive income	–80,292	–57,655
Equity attributable to shareholders of the parent company	**155,436**	**166,280**
Hybrid loan	84,676	85,295
Non-controlling interests	13,691	15,349
Equity	**253,803**	**266,924**
Non-current financial liabilities	396,428	409,543
Non-current trade accounts payable	948	1,128
Other non-current financial liabilities	176,125	179,335
Retirement benefits and similar obligations	111,406	117,501
Deffered tax liabilities	30,694	37,557
Non-current provisions	13,469	15,761
Non-current contract liabilities	4,816	4,103
Non-current liabilities	**733,886**	**764,928**

EUR k	June 30, 2025	December 31, 2024
Current financial liabilities	65,340	89,085
Current trade accounts payable	328,871	401,161
Other current financial liabilities	18,418	27,444
Other current liabilities	114,528	102,765
Current income tax liabilities	4,526	6,515
Current provisions	38,934	38,525
Current contract liabilities	6,285	2,445
Current liabilities	**576,902**	**667,940**
Total liabilities	**1,310,788**	**1,432,868**
Total equity and liabilities	**1,564,591**	**1,699,792**

Consolidated Statement of Changes in Equity

as of June 30, 2025

EUR k

					Cumulative other comprehensive income								
	Sub-scribed capital	Capital reserve	Retained earnings	Own shares	Cash flow hedges	Foreign currency conversion	Net invest-ments in foreign operations	Actuarial gains and losses from defi-ned benefit plans	Change from the measure-ment of financial assets	Total	Hybrid loan	Non-controlling interests	Consolidated equity
As of January 1, 2025	**39,009**	**162,947**	**29,420**	**–7,441**	**–1,947**	**–16,985**	**–14,237**	**–25,870**	**1,384**	**166,280**	**85,295**	**15,349**	**266,924**
Net profit/loss	0	0	11,793	0	0	0	0	0	0	11,793	1,450	–184	13,059
Other comprehensive income	0	0	0	0	5,538	–19,376	–13,572	4,773	0	–22,637	0	–1,474	–24,111
Total comprehensive income	**0**	**0**	**11,793**	**0**	**5,538**	**–19,376**	**–13,572**	**4,773**	**0**	**–10,844**	**1,450**	**–1,658**	**–11,052**
Transaction involving non-controlling interests	0	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	0	–2,069	0	–2,069
As of June 30, 2025	**39,009**	**162,947**	**41,213**	**–7,441**	**3,591**	**–36,361**	**–27,809**	**–21,097**	**1,384**	**155,436**	**84,676**	**13,691**	**253,803**

Consolidated Statement of Changes in Equity

as of June 30, 2024

EUR k

					Cumulative other comprehensive income								
	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	Change from the measurement of financial assets	Total	Hybrid loan	Non-controlling interests	Consolidated equity
As of January 1, 2024	**39,009**	**162,947**	**124,075**	**–7,441**	**1,381**	**–10,958**	**–15,853**	**–29,215**	**0**	**263,945**	**38,795**	**10,615**	**313,355**
Net profit/loss	0	0	–3,719	0	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	0	1,075	0	237	1,312
Total comprehensive income	**0**	**0**	**–3,719**	**0**	**–2,105**	**–1,845**	**874**	**4,151**	**0**	**–2,644**	**891**	**817**	**–936**
Transaction involving non-controlling interests	0	0	–262	0	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	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**	**0**	**261,039**	**38,658**	**14,882**	**314,579**

Consolidated Statement of Cash Flows

January 1 – June 30 of the respective financial year

EUR k	01-06 2025	01-06 2024[1]
1. Cash flow from operating activities		
Earnings before taxes	6,778	3,419
Reconciliation of earnings before taxes with cash flow from operating activities		
Earnings from discontinued operations before taxes	0	15,092
Depreciation and impairment of property, plant and equipment	37,454	34,038
Amortization and impairments of intangible assets	1,807	1,236
Gains (–)/losses from the disposal of assets	547	–39
Other non-cash changes	–7,179	5,629
Financial result	17,455	14,397
Changes in operating assets and liabilities		
Decrease/increase (–) in trade accounts receivable and other assets	–18,839	–66,180
Decrease/increase (–) in inventories	18,393	6,281
Decrease (–)/increase in provisions and retirement benefit provisions	–7,607	–8,197
Decrease (–)/increase in accounts payable and other liabilities	–23,641	–3,035
Income taxes paid	–8,559	–8,366
Cash flow from operating activities from continued activities	**16,609**	**–5,725**
Cash flow from operating activities from discontinued activities	0	–11,068
Cash flow from operating activities from continued and discontinued activities	**16,609**	**–16,793**

[1] Continued operations

EUR k

	01-06 2025	01-06 2024[1]
2. Cash flow from investing activities		
Purchases		
Purchase of property, plant and equipment	–29,926	–32,256
Purchase of intangible assets	–2,417	–4,079
Purchase of financial assets	–3,316	–8,618
Acquisition of subsidiaries	0	–1,363
Purchase related to business combinations	–35,318	0
Disposals		
Disposal of property, plant and equipment	1,892	708
Disposal of intangible assets	2	0
Disposal of financial assets	872	107
Interest received	3,831	5,168
Cash flow from investing activities from continued operations	**–64,380**	**–40,333**
Cash flow from investing activities from discontinued operations	2,236	–202
Cash flow from investing activities from continued and discontinued operations	**–62,144**	**–40,535**
3. Cash flow from financing activities		
Payments from compensation claims of the hybrid loan lender	–2,069	–1,028
Inflow from capital injection by minority shareholder	0	4,551
Payments received from raising financial liabilities	8,388	219,997
Payments made for the settlement of financial liabilities	–43,910	–135,115
Payments made for settlement of lease liabilities	–10,965	–9,584
Interest paid	–14,773	–17,177
Cash flow from financing activities from continued operations	**–63,329**	**61,644**
Cash flow from financing activities from discontinued operations	0	–9,440
Cash flow from financing activities from continued and discontinued operations	**–63,329**	**52,204**

[1] Continued operations

EUR k	01-06 2025	01-06 2024[1]
4. Cash and cash equivalents at the end of the period		
Changes in cash and cash equivalents recognized in the cash flow statement (sub-total of items 1–3)	–108,864	–5,124
Effects of exchange rate differences of cash and cash equivalents	1,845	–1,424
Cash and cash equivalents as of January 1	193,486	51,451
Cash and cash equivalents as of June 30	**86,467**	**44,903**
5. Analysis of cash and cash equivalents		
Cash and short-term deposits	111,488	107,325
Bank overdrafts (including current liabilities from factoring contracts)	–25,021	–62,422
Cash and cash equivalents as of June 30	**86,467**	**44,903**

[1] Continued operations

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 the 2024 financial year and these interim consolidated financial statements as of June 30, 2025 in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB). In preparing the interim consolidated financial statements and the comparative figures for the previous year, the same accounting and valuation policies and the same basis of consolidation as were used for the consolidated financial statements as of December 31, 2024 were applied as of June 30, 2025. These principles and policies were described in detail in the notes to the 2024 consolidated financial statements, which are also published in full in the 2024 annual report, and should therefore be read together with the interim financial report. These interim consolidated 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 2025 do not necessarily allow predictions about the further course of business to be made. The interim consolidated 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:

2025

	Germany	International	Total
Fully consolidated companies (including Grammer AG)	6	33	**39**
Companies accounted for at equity	0	2	**2**
Companies	**6**	**35**	**41**

In accordance with IFRS 10, the consolidated financial statements include GRAMMER AG and, in addition, five domestic and 33 foreign companies that are directly or indirectly controlled by GRAMMER AG. The foreign companies were reduced by one company compared to the 2024 financial statements as a result of the deconsolidation of an American group company; there were no other changes to the scope of consolidation. 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.

Changes to the scope of consolidation

As of June 11, 2025, the American group company GRAMMER Industries LLC was wound up in accordance with local state law. The subsidiary exited the scope of consolidation on that day, as GRAMMER AG also lost control over the company at that time. The company's assets and liabilities that were retired and the deconsolidation effect for GRAMMER can be presented as follows:

EUR k	Disposed upon liquidation
Non-current assets	**0**
Trade accounts receivable	927
Cash and cash equivalents	340
Other current assets	13
Current assets	**1,280**
Assets	**1,280**
Non-current liabilities	**0**
Trade accounts payable	19,301
Current liabilities	**19,301**
Liabilities	**19,301**
Negative net assets disposed of	**18,021**
Recycling of currency effects through total comprehensive income – equity	–498
Recycling of currency effects through total comprehensive income – shares	1,025
Preliminary deconsolidation effect	**18,548**
Transaction costs	–144
Deconsolidation effect	**18,404**

The positive deconsolidation effect of EUR 18,404 thousand is included in EBIT in full. In contrast, the depreciation of intercompany receivables totaling EUR 19,908 thousand at various Group companies that was necessary in the course of the company's liquidation are included in EBIT. This results in a total effect on consolidated EBIT of EUR -1,504 thousand. The above depreciation of intercompany receivables led to the first-time recognition of deferred tax assets on loss carry-forwards at a company in Mexico and thus to a positive tax effect of EUR 5,288 thousand. The company GRAMMER Industries LLC is included with EBIT of EUR 2,602 thousand in EBIT (01–06 2024: EUR –5,960 thousand) and with a net profit of EUR 2,602 thousand (01–06 2024: EUR –6,132 thousand) in the consolidated financial statements in the period from January to June 2025.

Income taxes

In the first half of 2025, income tax earnings amounted to EUR 6.3 million (01–06 2024: EUR –5.3 million). The tax income consists of actual tax expenses of EUR –6.8 million (01–06 2024: EUR –6.9 million) and deferred tax income of EUR 13.1 million (01–06 2024: EUR 1.7 million). The positive value of the deferred income taxes is primarily due to the first-time recognition of deferred tax assets on loss carry-forwards in Mexico and a revaluation of existing deferred tax assets at a company in China. This results in a positive group tax rate of 92.7% (previous year: –28.4%). 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 US, four entities in China, and one company in Belgium did not recognize deferred tax assets in the first half of 2025 because it is considered unlikely that the tax losses can be utilized. No further capitalization of deferred tax assets on loss carry-forwards is possible at the German tax group because of the existing loss history.

Financial liabilities

Non-current financial liabilities

Non-current financial liabilities break down as follows:

EUR k	June 30, 2025	December 31, 2024[1]
Bonded loans	49,090	49,104
Loans	347,337	360,439
Non-current financial liabilities	**396,428**	**409,543**

[1] Continued operations

Non-current financial liabilities declined from EUR 409.5 million as of December 31, 2024 to EUR 396.4 million as of June 30, 2025 as a result of reclassifications from non-current to current financial liabilities based on their maturities.

Current financial liabilities

Current financial liabilities break down as follows:

EUR k	June 30, 2025	December 31, 2024[1]
Bonded loans	3,431	2,992
Bank overdrafts (including liabilities under factoring contracts)	25,021	26,360
Loans	36,888	59,733
Current financial liabilities	**65,340**	**89,085**

[1] Continued operations

Current financial liabilities totaling EUR 65.3 million were lower than the level in the 2024 annual financial statements (previous year: EUR 89.1 million). This decrease results from repayments of current financial liabilities based on their scheduled maturity.

Equity

The development of the GRAMMER Group's equity is shown in the statement of changes in equity on page 22. Subscribed capital and the capital reserve remained unchanged compared to December 31, 2024. Retained earnings increased on account of the net profit after taxes in the first half of 2025. Accumulated other comprehensive income includes losses from the currency translation of foreign subsidiaries, actuarial gains from the measurement of defined-benefit pension obligations, gains from cash flow hedges, and losses from net investments in foreign operations, including deferred and current taxes offset against these. As of April 29, 2025, the remuneration claim from the hybrid loan, consisting of accrued interest for the period from April 19, 2024 to April 29, 2025, 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), in an amount equivalent to EUR 2,069 thousand. The hybrid loans of EUR 84,676 thousand reported in equity as of June 30, 2025 consisted of a total of four hybrid loans totaling EUR 83,894 thousand and the interest of EUR 782 thousand accrued since April 29, 2025.

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, 2025	Fair Value on June 30, 2025	Carrying amount on December 31, 2024[1]	Fair Value on December 31, 2024[1]
Assets					
Cash and short-term deposits	FAAC	111,488	111,488	219,846	219,846
Trade accounts receivable	FAAC	264,723	264,723	257,479	257,479
Other financial assets					
Loans and receivables	FAAC	58,088	58,088	68,240	68,240
Investments in associates	FVOCI	29,565	29,565	29,068	29,068
Financial assets held for trading	FVtPL	0	0	0	0
Derivatives with hedge relationship	n.a.	5,153	5,153	823	823
Equity and liabilities					
Trade accounts payable	FLAC	329,819	329,819	402,289	402,201
Current and non-current financial liabilities	FLAC	461,767	461,767	498,628	497,764
Other financial liabilities					
Other financial liabilities	FLAC	135,732	135,732	134,511	121,342
Lease liabilities	n.a.	58,455	58,455	68,094	68,094
Derivatives with no hedge relationship	FLtPL	0	0	198	198
Derivatives with hedge relationship	n.a.	353	353	3,976	3,976

[1] Continued operations

EUR k

	Measurement category in accordance with IFRS 9	Carrying amount on June 30, 2025	Fair Value on June 30, 2025	Carrying amount on December 31, 2024[1]	Fair Value on December 31, 2024[1]
Of which aggregated by category in accordance with IFRS 9					
Assets					
Financial assets at amortized cost	FAAC	434,299	434,299	545,565	545,565
Financial assets at fair value through other comprehensive income	FVOCI	29,565	29,565	29,068	29,068
Financial assets at fair value through profit and loss	FVtPL	0	0	0	0
Equity and Liabilities					
Financial liabilities at amortized cost	FLAC	927,318	927,318	1,035,428	1,021,307
Financial liabilities at fair value through profit and loss	FLtPL	0	0	198	198

[1] Continued operations

Fair value measurement

The following table shows the quantitative disclosures for the fair value measurement of assets and liabilities by hierarchy level as of June 30, 2025:

EUR k	Total	Level 1	Level 2	Level 3
Assets recognized at fair value				
Other financiel assets				
Other investments	29,525	0	0	29,525
Derivative financial liabilities				
Currency forwards	5,153	0	5,153	0
Liabilities recognized at fair value				
Derivative financial liabilities				
Currency forwards	353	0	353	0
Liabilities for which a fair value is recognized				
Interest-bearing loans				
Liabilities under hire purchase contracts	1,304	0	1,304	0
Current and non-current financial liabilities	461,767	0	461,767	0
Other financial liabilities	135,732	0	135,732	0

The following table shows the quantitative disclosures for the fair value measurement of assets and liabilities by hierarchy level as of December 31, 2024[1]:

EUR k	Total	Level 1	Level 2	Level 3
Assets recognized at fair value				
Other financiel assets				
Other investments	29,023	0	0	29,023
Derivative financial liabilities				
Currency forwards	823	0	823	0
Liabilities recognized at fair value				
Derivative financial liabilities				
Currency forwards	4,174	0	4,174	0
Liabilities for which a fair value is recognized				
Interest-bearing loans				
Liabilities under hire purchase contracts	1,386	0	1,386	0
Current and non-current financial liabilities	497,764	0	497,764	0
Other financial liabilities	116,408	0	116,408	0

[1] Continued operations

The levels of the fair value hierarchy reflect the significance of the input data used for the 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 that are not quoted prices in accordance with Level 1.
- Level 3: Valuation techniques are based on inputs that are not observable in the market.

There were no reclassifications between Level 1, Level 2 and Level 3 in the reporting period.

Segment reporting

Segment information

The segment information is shown for the EMEA, AMERICAS and APAC segments. Central line items and eliminations of intragroup transactions are reported in the "Central Services" and "Eliminations" columns. The relevant notes on the areas of activity are also disclosed in the consolidated financial statements as of December 31, 2024.

01–06 2025

EUR k

	EMEA	AMERICAS	APAC	Central Services	Eliminations	GRAMMER Group
Revenue from sales to external customers	546,180	164,733	242,745	0	0	**953,658**
Inter-segment revenue	17,695	1,087	2,982	0	–21,764	**0**
Revenue	**563,875**	**165,820**	**245,727**	**0**	**–21,764**	**953,658**
Discontinued operations	0	0	0	0	0	**0**
Revenue according to the consolidated statement of income	**563,875**	**165,820**	**245,727**	**0**	**–21,764**	**953,658**
Cost of sales	–497,511	–176,957	–208,326	–7,530	27,486	**–862,838**
Segment earnings (EBIT)	**19,968**	**–5,760**	**17,543**	**–8,348**	**830**	**24,233**

01–06 2024[1]

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**
Discontinued operations	0	–115,438	0	0	0	**–115,438**
Revenue according to the consolidated statement of income	**561,066**	**211,616**	**254,156**	**0**	**–27,755**	**999,083**
Cost of sales	–504,386	–198,452	–207,824	–8,138	32,332	**–886,468**
Segment earnings (EBIT)	**15,447**	**4,453**	**23,494**	**–10,748**	**262**	**32,908**

[1] Continued operations

Information on product areas

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

01–06 2025

EUR k

By product area	Automotive	Commercial Vehicles	GRAMMER Group
Revenue EMEA	329,632	234,243	**563,875**
Revenue AMERICAS	109,563	56,257	**165,820**
Revenue APAC	180,229	65,498	**245,727**
Eliminations	–6,859	–14,905	**–21,764**
Revenue	**612,565**	**341,093**	**953,658**

01–06 2024[1]

EUR k

By product area	Automotive	Commercial Vehicles	GRAMMER Group
Revenue EMEA	317,106	243,960	**561,066**
Revenue AMERICAS	148,405	63,211	**211,616**
Revenue APAC	180,952	73,204	**254,156**
Eliminations	–7,888	–19,867	**–27,755**
Revenue	**638,575**	**360,508**	**999,083**

[1] Continued operations

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, 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 offroad commercial vehicles (tractors, construction machinery, and forklifts), and seats and seating systems for trains and buses. In this segment, GRAMMER operates 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 of June 30, 2025 and June 30, 2024:

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	**2025**	7,212	0	3,614	0
	2024	6,655	0	3,595	0
Ningbo Jifeng Auto Parts Co., Ltd.	**2025**	3,317	10,411	6,235	14,981
	2024	460	5,997	1,420	4,874
Jiye Auto Parts GmbH	**2025**	0	0	2	0
	2024	0	0	0	0
Jifeng Automotive Interior GmbH	**2025**	216	0	1,156	11,183
	2024	22	470	6	0
Jifeng Automotive Interior CZ s.r.o.	**2025**	115	0	18	0
	2024	1,213	51	364	43
Ningbo Jifeng Technology Co., Ltd.	**2025**	0	5,605	0	2,712
	2024	0	1,549	0	363
Ningbo Jiye Trading Co., Ltd.	**2025**	0	75	0	–1
	2024	0	–33	0	–38
Tianjin Jifeng Auto Parts Co., Ltd.	**2025**	0	12	0	9
	2024	0	13	0	5
Jifeng Seating (Hefei) Co., Ltd. (formerly Hefei Jiye Auto Parts Co., Ltd.)	**2025**	0	572	7	25
	2024	60	1,332	11	586
Hefei Jifeng Auto Parts Co., Ltd.	**2025**	0	0	0	0
	2024	0	0	0	0
Shenyang Jifeng Auto Parts Co., Ltd.	**2025**	0	317	0	32
	2024	0	384	0	30
Jifeng Seating Shanghai Co., Ltd.	**2025**	265	0	159	0
	2024	20	0	20	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.	**2025**	0	0	0	0
	2024	15	0	0	0
ALLYGRAM Systems and Technologies Private Limited	**2025**	0	1,920	0	364
	2024	0	2,492	0	466
Yiping Wang	**2025**	0	0	0	0
	2024	0	0	0	0
Grammer Vehicle Parts (Tianjin) Co., Ltd.	**2025**	0	572	5	119
	2024	55	0	33	0
Grammer Vehicle Parts (Changchun) Co., Ltd.	**2025**	–234	0	321	0
	2024	1,247	0	574	0
Grammer Jifeng Automotive Seating GmbH	**2025**	81	0	97	0
	2024	185	0	185	0
Jifeng Automotive Interior BH d.o.o	**2025**	26	1,217	26	1,217
	2024	0	0	0	0
Ningbo Jisheng Trading Co.	**2025**	47	0	1,366	0
	2024	0	0	0	0

Like GRAMMER AG's direct parent company (Jiye Auto Parts GmbH), 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 Automotive Interior GmbH, Kitzingen, Germany, and Ningbo Jisheng Trading Co., Ningbo City, China, are controlled by Ningbo Jifeng Auto Parts Co., Ltd. GRAMMER maintains direct relations with these companies for the delivery of goods and the provision of services.

Contingent liabilities

Guarantees in the amount of EUR 1,057 thousand were issued as of June 30, 2025. These were granted primarily as performance bonds.

D | Key figures in accordance with IFRS

GRAMMER GROUP – Quarterly overview

Key figures in accordance with IFRS

EUR m	Q2 2025	Q2 2024[1]	01-06 2025	01-06 2024[1]	01-12 2024[1]
Group revenue	**466.3**	**500.5**	**953.7**	**999.1**	**1,921.7**
Revenue EMEA	278.7	271.6	563.9	561.1	1,044.3
Revenue AMERICAS	79.1	109.7	165.8	211.6	391.7
Revenue APAC	119.0	132.9	245.7	254.2	536.6
Income Statement					
EBITDA	24.4	40.0	63.5	68.2	80.9
EBITDA margin (%)	5.2	8.0	6.7	6.8	4.2
EBIT	5.0	22.0	24.2	32.9	8.1
EBIT margin (%)	1.1	4.4	2.5	3.3	0.4
Operating EBIT	11.7	20.2	35.6	29.6	41.6
Operating EBIT margin (%)	2.5	4.0	3.7	3.0	2.2
Earnings before taxes	–4.2	15.6	6.8	18.5	–23.7
Net profit/loss	3.3	11.1	13.1	13.2	–48.0
Statement of Cash flows					
Capital expenditure (without acquisitions through business combinations and financial assets)	15.4	32.3	35.0	55.6	96.3
Depreciation and amortization	19.4	18.0	39.3	35.3	72.8
Free cash flow – continued operations	–41.1	–92.1	–47.8	–46.1	–24.5
Employees (number, average)			12,173	12,466	12,116

[1] Continued operations

EUR m	June 30, 2025	June 30, 2024[1]	December 31, 2024[1]
Statement of Financial Position			
Total assets	1,564.6	1,587.5	1,699.8
Equity	253.8	314.6	266.9
Equity ratio (%)	16.2	19.8	15.7
Net debt	544.8	491.6	485.5
Gearing (%)	214.7	156.3	181.9
Share data			
Prices (Xetra closing price in EUR)	6.25	8.85	4.80
Market capitalization (EUR m)	95.2	134.9	73.1
Earnings per share (basic/diluted, EUR)	0.79	0.79	–3.33

Financial Calendar [1]

Important dates for shareholders and analysts

2025

30 October

Publication of
Interim Report
3rd Quarter 2025

[1] All dates are tentative and subject to change.

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Masthead

Published by
GRAMMER AG
Grammer-Allee 2
92289 Ursensollen, Germany

Release date
August 14, 2025

Concept, layout
IR.on AG, Köln
https://ir-on.com/

Image Credits
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