Annual Report 2024/2025

slr/group

proud to shape

Tabel of content

Financial Highlights FY 2024/2025

In thousands of EUR	**FY 24/25**	**FY 23/24**
Net sales	194,019	241,441
Gross profit	68,859	85,485
EBITDA	15,565	24,289
EBITDA margin	8.08%	10.22%
Adjusted EBITDA	17,305	26,205
Adjusted EBITDA margin	8.98%	11.03%
Operating cashflow	26,703	15,579
Net cashflow	11,696	-24,073
Sold tonnage (kt)	95,311	114,198
Employees (HC) internal & temp.	748	758
Total assets	146,658	147,996
Equity	10,094	2,118
Cash & Bank	16,647	4,951
Net debt	59,197	71,261

1 Letter from Management

Dear Bondholders and Business Partners,

We are delighted to share that we closed the fiscal year 2024/25 with a strong final quarter, marking a successful end to a challenging business year. By meeting our full-year expectations, we have not only delivered on our commitments but also improved conditions for continued positive business development. In the fourth quarter, the SLR Group confirmed the recovery momentum observed earlier in the year. Following a trough in Q2, volumes continued to rebound, with **full-year sales reaching 95,000 tons (–17% YoY)** and Q4 tonnage up 39% compared to Q2. This marks a **clear turning point in our business cycle**.

Operationally, the past year was shaped by the successful implementation of our "Adapt & Grow" transformation program. With structural measures largely completed, our focus has shifted toward embedding efficiency gains and preparing our operations for scalable growth. Productivity is recovering, and the **organization is increasingly positioned to respond to rising order volumes**.

Financially, **SLR delivered adjusted EBITDA of €17.3 million**, corresponding to a 9.0% margin, in line with our guidance. Reported EBITDA amounted to €15.6 million. The Group closed the year with a **strong cash position of €16.6 million** (vs. €5.0 million in FY 23/24), reflecting improved operating cash flow, disciplined working capital management, and controlled investment spending. **Net debt, as defined under our bond terms, declined to €59.2 million** at year-end, further strengthening our financial flexibility.

Despite a challenging macroeconomic environment—marked by geopolitical risks, volatile energy markets, and trade policy uncertainties—we have stabilized our operations and strengthened our balance sheet. This foundation enables us to act with confidence as demand gradually returns and new opportunities arise to expand business with key strategic customers. Furthermore, the ongoing market recovery in our core segments gives cause for confidence.

The **agricultural machinery sector is gradually stabilizing**. According to the August 2025 CEMA Business Barometer, the industry's business climate index rose to +4, driven by a more positive assessment of the current situation, despite softer turnover expectations. Order backlogs now cover around 3.1 months of production, a level comparable to pre-2020 averages. While tractor and harvesting machinery remain subdued, demand in livestock equipment and selected niche segments is robust. In construction, the CECE **Business Climate Index indicates a fragile recovery**: current activity is still below last year's levels, but most European markets hold cautiously positive expectations.

Looking ahead, visibility remains limited, but the outlook for the second half of 2025 is cautiously optimistic. With improving fundamentals in agriculture, steady order intake, and the benefits of our transformation program, we **believe SLR is well positioned to benefit from a broader market recovery** and to create sustainable long-term value for our stakeholders.

We thank you for your continued trust and support.

St. Leon-Rot, 22 October 2025

The Management Board of SLR Group GmbH

2 Group Management Report

2.1 Group Overview and Business Model

Business model & strategy

SLR Group ("the Group"), headquartered in St. Leon-Rot, Germany, manufactures high-quality cast-iron components primarily for large off-highway agricultural and construction/infrastructure equipment.

Founded in 1970, the Group employed 696 people as of 30 June 2025 and operates five manufacturing sites in Germany, Hungary and the Czech Republic.

SLR provides a fully integrated offering from development and toolmaking through to delivery of the machined component across its European footprint.

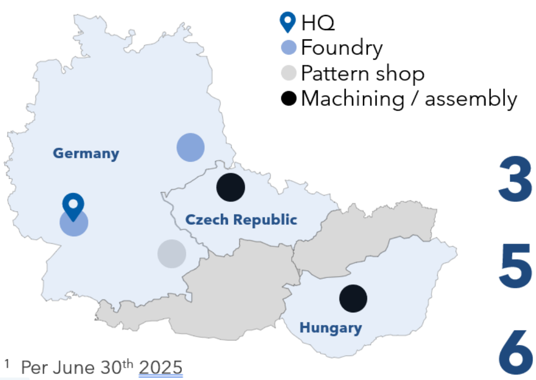
SLR supplies established OEMs and Tier 1 suppliers in Europe and North America within the framework of long-standing, in some cases exclusive, relationships. Its most important customers include Caterpillar, Dana, John Deere and ZF.

The Group's business activities are centred on two iron foundries in Germany. SLR Giesserei St. Leon-Rot GmbH (SLR1) is located in St. Leon-Rot near Heidelberg. The second foundry, SLR-Elsterheide GmbH (SLR-Elsterheide), is located in Elsterheide near Dresden.

The consolidated financial statements as at 30 June 2025 include SLR Group GmbH, SLR Giesserei St. Leon-Rot GmbH and SLR-Elsterheide GmbH, as well as SLR-Tooling GmbH, which is based in Eging am See, Germany and specialises in model making, SLR Sates s.r.o in Czeska Kamenice, Czechia, and HUNGARO-SLR Gépipari Kft in Gödöllö, Hungary. Czechia and HUNGARO-SLR Gépipari Kft in Gödöllö, Hungary. SLR-Tooling GmbH, Hungaro-SLR and SLR Sates s.r.o. are subsidiaries of SLR Giesserei St. Leon-Rot GmbH, as is SLR-Elsterheide. All companies are fully consolidated.

On 1 July 2024, a retroactive merger was carried out between SLR Holding GmbH, Cast Two GmbH and Cast One GmbH. These three legal entities, which were previously part of the scope of consolidation, were merged into SLR Group GmbH. All assets and liabilities were transferred to SLR Group GmbH at book value.

Geographical footprint



3 countries

5 production sites

696 employees[1]

[1] Per June 30th 2025

2.2 Economic report

2.2.1. Business development

Foundry industry in Germany and core markets
The German foundry industry continues to face considerable structural and economic challenges. High energy prices, geopolitical uncertainties and weak industrial production in the main customer industries are having a noticeable impact on the situation. According to the BDG, casting production fell by around 13% to approximately 3.4 million tonnes in 2024.[1] A further, more moderate decline of around 4% is expected for 2025.[2] A sustainable recovery is forecasted for 2026 at the earliest, provided that demand in the automotive and mechanical engineering sectors stabilises.[3] The competitiveness of the industry remains limited by high energy and labour costs as well as increasing regulatory burdens.

Customer industries
Mechanical and plant engineering – still the most important customer of the foundry industry with a share of around 40% – again recorded a significant decline in orders in 2024. According to the VDMA, real order intake fell by 8%, while production declined by 5%. A further decline of around 5% is expected for 2025. The association does not anticipate a slight recovery of around 1% until 2026.[4]

The markets for heavy commercial vehicles (> 6 t) developed robustly in the most important regions in 2024: China + 30%, Western Europe + 18%, USA + 7%. A stable level is expected for 2025, before a sideways to slightly downward trend is possible in 2026.[5] A stable level is expected for 2025.

Die Bauwirtschaft blieb 2024 durch hohe Zinsen und gestiegene Materialkosten deutlich belastet. Die Bauinvestitionen gingen real um rund 2 % zurück. Für 2025 wird eine Stagnation auf dem aktuellen Niveau (± 0 %) prognostiziert, bevor 2026 eine moderate Erholung einsetzen könnte.[6]

Iron and steel casting
According to the BDG, production output in the foundry industry declined by around 5% in 2024. The publications emphasise that this decline is particularly attributable to falling demand from industrial sectors and underutilised capacity.[7]

The BDG expects production output to decline further in 2025 by approximately 4% compared to 2024. For the first time, the BDG reports that both FE casting (iron/steel casting) and NE metal casting (casting of non-ferrous metals, i.e. metals that do not contain iron, such as aluminium, copper, zinc or bronze) were down by double digits in the first half of 2025, indicating very weak demand across all sectors.

Forecast and Outlook
Overall development remains dependent on energy price trends, the global economy, geopolitical risks and the investment climate in Germany. The BDG

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[1] BDG – Tätigkeitsbericht 2024, www.guss.de
[2] BDG Prognose 2025, Gusskonjunktur, Oktober 2025
[3] BDI-Industriebericht März 2025
[4] VDMA Maschinenbau-Statistik 2024, www.vdma.org
[5] ACEA Global Truck Market Review 2024
[6] BDG Tätigkeitsbericht 2024
[7] BDG Statistik Eisen- und Stahlguss 2023

expects a sideways movement at a low level in the coming years, with initial signs of recovery from 2026 onwards.[8]

Forecast overview – Foundry industry in Germany (BDG Report 01/2025)

Key figure / Area	2023 (actual)	2024 (actual)	2025 (forecast)	Comment / Source
Total production in the foundry industry	- 3	- 13 % (tonnage) / - 9 % (turnover)	0% to -2%	BDG Report 01/2025 (pp. 48-50)
Iron & steel casting	- 2.8	- 15 % (3.1 million tonnes)	Stable to slightly up	BDG Economic Analysis 2025
Non-ferrous metal casting (mainly aluminium)	+ 1 %	- 4 % (0.8 million tonnes)	+ 2%	BDG Report 01/2025
Mechanical engineering orders	- 13 %	- 8	± 0 %	VDMA/BDG 2025
Vehicle construction	+5%	Stable to slightly declining	+ 2 %	BDG Market Report 2025
Energy prices industry (index)	+ 45 % compared to 2021	- 12	- 5 %	BDG/BMWK Energy Monitor 2025

Source: BDG Report 01/2025, pp. 48–50 (Dr Tillman van de Sand) and supplementary data from VDMA and BMWK.

2.2.2. Business performance & performance indicators

At the end of the 2023/24 financial year, the SLR Group had forecast sales volumes of between 100,000 and 110,000 tonnes and adjusted EBITDA of between €20 and €25 million for the 2024/25 financial year. These assumptions were based on an expected stabilisation of demand in the core segments of agricultural machinery and construction, as well as a continuing recovery or reduction in high energy and procurement costs.

The actual development fell short of these expectations.
Sales reached 95,000 tonnes in the 2024/25 financial year, which was below the forecast range. This was due to continued weak demand in agricultural machinery, cautious investment behaviour in the construction industry and project-related delays among industrial customers.

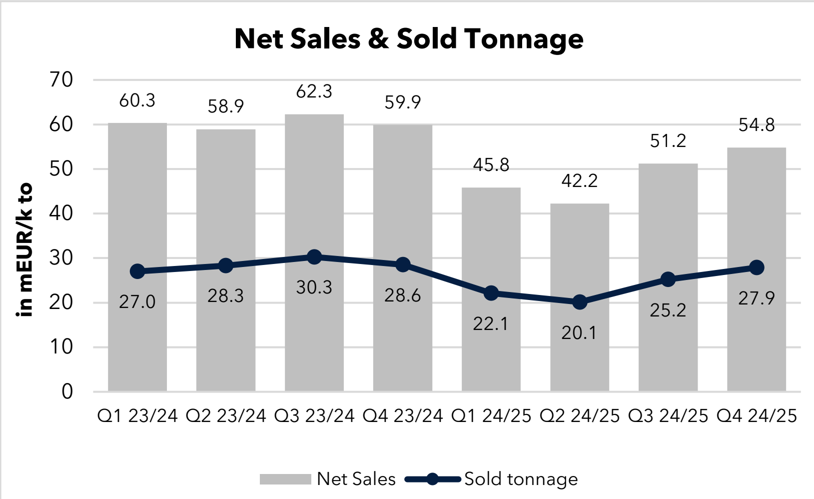
Adjusted EBITDA amounted to €17.3 million, significantly below the expected range of €20–25 million. The main reasons for this were lower production volumes and the associated lower capacity utilisation in the first half of the year.
The earnings performance was partially stabilised by cost management and operational efficiency measures, which prevented a more severe deterioration in earnings.

By contrast, operating cash flow developed positively, exceeding the original expectations of €25.9 million at €26.9 million. This enabled net financial debt to be reduced to €59.2 million.

Overall, earnings remained below forecasts, while liquidity and the reduction in net debt developed more positively than planned.

[8] BDG Prognose 2025, Gusskonjunktur, October 2025

The measures introduced as part of the "Adapt & Grow" programme have thus strengthened operational resilience, but have not been able to fully compensate for the market decline.



2.2.3. Earnings

Net revenues and sales volumes continued their quarterly recovery in the fourth quarter, confirming the early signs of a market recovery that had already emerged at the beginning of 2025. With sales of 27.9 tonnes – after 20 tonnes in Q2 and 25.2 tonnes in Q3 – the SLR Group recorded a volume-based increase of 39% compared to Q2 (or +10% compared to Q3).

The upturn was mainly driven by stabilising developments in the agricultural sector and in individual sub-segments of the construction industry. This confirms that the second quarter (Q2) most likely marked the low point of the cycle.

Revenue by region

In thousands of EUR	**FY 24/25**	**FY 23/24**	**% YoY**
DACH	100,162	122,213	-18.0
Italy	38,099	55,182	-31.0
Rest of Europe	35,865	38,661	-7.2
America	19,094	24,756	-22.9%
Rest of the world	799	629	26.9
Net sales	**194,019**	**241,441**	**-19.6**

Annual revenue in the DACH region declined to €100.2 million, representing a decrease of 18.0% compared to the previous year. Demand remained subdued in both agriculture (down 18.4% year-on-year) and construction (down 17.5% year-on-year), with the latter under particular pressure due to high financing costs, low construction starts and weak permitting activity. Extended maintenance shutdowns in December led to a further decline in factory production. Since the beginning of the year, however, demand has picked up again in both sectors.

Italy recorded the sharpest decline in sales of all regions compared to the previous quarter and the previous year, with annual sales falling to €38.1 million (-31.0% year-on-year), reflecting a decline of -32% in agriculture and -29% in construction. This was due to a sharp decline in customer orders across all segments, as well as year-end destocking and significantly shorter delivery times in December. In contrast to previous resilience, lower volumes and lower prices for base metals had a strong impact on sales performance. The Italian market also saw a general decline in demand for equipment, with CECE reporting an 11% decline in construction machinery sales for 2024.

Sales in the rest of Europe amounted to €35.9 million, representing a decline of 7.2% compared to the previous year. Although this region continued to be affected by macroeconomic headwinds, it performed better than other regions. The logistics, warehousing and non-construction segments contributed to a more moderate decline.

Sales in America declined to €19.1 million, representing a decrease of 22.9% compared to the previous year. Business activity remained subdued, with no clear signs of a recovery in demand from key customers. However, order volumes appear to have stabilised at a low level. Although there are no immediate effects of the ongoing trade talks with the US, the environment remains volatile and we are closely monitoring whether demand patterns are changing.

The SLR Group's order situation stabilised significantly in the course of the 2024/25 financial year after a weak first half. Following a decline in order intake in the second quarter, a noticeable recovery set in from the third quarter onwards, particularly in the agricultural machinery and commercial vehicles segments.

In the fourth quarter, order intake exceeded sales volume for the first time in several quarters (book-to-bill ratio > 1.0), indicating increasing market momentum.

Sales in the rest of the world remained largely stable at €0.8 million and had no significant impact on consolidated earnings (+26.9% YoY).

In the 2024/25 financial year, we achieved a sales volume of at least 95,000 tonnes, which corresponds to a decline of 17% compared to the 2023/24 financial year (114,000 tonnes). This reflects the continuing weakness in our core markets of agriculture and construction.

However, our order backlog continues to grow steadily, strengthening our confidence in a gradual recovery. Since the beginning of 2025, we have seen the first signs of stabilisation and improvement in order intake.
The CEMA Business Barometer turned positive in May with +7 points, supported by improved sales expectations and normalised order volumes.
In the construction sector, following a decline of 19% in 2024, the CECE expects a sideways trend for 2025, with the public infrastructure sector considered to be the key growth driver.

Other operating income of €7.9 million (previous year: €4.8) mainly includes electricity price compensation of €6.3 million. In addition, there is income of €0.5 million relating to other periods.

The cost of materials amounted to €123.8 million (previous year: €152.1 million) or 64.3% (previous year: 64.0%) of total output (sales and change in inventories).

Personnel expenses (personnel costs plus external services) amounted to €41.9 million (previous year: €46 million) or 21.6% (previous year: 19.3%) of total output (sales and change in inventories). This reduction is mainly due to the decline in headcount and total output.

Depreciation and amortisation amounted to €10.9 million (previous year: €9.9 million).

Other operating expenses amounted to €19.4 million. The main drivers here are freight costs of €5.6 million (previous year: €6.0 million), consulting costs of €3.2 million (previous year: €2.6 million) and repair and maintenance expenses of €6.7 million (previous year: €8.3 million). The SBA ratio is 10.0% (previous year: 8.4%) of total output (sales and change in inventories).

Financial expenses amounted to €11.3 million (previous year: €5.1 million) and mainly relate to interest on the bond issued in the amount of €7.7 million (previous year: €1.7 million), which was recognised in full as an expense for the first time in the reporting year.

Earnings before taxes amounted to €-6.5 million (previous year: €9.3 million), while income taxes amounted to €1.4 million (previous year: €-2.9 million). Other taxes of €0.1 million were incurred (previous year: €-1.6 million).

The net loss for the year amounts to €5.3 million (previous year: net profit of €4.8 million).
Income taxes amounted to €1.4 million (previous year: €-2.9 million). Other taxes amounted to €0.1 million (previous year: €-1.6 million).

2.2.4. Financial position

In order to strengthen liquidity and minimise the default risk on our receivables, a factoring agreement remains in place. The security retention is reported as a receivable under other assets.

As at 30 June 2025, net debt as defined in the bond terms and conditions amounted to €59.2 million, compared with €64.1 million in the previous quarter. Current bank liabilities amounted to €0.02 million. In accordance with the bond terms and conditions dated 5 April 2024, lease liabilities are only included in interest-bearing net debt to the extent that they would have qualified as finance leases under the accounting standards applicable at the time of initial issuance (i.e. prior to the introduction of IFRS 16). As of the reporting date, the Group reported such finance lease liabilities in the amount of €0.7 million, which is reflected in the reported net debt. Bonds and accrued interest totalled €75.1 million. The liabilities from bonds are fully secured by the pledge of shares in subsidiaries.

As of 30 June 2025, cash and bank balances amounted to €16.6 million, compared to €5.0 million at the end of the 23/24 financial year. The increase is attributable to strong operating cash flow of €26.9 million in the reporting year, which was supported by positive working capital effects and continued strict cost control.

Cash flow from investing activities amounted to €6.0 million, while cash flow from financing activities amounted to €9 million. Capital expenditure (capex) is planned at €6–8 million and is mainly attributable to maintenance measures and targeted bottleneck elimination. Financing payments mainly relate to interest and leasing payments. In October 2024, a shareholder loan of €2.0 million was taken out. The Group's liquidity position remains stable and resilient.

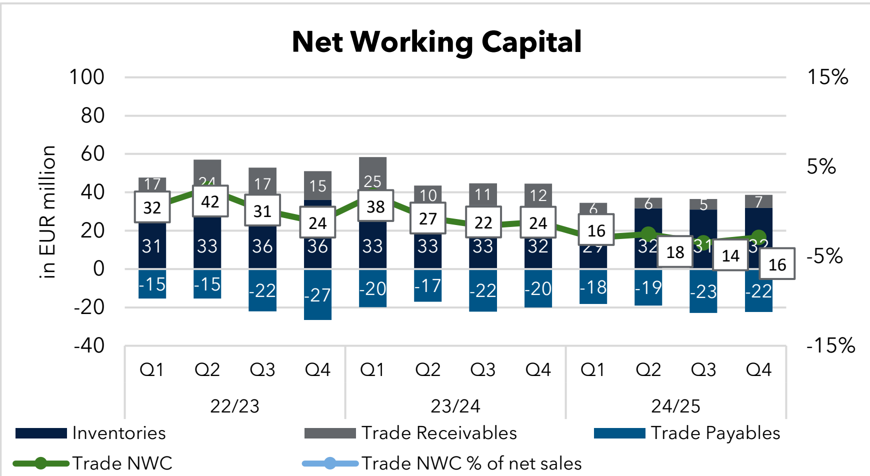
The Group was able to meet all its financial obligations on time and in full at all times.

2.2.5. Asset position

The balance sheet total amounts to €146.7 million (previous year: €148.0 million).
Property, plant and equipment decreased to €82.0 million (previous year: €85.8 million). There are rights from leasing agreements amounting to €2.9 million (previous year: €2.8 million). Inventories fell slightly by €0.6 million to €31.8 million (previous year: €32.4 million). Trade receivables amounted to €3.3 million (previous year: €8.9 million). Other receivables, including other assets, amounted to €7.3 million (previous year: €10.2 million). The decline is mainly due to lower electricity compensation claims of approximately €1.9 million compared to the previous year. Cash and cash equivalents amounted to €16.6 million at the end of the year (previous year: €5.0 million).

Equity amounted to €10.1 million as at the balance sheet date (previous year: €2.1 million). The increase is mainly due to TopCo GmbH waiving a shareholder loan to SLR Group GmbH. The equity ratio is 6.9%. Non-current liabilities totalled €97.0 million (previous year: €109.0 million), which corresponds to 66.3% (previous year: 73.6%) of the balance sheet total. The main items of non-current liabilities are the €73.5 million bond issued by and deferred tax liabilities of €12.5 million. Non-current liabilities from leasing amount to €2.2 million (previous year: €2.2 million). Current liabilities amount to €39.5 million (previous year: €36.9 million). These mainly comprise trade payables of €22.2 million (previous year: €20.0 million) and tax provisions of €7.6 million (previous year: €6.7 million).

As at 30 June 2025, net working capital (inventories, trade receivables after factoring and trade payables) amounted to €16.8 million, compared with €24.5 million in the same quarter of the previous year. The decline is reflected in the active reduction of working capital.



2.2.6. Key performance indicators

The SLR Group primarily manages its business using financial key performance indicators (KPIs). At Group level, the key financial performance indicators are adjusted EBITDA, net financial debt and leverage ratio, as well as cash conversion based on cash flow.

In addition, sales volumes in tonnes and the order backlog serve as important leading indicators and non-financial performance indicators for market development and capacity utilisation.

Other operating indicators are also monitored and reported. These indicators are reviewed regularly by management and form the basis for short- and medium-term planning and performance evaluation.

IFRS EBITDA: Operating profit before depreciation and amortisation.

Adjusted EBITDA: IFRS EBITDA adjusted for one-off or non-operating effects (e.g. consulting, restructuring or special expenses).

Adjusted Bond EBITDA: Adjusted EBITDA, adjusted in accordance with the bond terms and conditions (including the treatment of leases and add-back limitations, where applicable).

Net financial debt (as defined in the bond): Interest-bearing liabilities (including lease liabilities that would have been classified as finance leases prior to the introduction of IFRS 16) less cash and cash equivalents (including securities/central bank deposits, if included in accordance with the bond terms).

Net Leverage: Net financial debt / Adjusted bond EBITDA.

Cash conversion: Operating cash flow / Adjusted EBITDA.

In thousands of EUR	**FY 24/25**
EBITDA SLR Group (IFRS)	**15,565**
Adjustments	***1,739***
Restructuring costs & search for executives	581
Consulting projects and legal costs	973
Extraordinary maintenance measures	185
Other	-
Adjusted EBITDA SLR Group	**17,305**
IFRS 16 – Leasing	1,555
Bond EBITDA SLR Group	**14,010**
Max. adjustment items (12.5%)	***1,751***
Adjusted bond EBITDA	**15,750**
Bonds and accrued interest	75,139
Bank liabilities	19
Lease liabilities (excluding IFRS 16)	731
Cash	16,647
Securities	45
Net interest-bearing liabilities	**59,197**
Debt ratio	**3.76**

2.3 Opportunities and risks report

Internal control system: The Group applies a risk-based ICS/RMS with a dual control principle for important journal entries and consolidation adjustments, independent account reconciliations and analytical reviews by management; general IT controls support the environment. Monitoring is carried out through management reviews. A corresponding monitoring body in the form of an audit committee in accordance with Section 324 of the German Commercial Code (HGB) has not yet been established. The shareholders' resolution on the establishment and appointment of the audit committee dates from 30 October 2025, and the audit committee will commence its activities on 1 November 2025; no declaration of effectiveness will be issued.

Risk management system

The SLR Group has established a structured risk management system designed to identify, assess and monitor risks at an early stage. Risks are reviewed on a quarterly basis at both site and Group level, and significant issues are reported to the Executive Board and the Audit Committee. Where necessary, corresponding ad hoc announcements are made.

The system distinguishes between strategic, operational, financial, compliance and legal risks. Countermeasures are defined for all material risks, and their effectiveness is reviewed on an ongoing basis.

This approach ensures that the Group maintains an appropriate risk profile that is consistent with its business model and financial strategy.

Strategic risks

Market dependency: The Group generates a significant portion of its sales in the agricultural and construction equipment sectors. Persistent weakness in these end markets or a structural shift in global demand could lead to sustained underutilisation of capacity.

Customer concentration: SLR has well-established relationships with a limited number of OEMs and Tier 1 suppliers. While these partnerships provide stability, they also pose a concentration risk. A decline in sales volumes or the loss of a major customer could have a significant impact on revenue.

Regulatory environment: Increasing requirements in terms of emission reduction, circular economy and reporting (e.g. CSRD, EU taxonomy) create compliance and investment needs. Failure to adapt production processes in a timely manner could lead to competitive disadvantages.

Operational risks

In addition to strategic risks, the Group is also exposed to operational risks that can affect its day-to-day business development.

Energy and raw materials: As an energy-intensive foundry operation, SLR is exposed to fluctuations in electricity and scrap prices. Although this risk can be partially mitigated through hedging transactions and long-term contracts, sudden price spikes can reduce margins.

Production continuity: Unplanned downtime of induction furnaces or other important equipment can lead to delivery interruptions and penalties. Maintenance cycles and investment discipline are therefore crucial.

Availability of labour: The Group competes for skilled workers in the areas of foundry, machining and mechanical engineering. Bottlenecks or labour disputes could limit flexibility and efficiency.

Supply chain and logistics: SLR's dependence on key suppliers for alloys, consumables and spare parts exposes it to potential bottlenecks. Disruptions in logistics chains, particularly cross-border ones , can lead to delays in deliveries to customers.

IT and cyber risks: Increasing digitalisation raises the risk of cyber attacks and system failures. Any prolonged interruption to ERP or production IT systems could significantly disrupt operations.

Environment, health and safety: Foundries harbour inherent environmental, health and safety risks. Accidents, violations of environmental permits or emission incidents could lead to reputational damage, financial penalties or operational restrictions.

Financial risks

Liquidity risk: The Group uses financial instruments for financing and business operations (trade receivables/payables, leases, bank loans and senior secured bonds). Liquidity risk is managed through rolling 12-month cash flow forecasts, minimum liquidity targets and diverse funding sources. Credit risk arises mainly from trade receivables; the risk is diversified across OEMs/Tier 1 companies and is monitored through customer limits and maturity analyses.

Market risk: Market/interest rate risk primarily relates to variable-rate instruments; management monitors sensitivities with regard to covenant margins. The Group does not use derivatives for speculative or hedging purposes.

Factoring: The Group uses non-recourse factoring for working capital management; the availability of credit lines and counterparty risks are monitored.

Bond: The bond terms and conditions stipulate that the debt ratio is calculated as follows: Net interest-bearing debt / adjusted bond EBITDA (LTM)

Based on the last twelve months to 30 June 2025, the Group's EBITDA reported in accordance with IFRS was adjusted downwards by €1.6 million in accordance with the bond terms to take into account the impact of IFRS 16. Furthermore, adjustments are limited to 12.5% of EBITDA, which caps the total amount of additions at €1.8 million. As a result, the Group's adjusted bond EBITDA amounted to €16.2 million, resulting in a debt ratio of approximately 3.7x – well below the threshold of 4.25x.

Currency risks: The SLR Group is not exposed to significant currency risks, as all export contracts are concluded in euros. Currency fluctuations therefore have no material impact on the company's financial position.

Regulatory risks

Electricity price compensation: The SLR Group is heavily dependent on electricity price compensation in order to maintain its international competitiveness. This support instrument reduces the indirect CO_2 costs caused by European emissions trading. If electricity price compensation were to be reduced or abolished, this would significantly increase energy costs and limit the ability to invest in CO_2-neutral technologies. This could jeopardise the long-term competitiveness of the SLR Group and delay important CO_2 reduction projects.

Insurance risks: The SLR Group has comprehensive insurance policies to cover significant operational risks, including product liability, fire, accident and environmental risks, and business interruption. These insurance policies provide protection against unexpected events that could lead to significant financial burdens. However, there is a risk that certain claims may not be fully covered by insurance or that premium increases could occur, which could increase the company's cost base.

Opportunities

Despite the difficult macroeconomic environment, the SLR Group sees several opportunities to strengthen its market position and achieve sustainable growth.

Potential for market recovery: Following a period of subdued demand, initial indicators point to a gradual stabilisation of both the agricultural and construction equipment markets. A sustained recovery would enable the Group to leverage its flexible production footprint and return to higher capacity utilisation, leading to stronger operating leverage and profitability.

Expansion of customer relationships: The Group benefits from long-standing relationships with well-known OEMs and Tier 1 suppliers in Europe and North America, most of which it supplies as a sole supplier. In addition to nurturing these partnerships, SLR is well positioned to increase volume with existing customers as they ramp up production. The Group also continues to seek opportunities to expand its customer base geographically, particularly in North America, where supply chain diversification is becoming increasingly important.

Sustainability as a competitive advantage: The transition to lower-carbon manufacturing represents a structural opportunity for the Group. Having already achieved significant reductions in Scope 1 and Scope 2 emissions, SLR can differentiate itself from its competitors by providing reliable, resource-efficient casting solutions. This strengthens its position in tenders and long-term framework agreements, particularly with multinational customers who are subject to increasingly stringent ESG requirements.

Operational excellence and transformation benefits: The Adapt & Grow programme has structurally reduced the cost base and introduced more flexible shift and staffing models. When demand recovers, these measures will enable the Group to scale its production more efficiently and leverage margin increases more effectively than in previous cycles.

Innovation and process development: Continuous investment in tooling technology, casting simulation and machining capacities offers the opportunity to win additional high-value projects. By aligning its development activities with customer needs for complex, high-precision components, SLR can expand its share of technologically demanding applications such as hydraulics, drive systems and renewable energy equipment.
Overall, the combination of a leaner cost structure, firmly established customer relationships and product differentiation focused on sustainability provides SLR with several levers to benefit from a potential market upturn and create long-term value for stakeholders.

The following table outlines the key risks derived from the four main categories:

Risk category	Description (qualitative)	Probability of occurrence (%)	Potential impact (€)
1. Market and sales risks	Decline in demand in the agricultural and construction sectors as a result of economic weakness, high interest rates and geopolitical uncertainties.	60–75%	€3–5 million
2. Financial risks	Interest rate rises, refinancing costs and credit risks associated with customers; exchange rate volatility in international markets.	40–60	€3–6 million
3. Operational risks	Production interruptions, technical failures, IT disruptions and skills shortages can affect efficiency and output.	50–75	€1–5 million
4. Energy and raw material risks	Fluctuating electricity and metal prices weigh on the cost base despite long-term supply contracts.	50	€2–4 million
5. Legal and regulatory risks	Stricter environmental, occupational health and safety, and ESG requirements (e.g. EU taxonomy, supply chain law).	25–50	€1–2 million
6. Environmental and climate risks	Extreme weather events (heat, heavy rain, flooding, frost) disrupt operations and logistics.	25–50	< €0.5 million
7. Strategic risks	Structural change in key industries, technological substitution, increasing international competitive pressure.	25–50	€2–4 million
8. Reputation and compliance risks	Negative media coverage, data protection breaches or ESG violations can damage image and customer confidence.	25–40	€1–2 million

Overall assessment of the risk situation
In the opinion of management, none of the identified risks – either individually or in combination – jeopardise the Group's ability to continue as a going concern. The opportunities presented offer significant potential for strengthening SLR's competitive position and financial performance in the medium term. These risks and opportunities were taken into account in preparing the outlook. Although the external environment remains volatile, management believes that the Group is well positioned to overcome the current challenges and benefit from a gradual recovery in its core markets.

2.4 Outlook

Our "Adapt & Grow" improvement programme has been successfully implemented. Following the introduction of personnel and structural measures at all locations in recent quarters, we are now in the final phase, which focuses on stabilising operations and fully realising efficiency gains.

During the implementation of the work organisation changes, there were temporary productivity losses, but these were remedied through targeted adjustments.
Productivity is now recovering, and we expect further improvements in operational efficiency in the coming months.

At the same time, we are actively preparing for rising order volumes by optimising and scaling production processes at all locations. These measures are designed to ensure that the organisation is well positioned to benefit from a market recovery and respond flexibly to rising customer demand.

The programme has already made a positive contribution to EBITDA. In future, the focus will be on embedding these structural changes in a sustainable manner and maintaining a lean, scalable cost base.

While the programme is now in its final phase and operational efficiency is gradually increasing, the full EBITDA effect will only be fully realised after the 2024/25 financial year.
Seasonal volume growth in Q3 and Q4 of the financial year is supporting margins to some extent, and further improvements could follow if order intake continues to develop positively.

We remain focused on consistently driving forward the operational transformation and preparing our production processes for a scalable ramp-up if demand continues to strengthen in the second half of 2025.

The outlook covers the next twelve months and is based on the assumption of stable exchange rates and a gradual easing of the energy markets without significant supply chain disruptions.

We expect adjusted EBITDA of €19–20 million and sales volumes of around 105,000 tonnes for the coming financial year.

Based on these assumptions, we are targeting a cash conversion rate of at least 70% in relation to operating cash flow.

The net debt leverage position is expected to be slightly lower than in the previous year, underscoring the Group's robust capital structure. In addition, management expects to continue to reduce net financial debt slightly over the course of the year.

This forecast implies adjusted EBITDA of around €181–191 per tonne, which is roughly in line with the level for the 2024/25 financial year (~ €185/t) – i.e. stable margins with rising volumes.

The main uncertainties relate to demand elasticity in the agriculture and construction sectors, the volatility of energy prices and customer ordering behaviour.
Management therefore continues to pursue a cautious operational management approach.

This report contains forward-looking statements, including, but not limited to, forecasts of future financial results, market developments and business strategies.

These statements are based on management's current assumptions, expectations and forecasts and involve known and unknown risks, uncertainties and other factors that could cause the actual results, performance or developments of the Group to differ materially from those stated or implied in these forward-looking statements.

Forward-looking statements are not guarantees of future developments and should not be considered a reliable basis for future decisions.
All forward-looking information is valid only at the time of publication of this report.
The Group undertakes no obligation to publicly update or revise any such statements, whether as a result of new information, future events or otherwise, unless required by law or regulation.

2.5 Sustainability statement

As a public-interest entity, SLR Group GmbH prepares a non-financial statement in accordance with Sections 289b et seq. of the German Commercial Code (HGB), which also includes disclosures in accordance with the EU Taxonomy Regulation (EU) 2020/852.

This non-financial statement is published separately from the management report and is available on the company's website at www.slr-gruppe.de/sustainabilty.

2.6 Information on SLR Group GmbH in accordance with the German Commercial Code

Basics
The management report of SLR Group GmbH is combined with the management report of the SLR Group.
As the parent company, SLR Group GmbH plays a central role within the Group: it holds all shares in the subsidiaries, either directly or indirectly, and provides Group-wide management, financing, administrative and strategic services. The consolidated financial statements of SLR Group GmbH, prepared in accordance with IFRS, provide a complete overview of the SLR Group's operating activities.

SLR Group GmbH, based in St. Leon-Rot (Mannheim Commercial Register HRB 750601), acts as a holding and management company without its own operational production.
The scope of consolidation includes in particular:

- SLR Gießerei St. Leon-Rot GmbH and SLR Gießerei Elsterheide GmbH (ductile iron casting production),
- SLR Tooling GmbH (model and tool making),
- as well as operating subsidiaries in Hungary and Czechia, which provide CNC machining and logistics services.

The former companies Cast One GmbH and Cast Two GmbH, which had exclusively performed holding functions, were merged with SLR Group GmbH at book value with economic effect as of 30 June 2024.
The merger simplified the Group structure; in the current 2024/25 financial year, the former companies were completely absorbed into SLR Group GmbH. This had no operational impact.

In addition to its investment function, SLR Group GmbH is responsible for central management and coordination in the areas of finance, treasury, legal, compliance, strategy, sustainability, human resources, IT and communications.
It provides group-wide management and shared services and is responsible for overall financial and investment planning, group financing and capital market communications.

Management concept and accounting
Due to its close operational and financial integration into the SLR Group, SLR Group GmbH is managed within the framework of the group-wide management concept and does not have a separate management system. Strategic and operational management is carried out at Group level by the management of SLR Group GmbH in its function as the parent company. Key performance indicators for the entire Group are revenue, adjusted EBITDA, free cash flow and net debt.
The most important financial performance indicator for assessing the economic development of SLR Group GmbH itself is the result from operating activities.

The annual financial statements of SLR Group GmbH for the financial year from 1 July 2024 to 30 June 2025 were prepared in accordance with the provisions of Sections 242 et seq. and 264 et seq. of the German Commercial Code (HGB) and the relevant provisions of the German Limited Liability Companies Act (GmbHG).

The accounting regulations for large corporations apply; the income statement is structured according to the total cost method.

The consolidated financial statements of the SLR Group include the IFRS financial statements of SLR Group GmbH, which have been prepared in accordance with the International Financial Reporting Standards (IFRS®) of the International Accounting Standards Board (IASB®) valid on the balance sheet date and the additional German regulations applicable in accordance with Section 315e (1) HGB.
IFRS® are generally only applied after they have been recognised by the European Union.

Earnings
The company's sales revenues in the 2024/25 financial year resulted entirely from management services provided to affiliated companies.
Other operating income of TEUR 6,799 mainly includes income from a debt waiver (TEUR 6,748) on a shareholder loan.
Personnel expenses amounted to TEUR 1,884, while other operating expenses amounted to TEUR 1,982 and mainly related to legal and consulting costs. The result from investments is attributable to SLR Giesserei, and financial expenses are mainly attributable to interest expenses on the bond.
According to the proposed appropriation of profits, the net profit of EUR 26,591 thousand is to be carried forward to new account.

Earnings situation of SLR Group GmbH (according to HGB)

In thousands of EUR	FY 24/25	FY 23/24
Revenue	2,223	55
Other operating income	6,799	1
Personnel expenses	1,884	57
Depreciation	2	-
Other operating expenses	1,982	41
Income from investments	6,585	234
Financial result (total)	8,803	2,112
Taxes on income and earnings	1,295	-
Net profit/loss for the year	1,642	-1,920
Other taxes		1,420
Net profit for the year	1,642	-3,340

Net assets and financial position
The balance sheet total as at 30 June 2025 amounted to EUR 128,165 thousand (previous year: EUR 97,379 thousand).
Equity amounted to EUR 28,868 thousand, with an equity ratio of around 22.5%.
Liabilities comprise EUR 76,619 thousand from the bond listed on Nasdaq Stockholm (ISIN NO0013177949) and EUR 13,095 thousand owed to shareholders.
Significant provisions consist of tax provisions (TEUR 7,628), real estate transfer tax (TEUR 1,432), holiday entitlements (TEUR 90) and closing costs (TEUR 85).
The company's solvency was assured at all times throughout the financial year.

Balance sheet of SLR Group GmbH in accordance with HGB

In thousands of EUR	30 June 2025	30 June 2024
Assets		
Intangible fixed assets	12	0
Property, plant and equipment	208	0
Financial assets	110,774	74,995
Receivables	9,804	18,143
Other assets	133	27
Cash and cash equivalents/securities	7,095	896
Prepaid expenses	139	4
Uncovered equity deficit	0	3,315
Total assets	**128,165**	**97,379**
Liabilities		
Equity	28,868	0
Provisions	9,327	1,444
Trade payables	162	53
Liabilities to shareholders	13,095	0
Other liabilities	76,712	95,882
Total liabilities	**128,165**	**97,379**

Forecast, opportunities and risks

In its forecast, SLR Group GmbH essentially assumes the same developments in the economic environment as the SLR Group. Taking these assumptions into account, the company expects earnings from operating activities for the 2025/26 financial year to be roughly on a par with the previous year. Positive contributions to earnings are expected from the continuation of the efficiency and cost-cutting programme and from the further integration of the subsidiaries. These are offset in particular by risks arising from economic fluctuations, energy price and interest rate developments, and geopolitical factors.

SLR Group GmbH is essentially subject to the same opportunities and risks as the SLR Group. The internal control and risk management system with regard to the accounting process (Section 289 (4) HGB) is based on uniform Group guidelines for accounting and valuation, which clearly define processes, responsibilities and coordination steps. Standardised software solutions with regulated access authorisations are used for the preparation of the financial statements.

St. Leon-Rot, 31 October 2025

SLR Group GmbH

Management

Gunnar Halden Jörg Rumikewitz

3 Consolidated financial statements

Statement of financial position

Statement of financial position

In thousands of EUR	Notes	30 June 2025	30 June 2024	01 July 2023
Assets				
Property, plant and equipment	4.12	81,992	85,759	69,848
Intangible assets	4.13	181	140	216
Right-of-use assets	4.14	2,859	2,839	2,943
Total non-current assets		**85,032**	**88,738**	**73,007**
Inventories	4.15	31,813	32,415	35,974
Contract assets	4.22	922	814	1,138
Other investments		45	156	155
Trade and other receivables	4.16	10,941	19,117	22,471
Prepayments		1,258	1,806	1,913
Cash and cash equivalents	4.26	16,647	4,951	29,024
Total current assets		**61,626**	**59,259**	**90,675**
Total assets		**146,658**	**147,997**	**163,683**

In thousands of EUR		30 June 2025	30 June 2024	01 July 2023
Equity				
Share capital	4.17	25	25	250
Capital reserve	4.17	15,401	219	5,583
Other reserves	4.17	-755	-628	-582
Retained earnings	4.17	-4,576	2,502	54,468
Total equity		**10,095**	**2,118**	**59,719**
Liabilities				
Loans and borrowings	4.18	79,147	92,020	5,794
Employee benefits	4.20	1,522	785	906
Deferred income		611	656	727
Provisions	4.21	1,062	1,174	2,961
Deferred tax liabilities	4.25	12,487	12,128	7,560
Lease liabilities	4.18	2,208	2,198	2,338
Total non-current liabilities		**97,037**	**108,961**	**20,286**
Bank overdraft	4.18	19	42	40
Current tax liabilities		7,640	6,738	9,097
Loans and borrowings	4.18	2,259	2,969	40,942
Employee benefits	4.20	4,129	4,678	5,531
Trade and other payables	4.18	24,482	21,736	26,861
Contract liabilities	4.22	157	56	366
Provisions	4.21	94	2	236
Lease liabilities	4.18	748	699	605
Total current liabilities		**39,527**	**36,918**	**83,678**
Total equity and liabilities		**146,658**	**147,997**	**163,683**

Statement of profit or loss and other comprehensive income

Profit and loss account and statement of comprehensive income

In thousands of EUR	Notes	FY 24/25	FY 23/24
Revenue	4.22	194,019	241,441
Changes in inventory		-1,366	-3,817
Other operating income	4.24	7,924	4,836
Material expenses	4.23	-123,794	-152,139
Personnel expenses (internal)	4.20	-35,368	-37,151
External personnel		-6,487	-8,842
Other operating expenses	4.24	-19,363	-20,039
EBITDA		**15,565**	**24,289**
Depreciation and amortization	4.12, 4.13, 4.14	-10,890	-9,900
Operating profit		**4,675**	**14,389**
Finance income		86	95
Finance costs		-11,306	-5,145
Profit before tax		**-6,544**	**9,339**
Income tax	4.25	1,430	-2,901
Other tax expense		-136	-1,561
Profit for the period		**-5,250**	**4,877**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Gains (losses) from remeasurement of defined benefit plan		-186	-8
Items that are or may be reclassified subsequently to profit or loss:			
Foreign operations – foreign currency translation differences		59	-38
Other comprehensive income for the period, net of tax		**-127**	**-45**
Total comprehensive income for the period		**-5,377**	**4,832**

Statement of changes in equity

Statement of changes in equity

In thousands of EUR	Share capital	Capital reserve	Other reserves		Retained earnings	**Total Equity**
			FX translation reserve	Remeasure-ment of defined benefit liability		
Balance at 1 July 2023	**250**	**5,583**	**-582**	**-**	**54,468**	**59,719**
Dividends due to reorganisation	-	-	-	-	-72,114	**-72,114**
Adjustment shareholder loan 1	-	-	-	-	-425*	**-425**
Changes in equity due to reorganisation	-225	-5,583	-	-	3,331	**-2,477**
Revaluation due to IFRS 1.D8, net of tax	-	-	-	-	12,365	**12,365**
Profit for the period	-	-	-	-	4,877	**4,877**
Share-based remuneration	-	219	-	-	-	**219**
Other comprehensive income	-	-	-38	-8	-	**-45**
Balance at 30 June 2024	**25**	**219**	**-620**	**-8**	**2,502**	**2,118**
Adjustment shareholder loan 1	-	14,963	-	-	-1,829*	**13,134**
Profit for the period	-	-	-	-	-5,250	**-5,250**
Share-based remuneration	-	219	-	-	-	**219**
Other comprehensive income	-	-	59	-186	-	**-127**
Balance at 30 June 2025	**25**	**15,401**	**-561**	**-194**	**-4,576**	**10,095**

** Deferred taxes in connection with temporary differences arising from the adjustment of the shareholder loan 1.*

Cash flow statement

Cash flow statement

In thousands of EUR	Notes	FY 24/25	FY 23/24
Profit after tax		-5,250	4,877
Depreciation/amortization and impairment of property, plant and equipment and right-of-use assets/intangible assets	4.12, 4.13, 4.14	10,890	9,900
Income tax adjustment		-1,294	4,462
Interest expenses/interest income		11,219	5,050
Change in working capital		11,393	765
Increase/decrease in provisions, pensions, and government grants		537	-1,841
Income tax paid		-640	-7,371
Exchange Rate Differences		-44	-268
Other		107	225
Operating cashflow		**26,918**	**15,799**
Purchase of property, plant and equipment		-6,206	-7,830
Purchase of intangible assets		-41	76
Proceeds from sale of property, plant and equipment		8	-29
Interest received		86	95
Dividends received		111	-1
Investing cashflow		**-6,041**	**-7,688**
Proceeds from borrowings		2,000	73,707
Repayment of borrowing		-955	-46,639
Payment of principal proportion of lease liabilities	4.14	-776	-632
Dividends paid		0	-54,168
Interest paid		-9,450	-4,452
Financing cashflow		**-9,182**	**-32,184**
Net cashflow		11,699	-24,073
Cash and cash equivalents at 1 July	4.26	4,951	29,024
Cash and cash equivalents at 30 June		**16,647**	**4,951**

4 Notes to the consolidated financial statements

Reporting entity

SLR Group GmbH (the Company) is a company limited by shares incorporated and registered in Germany. The Company's registered office is at Am Bahnhof 16, 68789 St. Leon-Rot. These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the 'Group'). The Group is primarily involved in the production of high-quality spheroidal graphite cast iron for the construction machinery, agricultural machinery, commercial vehicles, and hydraulics industries, as well as for the wind power and rail technology sectors.

4.1. Basis of accounting

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards. They were authorized for issue by the Company's board of directors on 31 October 2025. Details of the Group's accounting policies, including changes thereto, are included in respective sections of Note 5.

The directors have, at the time of approving the financial statements, a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus, the group has applied the going concern basis of accounting in preparing the financial statements.

4.2. First-time application of IFRS

For the financial year-ended 30 June 2025, the Group applies IFRS Standards for the first time with the date of transition being 1 July 2023 and in accordance with IFRS 1 "First-time Adoption of International Financial Reporting Standards". Thus, the comparative information for the balance sheet has been extended to include an opening IFRS statement of financial position at the date of transition to the IFRSs. In accordance with IFRS 1.7, the Group has applied all IFRS Accounting Standards and amendments that were effective and endorsed by the European Union as of 30 June 2025. Consequently, the same set of IFRS Accounting Standards has been applied consistently in the opening IFRS statement of financial position as of 1 July 2023, in the comparative information for the financial year 2023/24, and in the financial year 2024/25.

Standards and amendments issued but not yet effective as of 30 June 2025 are disclosed separately in Note 6. These will be applied in future reporting periods once effective and endorsed in the European Union.

Before, the Group applied German General Accepted Accounting Principles (GAAP) (Handelsgesetzbuch, "HGB"). For the financial reporting for the reporting period ending on 30 June 2025, the accounting figures are stated and presented in accordance with IFRS.

Retrospective application and exemptions

The general principle underlying IFRS 1 is that a first-time adopter should apply the version of each Standard effective at the end of its first IFRS reporting period retrospectively. Therefore, the first IFRS financial statements are presented as if the entity had always applied IFRS Accounting Standards. However, there are some exemptions to this general requirement. Within this context, the Group applies the following exemptions:

Business combinations (IFRS 1.C)

IFRS 3 "Business Combinations" has not been retrospectively applied to the purchase of subsidiaries of the Group that occurred before the date of transition on 1 July 2023. Hence, at the date of transition to IFRS, all assets acquired, and all liabilities assumed in past business combinations that qualify for recognition under IFRS are recognized. Also not included within the exception are assets (including any goodwill) and liabilities that have not been recognized under previous GAAP and that would not fulfil the recognition criteria under IFRS. All items that have been recognized under previous GAAP but that do not fulfil the recognition criteria under IFRS have been derecognized. Acquired assets and liabilities that have not been recognized under previous GAAP, have been measured according to the applicable IFRS. SLR Tooling GmbH was not included in the consolidated financial statements in accordance with German GAAP due to materiality considerations. This company is included in the consolidated financial statements in accordance with IFRS. The negative goodwill that has been recognized under previous GAAP has been derecognized with a corresponding adjustment to retained earnings at the date of transition.

Deemed cost (IFRS 1.D5-D8)
The carrying amounts of property, plant and equipment have been adjusted using the fair values determined in the context of the purchase price allocation conducted under German GAAP following the reorganization of the SLR Group that occurred on 30 April 2024.

Leasing (IFRS 1.D9 and IFRS 1.D9B-D9E)
At the date of transition, lease liabilities have been recognized with the present value of the remaining lease payments. Right-of-use assets have been recognized in the amount of the corresponding lease liabilities and are subject to impairment tests for non-financial assets. Furthermore, the Group chose to adopt the following simplifications and practical expedients as stated in IFRS 1.D9:

- assessment whether a contract existing at the date of transition to IFRSs contains a lease by applying paragraphs 9–11 of IFRS 16 to those contracts on the basis of facts and circumstances existing at that date (IFRS 1.D9)
- measurement of a lease liability at the date of transition to IFRSs (IFRS 1.D9B (a))
- measurement of a right-of-use asset at the date of transition to IFRSs (IFRS 1.D9B (b) (ii))
- applying IAS 36 to right-of-use assets at the date of transition to IFRSs (IFRS 1.D9B)
- non-application of the requirements in paragraph D9B to short-term leases and leases of low value (IFRS 1.D9D)
- application of a single discount rate to a portfolio of leases with reasonably similar characteristics (IFRS 1.D9D)
- excluding of initial direct cost from the measurement of the right-of-use asset at the date of transition to IFRSs (IFRS 1.D9D)
- usage of hindsight (IFRS 1.D9D).

Revenue (IFRS 1.D34-D35)
The Group applied transitional provisions of IFRS 15.C5. Therefore, contracts that, in accordance with German GAAP, have been fulfilled before 1 July 2023 are not restated (IFRS 15.C5(a)). For contracts that have been fulfilled and which contain variable consideration, the received variable consideration has been considered as part of the transaction price. For contracts that have been modified before 1 July 2023, no retrospective restatement has been conducted (IFRS 15.C5(c)). The Group also chose not to disclose the amount of the transaction price allocated to the remaining performance obligations and an explanation of when the entity expects to recognize that amount as revenue. Applying the above stated practical expedients did not result in any material effects.

IFRS reconciliation
For the conversion to IFRS, adjustment entries have been recorded to account for the differences between IFRS and German GAAP. Differences with material impact on equity and the statement of comprehensive income are described in the following:

Negative goodwill
Negative goodwill from past acquisitions has been derecognized at the transition date.

Property, plant and equipment
In the context of the conversion to IFRS, useful lives of property, plant and equipment have been re-evaluated. Moreover, fair values determined in the purchase price allocation following the purchase of SLR Group GmbH have been utilised as deemed costs. Maintenance expenses have also been capitalised when the requirements for capitalisation are fulfilled. As a result, annual and cumulative depreciation differs between German GAAP and IFRS. In addition, lease agreements under which the SLR Group acts as a lessee have been recognized according to IFRS 16. The resulting effects are disclosed as "Property, plant and equipment" and "Leasing" in the following reconciliations.

Transactions that qualify as sale-and-leaseback transactions under German GAAP were found not to be true sales transactions under IFRS 15. As a result, the respective assets will continue to be recognized as property, plant and equipment, subsequently amortized under IFRS. Moreover, the compensation that the Group received for the assets is recognized as a financial liability under IFRS 9 which is reduced by the monthly payments of the Group. The contracts for the sale-and-leaseback transactions are dated back to the financial years ending 30 June 2019, 2021, and 2022.

Pensions and other employee benefits
Provisions for pensions and other employee benefits have been determined using actuarial calculation as prescribed in IAS 19. Measurement differences mainly result from differences in discount rates and actuarial assumptions.

Provisions
Provisions for neglected maintenance have been derecognized at the transition date as these do not fulfil the requirements of IAS 37.14.

Financial instruments
Due to the conversion to IFRS, the Group has to apply the expected credit loss (ECL) approach. IFRS require the Group to recognize an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets. At the transition date, the Group recognized a reversal of bad debt allowance on its trade receivables of €0.147 million, since the allowance recognised under German GAAP is based on a lump rate (and therefore higher) and not historical expected credit losses.

Furthermore, the Group applies the effective interest method in accounting for the corporate bond issued firstly in April 2024 on Frankfurt open market and later in March 2025 on NASDAQ Stockholm. This results in a lower initial carrying amount for the bond under IFRS than under German GAAP: the carrying amount is reduced by € 1.462 million. The interest expenses are reduced by € 0.127 million.

Deferred taxes
Due to the changes in the (de-)recognition and measurement of assets and liabilities in the context of the conversion to IFRS, all deferred taxes resulting from arising temporary differences have been recognized. Moreover, as the Group has chosen not to recognize the surplus of deferred tax assets over deferred tax liabilities under German GAAP as of 1 July 2023, such deferred tax assets were recognized at the transition date in an amount of € 0.588 million.
Exchange rate differences
Differences resulting from currency translation in foreign subsidiaries are recognized in other comprehensive income within the statement of comprehensive income.

Revenue recognition
Revenue for the sale of models is generally recognized over time according to IFRS 15.35(c). Hence, differences arise mainly from a different timing of revenue recognition under IFRS compared to German GAAP.

First Time Adoption of IFRS: Reconciliation of equity

In thousands of EUR	30 June 2024	1 July 2023
Equity of SLR Holding GmbH under German GAAP	40,308	32,283
Addition of equity of SLR Tooling GmbH	441	303
Addition of equity of Cast One GmbH	-55	-
Addition of equity of Cast Two GmbH	-2,524	-
Addition of equity of SLR Group GmbH*	-3,315	-
Dividends paid during reorganization of the Group*	-73,660	-
Derecognition of negative goodwill	9,288	10,688
Property, plant and equipment	36,340	16,817
thereof due to:		
capitalization of major inspections	5,959	3,000
extension of useful lives**	13,310	13,818
revaluations (IFRS 1.D8)	23,656	-
write-downs (IFRS 1.D8)	-6,585	-
Leasing	-57	-
Pensions and other employee benefits	729	818
Maintenance provisions	1,786	2,621
Financial instruments	1,734	147
Deferred taxes	-10,727	-5,154
Exchange rate differences	226	-
Government grants	-70	-42
Sale and leaseback	1,353	913
Revenue	319	325
Total IFRS adjustments	-38,191	27,436
Equity under IFRS	**2,118**	**59,719**

*For further information, please refer to chapter "Changes in the composition of the entity".

** Useful lives between German GAAP and IFRS differ due to an underestimation of useful lives in German GAAP. This leads initially to a higher book value as of 1 July 2023 in IFRS.

First Time Adoption of IFRS: Reconciliation of total comprehensive income

In thousands of EUR	2023/2024
Consolidated net income of SLR Holding GmbH under German GAAP	8,289
Addition of net income of SLR Tooling GmbH	138
Addition of net income of Cast One GmbH	-7
Addition of net income of Cast Two GmbH	-70
Addition of net income of SLR Group GmbH	-3,340
Negative goodwill	-1,400
Property, plant and equipment	2,452
thereof due to:	
capitalization of major inspections	2,959
extension of useful lives and depreciation of major inspections	-507
Leasing	-57
Pensions and other employee benefits	-89
Maintenance provisions	-835
Financial instruments	40
Deferred taxes	-441
Exchange rate differences	-38
Government grants	-27
Share based payments	-219
Sale and leaseback	440
Revenue	-6
Total IFRS adjustments	-3,240
Consolidated total comprehensive income under IFRS	**4,832**

Changes to the statement of cash flows due to the first-time application of IFRS
The first-time application of IFRS results in changes to the statement of cash flows under IFRS. While the operating cash flow increases by €4.5 million, the investing cash flow decreased by €3.0 million and the financing cash flow decreases by €1.5 million during the financial year 2023/2024.

These changes are mainly due to accounting for sale-and-leaseback transactions which were found not to contain true sales under IFRS 15 as well as the accounting for leases under IFRS 16 as lease payments for lessees are presented in a different way than under German GAAP. While those lease payments are presented as operating cash flows under German GAAP, under IFRS these (lease) payments are considered to be partly repayments of the lease/financial liabilities and partly interest payments and hence, they are presented as financing cash flow. As a result, the operating cash flow under IFRS increases by €1.5 million while the financing cash flow decreases in the same amount.

Other changes to the statement of cash flows result from differences in accounting for maintenance expenses. Maintenance expenses which meet the recognition criteria according to IAS 16 were capitalized. As a result, the operating cash flow under IFRS increases by €3.0 million while the investing cash flow decreases by the same amount.

4.3. Functional and presentation currency

These consolidated financial statements are presented in EUR, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated. Foreign operations are included in accordance with the policies set out in Note 5.1.

4.4. Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements and estimates about the future that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management where appropriate. Revisions to estimates are recognized prospectively.

4.5. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

Note 4.14: lease term – whether the Group is reasonably certain to exercise extension options.

4.6. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

- Note 7.20: measurement of defined benefit obligations – key actuarial assumptions;
- Note 8.9: recognition and measurement of provisions and contingencies— key assumptions about the likelihood and magnitude of an outflow of resources.
- Note 8.12: measurement of ECL allowance for trade receivables and contract assets — key assumptions in determining the weighted-average loss rate.

4.7. Changes in the composition of the entity

On 30 April 2024, the Group was established after the purchase of all shares of the Cast One GmbH from the previous ultimate parent company Dilasso Holding 1 S.á.r.l. (Dilasso) by the SLR Group GmbH. Prior to that, consolidated financial statements were prepared by the SLR Holding GmbH and hence, this is the starting point for the IFRS consolidated financial figures as of the date of transition on 1 July 2023. Following the reorganisation as of 30 April 2024, the companies SLR Group GmbH, Cast One GmbH, and Cast Two GmbH were included in the IFRS consolidated financial figures. Effects on the statement of profit or loss mainly included real estate transfer tax (€ 1,420 thousand) and interest expense (€ 1,982 thousand).

The Cast One GmbH, which indirectly had 100% ownership interest in each subsidiary of the Group (including SLR Holding GmbH), was acquired in exchange for a purchase price of €73 million. As the owners of Dilasso are the owners of the SLR Group GmbH, this change in the composition of the entity is considered a business combination under common control under IFRS. Therefore, in contrast to German GAAP, the predecessor accounting method is applied, and no purchase price allocation is necessary. Consequently, the payment to the owners is considered dividends paid due to the reorganisation.

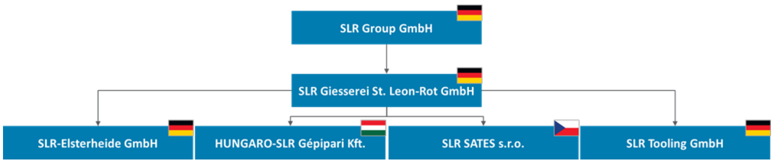
However, the fair values determined in the purchase price allocation under German GAAP are used as deemed cost according to IFRS 1.D5-D8. Thus, these fair values were set as new carrying amounts at the time of the reorganization of the SLR Group (30 April 2024) and were subsequently measured according to the relevant IFRSs.

Under German GAAP, due to the acquisition of the Cast One GmbH by the SLR Group GmbH that is the ultimate parent of the group, there has been a short fiscal year from 25 January 2024 to 30 June 2024.

As of 30 June 2024, a retrospective upstream merger was executed involving the SLR Holding GmbH, the Cast Two GmbH and the Cast One GmbH. These three legal entities have been consolidated into the SLR Group GmbH. There have been no changes to the figures of the financial statements as all assets and liabilities have been transferred to the SLR Group GmbH at their carrying amounts.

4.8. List of subsidiaries

Set out below is a list of material subsidiaries of the Group.



The Group has 100% ownership interest in each subsidiary (2023/2024: 100%).

4.9. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

Items	Measurement bases
Net defined benefit (asset) liability	Fair value of plan assets less the present value of the defined benefit obligation, limited as explained in Note 4.20.

4.10. Operating segments

According to IFRS 8, the identification of reportable operating segments is based on the management approach. According to this approach, external reporting is based on the Group's internal organizational and management structure and internal financial reporting to the chief operating decision maker (CODM). In the SLR Group, the Chief Executive Officer (CEO) is responsible for evaluating and managing the business success of the segments and acts therefore as chief operating decision maker.

The Group's CEO reviews the internal management reports at least monthly to make operational decisions and to allocate resources to the overall company. The Group is managed as one segment which comprises the manufacturing and sale of castings, tools and models. For more information about the segment's operations and products, see note 4.22. The management mainly relies on the financial performance indicator adjusted EBITDA for the allocation of resources. The adjusted EBITDA is defined as profit before interest, taxes, depreciation, amortization, and any impairment or reversal of impairment less expenses for restructuring, advisory, and extraordinary maintenance. The segment reporting is based on the same accounting principles as the rest of the financial reporting.

There are no other reportable segments within the Group. In the past under German GAAP, there has been no segment reporting.

Information related to the reportable segment is set out below. The management does not regularly use information on segment assets and segment liabilities in making decisions about the resource allocation.

Segment revenue reported below represents the Group's consolidated revenue.

Segment Measures

in thousands of EUR	FY 24/25	FY 23/24
Adjusted EBITDA	**17,524**	**26,424**
Revenue from castings	192,336	238,999
Revenue from tools and models	4,718	5,912
Other revenue	-3,034	-3,470
Segment Revenue	**194,019**	**241,441**
Working Capital	**16,473**	**24,450**

Reconciliation of Adjusted EBITDA to profit before income tax

in thousands of EUR	FY 24/25	FY 23/24
Profit before tax	-6,544	9,339
Adjustments:		
• Interest	11,219	5,050
• Income from profit transfer	-	-
• Depreciation	10,734	9,762
• Amortization	156	138
• Restructuring	581	884
• Consulting legal	973	450
• Other	185	582
Adjusted EBITDA	**17,305**	**26,205**

Reconciliation to leverage and bond EBITDA (unaudited)

In thousands of EUR	**Q1 24/25**	**Q2 24/25**	**Q3 24/25**	**Q4 24/25**	**LTM - Q4 24/25**
EBITDA SLR Group (IFRS)	**-634**	**8,099**	**2,343**	**5,758**	**15,565**
IFRS 16 - Leasing	401	416	507	231	1,555
Bond EBITDA SLR Group	**-1,035**	**7,683**	**1,836**	**5,527**	**14,010**
Adjustments	***198***	***810***	***435***	***296***	***1,739***
Restructuring costs & exec. search	118	213	126	124	581
Consulting projects & legal fees	62	522	217	172	973
Extraordinary maintenance items	18	75	92	-	185
Others	-	-	-	-	-
Max. Adj. Items (12.5%)					***1,751***
Adjusted Bond EBITDA	**-837**	**8,493**	**2,271**	**5,822**	**15,750**
Bonds & accr. Interest					75,139
Bank liabilities					19
Leasing liabilities (excl. IFRS 16)					731
Cash					16,647
Securities					45
Net interest bearing debt					**59,197**
Leverage Ratio					**3.76**

Revenue and non-current assets: geographical allocations
The geographic split has been made by the location of the customers and the location of the assets, respectively.

Revenue by geographical location

In thousands of EUR	FY 24/25	FY 23/24
Germany	87,996	105,854
Italy	38,099	55,182
Rest of Europe	48,427	56,181
America	19,094	24,756
Other	404	-531
Total	**194,019**	**241,441**

Non-current assets by geographical location

In thousands of EUR	30 June 2025	30 June 2024	1 July 2023
Germany	73,886	76,853	62,524
Hungary	8,382	8,886	6,708
Czechia	2,764	2,999	3,775
America	-	-	-
Other	-	-	-
Total	**85,032**	**88,738**	**73,007**

Major customers
Revenue from four customers in the Group's only segment amounted to approximately 44,853 thousand euros, 38,700 thousand euros, €29,628 thousand and €25,773 thousand (2023/2024: €50,965 thousand, €54,686 thousand, €38,761 thousand and €28,739 thousand) of the Group's total sales revenue.

4.11. Related party transactions

Related parties or entities within the meaning of IAS 24 are natural persons or entities that can be influenced by the Group, that can exert influence on the Group, or that are under the influence of another party related to the Group.

Shareholder loans
Since 2018, the Group has been controlled by the majority shareholder being the ESSVP IV LP. This fund is considered a related party under IAS 24. Dilasso Holding 1 S.á.r.l. (Dilasso) has also been part of the ESSVP IV LP (see Note 4.7).

Prior to the acquisition of Cast One GmbH by SLR Group GmbH, the company had taken out several shareholder loans. These loans were repaid in full in connection with the acquisition. In addition, a vendor bond originally issued by SDKR Holding (the former owner of the company sold to Dilasso Holding in 2018) was repaid in full at the end of 2023 in accordance with the terms of the agreement. The shareholder loans bore interest at rates between 6.5% and 8.0% and had a carrying amount of €13,859 thousand as at 30 June 2023.

When Cast One GmbH and its subsidiaries were sold to SLR Group GmbH, part of the purchase price was settled with an unsecured subordinated shareholder loan in the amount of €18.7 million. The loan bore interest at 8% and was due on 31 January 2028.
Upon receipt, the loan was considered to be below market interest rates and was recognised at fair value. The shareholder contribution of €1.55 million reduces the dividend withdrawal by the shareholders resulting from the reorganisation. On 30 June 2024, the outstanding amount of the shareholder loan was €18.98 million.

In the 2024/2025 financial year, the creditors of the shareholder loan sold their payment claims to SLR TopCo GmbH, which is controlled by ESSVP IV LP. Following this transaction, the contractually agreed interest rate for the shareholder loan was reduced to 0.2%. This was considered a significant change, resulting in the derecognition of the "old" shareholder loan and the recognition of the "new" shareholder loan at fair value. As the new shareholder loan also bears interest at below market rates, a capital contribution of €5.01 million was transferred to the capital reserve on 19 February 2025.

On 30 June 2025, SLR TopCo GmbH assigned part of the receivable in the amount of €2.25 million as a contribution to the capital reserves of SLR Group GmbH. In addition, SLR TopCo GmbH assigned a further part of the receivable in the amount of €6.75 million to SLR Group GmbH. The repayment date for the outstanding loan amount (including accrued interest) of €10.94 million was extended to 30 June 2035. The reduction in the principal amount of the loan and the change in the term were also considered to be a significant change, resulting in the recognition of a new financial liability, initially at its fair value (€2.92 million), and a capital contribution of €2.39 million, resulting in a total equity effect of the change recognised in the capital reserve on 30 June 2025 of €11.39 million.

On 12 October 2024, an additional shareholder loan was issued by the TopCo GmbH in the amount of €2 million to the SLR Group GmbH at an interest rate of 11% p.a. with final repayment due on 12 October 2027.

Movements in shareholder loan 1

In thousands of EUR	FY 24/25	FY 23/24
Balance as at 1 July	**17,473**	**-**
Additions	-	18,726
Effect from initial valuation	-	-1,546
Debt waiver	-9,000	-
Adjustment to fair value	-	-
Accrued interest	1,852	293
Balance as at 30 June	**2,925**	**17,473**

Leasing of building

Karlheinz Schwarzbach, Managing Director of SLR Giesserei St. Leon-Rot GmbH is also Managing Director of EME GmbH, a company that manages real estates, out of which one real estate is an office and production area leased by the SLR-Tooling GmbH since September 2015. The SLR-Tooling pays an annual rent of €68.4 thousand to the EME GmbH. On 30 June 2025, the outstanding amount of the lease liability is € 866 thousand (30 June 2024: € 897 thousand; 1 July 2023: € 927 thousand).

As far as the Group can reasonably verify, there is no further potential for conflicts of interest in relation to private matters, family relationships or other circumstances between members of the administrative and management body that could conflict with the interests of the Group or prevent them from conscientiously fulfilling their duties to the companies.

Key management personnel
Related parties are persons who have a significant influence on the Group's financial and business policy (members of management in key positions), including their close family members. These persons are the managing directors of the Group. During the reporting period, the managing directors of the Group were:

- Jörg Rumikewitz, Group Chief Executive Officer
- Gunnar Halden, Group Chief Financial Officer
- Karlheinz Schwarzbach, Group Chief Sales Officer
- Martin Scherz, Group Chief Operating Officer

Members of the Management Board hold shares in SLR TopCo GmbH under an agreement with the other investors. The agreement constitutes an equity-settled remuneration plan within the meaning of IFRS 2. Some of the shares are still subject to a vesting period. The fair value was determined at the grant date using an option pricing model based on a peer group of similar companies. The expense amounts to TEUR 219 in the 2023/24 financial year and TEUR 219 in the 2024/25 financial year (total TEUR 438).

The remuneration of the managing directors in accordance with IAS 24 is listed in the following table:

Key management personnel (compensation of managing directors):

In thousands of EUR	FY 24/25	FY 23/24
Wages and salaries	1,003	746
Share-based payments (IFRS 2)	219	219
Social security contributions	-	-
Severance payments	-	-
Expenses related to defined benefit plans	-	-
Total	**1,222**	**965**

4.12. Property, plant and equipment

Reconciliation of Property, Plant and Equipment:

In thousands of EUR	Land and buil-dings	Plants and machine s	Other equip-ment	Under construc-tion/ Pre-payments	**Total**
Cost					
Balance at 1 July 2023	49,079	102,712	12,537	1,140	**165,468**
Additions	394	4,190	692	3,361	**8,637**
Disposals	4	-294	-284	-639	**-1,213**
Write-up (PPA)	17,269	5,674	713	–	**23,656**
Write-down (PPA)	-4,100	-2,474	-10	–	**-6,585**
Reclassification	–	2,204	–	-2,204	**-**
Effect of movements in FX rates	-84	-504	-27	-	**-624**
Balance at 30 June 2024	**62,561**	**111,506**	**13,621**	**1,650**	**189,338**
Additions	142	2,852	856	3,009	**6,859**
Disposals	34	-350	-579	-590	**-1,485**
Reclassification	185	1,986	47	-2,218	**-**
Effect of movements in FX rates	-5	26	-4	1	**18**
Balance at 30 June 2025	**62,917**	**116,020**	**13,940**	**1,853**	**194,730**

Accumulated depreciation and impairment losses	Land and buil-dings	Plants and machine s	Other equip-ment	Under construc-tion/Pre-payments	**Total**
Balance at 1 July 2023	-17,275	-70,109	-8,235	–	**-95,619**
Depreciation	-1,867	-6,350	-877	–	**-9,094**
Disposals	13	276	264	–	**553**
Effect of movements in FX rates	32	534	15	–	**581**
Balance at 30 June 2024	**-19,096**	**-75,650**	**-8,833**	**-**	**-103,579**
Depreciation	-2,561	-6,109	-1,066	–	**-9,736**
Disposals	4	203	319	–	**527**
Effect of movements in FX rates	2	45	3	–	**50**
Balance at 30 June 2025	**-21,651**	**-81,510**	**-9,578**	**-**	**-112,739**

Carrying amounts					
At 1 July 2023	31,804	32,603	4,302	1,140	**69,848**
At 30 June 2024	43,465	35,857	4,787	1,650	**85,759**
At 30 June 2025	41,266	34,509	4,363	1,854	**81,992**

The amounts reported for property, plant and equipment include sale and leaseback transactions that were recognised in accordance with German accounting standards but not in accordance with IFRS. As a result, €2,224 thousand of the carrying amount of plant and machinery and €43 thousand of the carrying amount of other assets as at 30 June 2025 result from such contracts (30 June 2024: €2,426 thousand, €117 thousand; 1 July 2023: €2,627 thousand, €191 thousand).

In 2021, the Group received a subsidy for the purchase of equipment in Hungary. The subsidy was recognised as deferred income and will be amortised over the useful life of the equipment in the amount of €45 thousand (2023/2024: €45 thousand).

The write-up of EUR 23,656 thousand recognised in 2023/2024 and the write-down of EUR 6,585 thousand relate to the purchase price allocation carried out in accordance with German accounting standards, which was used as acquisition costs (see sections 4.2 and 4.7). They are included in retained earnings.

4.13. Intangible assets

The Group's intangible assets consist only of industrial property rights and similar rights acquired for consideration. There are no other intangible assets (or classes of intangible assets). There are no intangible assets with indefinite useful lives. No intangible assets have been internally generated.

In thousands of EUR	**Intangible assets**
Cost	
Balance as at 1 July 2023	1,610
Additions	62
Disposals	-6
Reclassification	-
Effects of exchange rate changes	-3
Balance as at 30 June 2024	**1,663**
Additions	210
Disposals	-12
Reclassification	-
Balance as at 30 June 2025	**1,861**
Accumulated depreciation and impairment losses	**Intangible assets**
Balance as at 1 July 2023	-1,395
Amortisation	-138
Disposals	6
Reclassification	–
Effects of exchange rate changes	3
Balance as at 30 June 2024	**-1,523**
Depreciation	-156
Disposals	-
Balance as at 30 June 2025	**-1,680**

Carrying amounts	
As at 1 July 2023	216
As at 30 June 2024	140
As at 30 June 2025	181

4.14. Leasing

The Group mainly leases production equipment, other equipment and a production facility. The leases typically run for a period of 4-5 years except for the production facility and the warehouse for which a remaining lease period of 18 years is considered. There are no lease agreements that are considered sub-leases under IFRS 1.

Right-of-use assets

In thousands of EUR	Land and buildings	Plants and machines	Other equipment	**Total**
Balance at 1 July 2023	**1,350**	**822**	**772**	**2,943**
Depreciation charge for the year	-67	-298	-324	-690
Addition to right-of-use assets	-	393	192	586
Derecognition of right-of-use assets	-	-	-	-
Balance at 30 June 2024	**1,282**	**918**	**640**	**2,839**

In thousands of EUR	Land and buildings	Plants and machines	Other equipment	**Total**
Balance at 1 July 2024	**1,282**	**918**	**640**	**2,839**
Depreciation charge for the year	-69	-376	-370	-815
Addition to right-of-use assets	240	165	442	846
Derecognition of right-of-use assets	-	-	-11	-11
Balance at 30 June 2025	**1,453**	**706**	**700**	**2,859**

Amounts recognized in profit or loss

In thousands of EUR	FY 24/25	FY 23/24
Interest on lease liabilities	145	159
Expenses relating to short-term leases	54	78
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	24	6

Amounts recognized in statement of cash flows

In thousands of EUR	FY 24/25	FY 23/24
Total cash outflow for leases	1,000	875

Extension options

The lease agreement on the production facility in Eging am See is extended by one year each if it is not cancelled within the notice period. The Group assessed at the

lease commencement date whether it is reasonably certain to exercise the extension option.
The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control. In applying managerial judgement, the Group assumes a remaining lease term of in total 18 years (2023/2024: 19 years).

The lease agreement on the warehouse in Spremberg is extended to an indeterminate period if it is not cancelled within the notice period. The Group assessed at the lease commencement date whether it is reasonably certain to exercise the extension option.
The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control. In applying managerial judgement, the Group assumes a remaining lease term of in total 18 years (2023/2024: 19 years).

4.15. Inventories

In thousands of EUR	30 June 2025	30 June 2024	01 July 2023
Raw materials and supplies	14,473	13,703	13,432
Work in progress	14,854	14,399	16,888
Finished products and goods	2,486	4,314	5,654
Total	**31,813**	**32,415**	**35,974**

Inventories recognized as an expense during the year ended 30 June 2025 amounted to EUR 123,794 thousand (2023/2024: EUR 152,139 thousand).

4.16. Trade and other receivables

In thousands of EUR	30 June 2025	30 June 2024	01 July 2023
Trade receivables third party	3,266	8,878	12,895
Other Receivables	7,675	10,239	9,576
Total	**10,941**	**19,117**	**22,471**

The item "Other receivables" mainly comprises receivables from factoring (4,287 thousand euro; 2023/2024: 3,794 thousand euro) and energy-related receivables (1,817 thousand euro; 2023/2024: 3,910 thousand euro). The latter mainly comprise electricity tax refund claims against the main customs office and refunds under the Electricity Grid Fee Ordinance (StromNEV), which include compensation payments for atypical grid usage and refunds under Section 19.

The average credit period for sales of goods was 12.4 days in the 2024/2025 financial year (2023/2024: 19.1 days). Excluding factoring, the average credit period for sales of goods was 80 days (2023/2024: 64.5 days). No interest is charged on outstanding trade receivables. The Group always calculates the impairment loss for trade receivables in the amount of the expected credit losses over the entire term. Expected credit losses on trade receivables are estimated using a value adjustment matrix based on the debtor's past default experience and an analysis of the debtor's current financial situation, adjusted for factors specific to the debtor, the general economic conditions of the industry in which the debtor operates, and an assessment of both current and forecast developments in conditions as at the balance sheet date.
The estimation procedures have not changed in the current reporting period. The following table shows the risk profile of trade receivables based on the Group's impairment matrix. As the Group's historical credit default experience does not show significantly different loss patterns for different customer segments, no further distinction is made between the Group's different customer segments in the impairment allowance recognised on the basis of the default status.

Risk profile of receivables

30 June 2025

In thousands of EUR	Gross Carrying Amount	Exposure at Default (EaD)	Expected Credit Loss	Net Carrying Amount
0 Days overdue	1,874	1,874	4	1,870
Between 1 and 30 days overdue	26	26	-	26
Between 31 and 60 days overdue	198	198	1	197
Between 61 and 90 days overdue	538	538	2	536
More than 90 days overdue	639	507	2	637
Total	3,274	3,142	8	3,266

30. June 2024

In thousands of EUR	Gross Carrying Amount	Exposure at Default (EaD)	Expected Credit Loss	Net Carrying Amount
0 Days overdue	7,543	7,543	20	7,523
Between 1 and 30 days overdue	1,022	1,022	3	1,019
Between 31 and 60 days overdue	26	26	-	26
Between 61 and 90 days overdue	17	17	-	17
More than 90 days overdue	294	121	1	293
Total	8,902	8,730	24	8,878

01. July 2023

In thousands of EUR	Gross Carrying Amount	Exposure at Default (EaD)	Expected Credit Loss	Net Carrying Amount
0 Days overdue	10,433	10,433	27	10,405
Between 1 and 30 days overdue	1,595	1,595	5	1,590
Between 31 and 60 days overdue	45	45	-	45
Between 61 and 90 days overdue	432	432	4	428
More than 90 days overdue	428	128	2	426
Total	12,932	12,633	38	12,895

The following table shows the movement in lifetime ECL that has been recognized for trade receivables in accordance with the simplified approach set out in IFRS 9.

In thousands of EUR	Collectively assessed	Individually assessed	Total
Balance as at 1 July 2023	-39	-299	-339
Net additions or release	-58	-	-58
Utilizations	72	127	199
Reclassification within levels	-	-	-
Foreign exchange gains and losses	-	-	-
Changes in scope of consolidation	-	-	-
Balance as at 30 June 2024	-25	-172	-198
Net additions or release	-175	-208	-383
Utilizations	191	248	439
Reclassification within levels	-	-	-
Foreign exchange gains and losses	-	-	-
Changes in scope of consolidation	-	-	-
Balance as at 30 June 2025	-9	-132	-141

There are no significant changes in the loss allowance.

No contractual amounts outstanding on trade receivables were written off during the reporting period.

Since 2014, factoring agreements have been in place with an external party for the two companies SLR Giesserei St. Leon-Rot GmbH and SLR Elsterheide GmbH. The non-recourse factoring of trade receivables is intended to reduce default risk and strengthen the Group's liquidity position. As a result, trade receivables in the amount of EUR 39,096 thousand (2023/2024: EUR 33,563 thousand) were transferred to the factoring company in FY 2024/2025 and derecognized in accordance with IFRS 9.3.2.6 c) i). Of the transferred receivables volume, EUR 35,969 thousand (30 June 2024: EUR 30,878 thousand) had been utilised as at the reporting date. A security deposit of EUR 3,127 thousand (30 June 2024: EUR 2,685 thousand) and liquidity not drawn down of EUR 602 thousand (30 June 2024: EUR 558 thousand) are recognized as receivable from the factoring company under those assets.

The Group retains a portion of the risk associated with slow payments on sold trade receivables for up to 120 days after their due date. The maximum amount of slow payment risk that the Group could incur is EUR 426,041 (30 June 2024: EUR 541,812). However, it is highly unlikely to occur, since historical data has shown very small payment delays of the debtors of the Group.

4.17. Equity reserves

Share capital
The Group's share capital consists of 25,000 shares with a value of €1 each (2023/2024: €1; 1 July 2023: €1).

Capital reserve
The Group's capital reserves consist mainly of capital contributions resulting from changes in shareholder loans (see note 7.11 *Transactions with related parties*) and amounts to €15.401 million after deduction of the associated current taxes of €1.44 million (30 June 2024: €0.2 million).

Other reserves
The Group's other reserves consist of currency differences and gains and losses from the revaluation of the defined benefit obligation.

Currency differences arising from the translation of foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity. The accumulated amount is reclassified to the profit and loss account upon disposal of the net investment.

Retained earnings
Retained earnings amount to €-4,576 thousand (2023/2024: €2,502 thousand; 1 July 2023: €54,468 thousand).

4.18. Loans and borrowings

In April 2024, SLR Group GmbH issued a senior secured bond (Nordic Bond) in the amount of €75 million, which has been listed on the NASDAQ in Stockholm since March 2025 (ISIN: NO0013177949). The bond was previously listed on the OTC market of the Frankfurt Stock Exchange. The bond has a term of 3.5 years and a variable coupon of 7.0% above the 3-month EURIBOR. Interest is paid quarterly.

The bond is subject to several conditions:
- The ratio of total debt to adjusted bond EBITDA (debt ratio) must be lower than
  - 4.5 within the 12 months following 9 April 2024.
  - 4.25 from 12 months after 9 April 2024 up to and including 24 months after 9 April 2024.
  - 4 from 24 months after 9 April 2024 up to and including 36 months after 9 April 2024.

Adjusted bond EBITDA consists of bond EBITDA including all acquisitions of companies or entities and excluding all divested entities or companies. If the debt ratio exceeds the agreed level, this constitutes an event of default.
- Certain payments are restricted by the bond agreement. These include:
  - No dividend payments
  - No repurchase or redemption of the Group's own shares
  - No repayment or reduction of the Group's share capital or other restricted or unrestricted equity interests with repayment to shareholders
  - No granting of loans, except those granted to other group companies or in the normal course of business of the group company concerned
  - No repayment of subordinated liabilities or capitalised payments or accrued interest thereon
  - No similar distributions to the direct or indirect shareholders of SLR Group GmbH

The Group's debt ratio as at 30 June 2025 is 3.7 (30 June 2024: 2.8).

The liabilities from bonds are fully secured by the share pledge of SLR Group GmbH and its subsidiaries.

Prior to the acquisition of Cast One GmbH by SLR Group GmbH, the Group's financing structure consisted of a syndicated bank loan facility established in connection with the acquisition by Dilasso Holding in 2018. The syndicated facility carried an interest rate of 5.0% and had a total carrying amount of €18,366 as at 30 June 2023. The entire facility was repaid in full in April 2024 as part of the acquisition by SLR Group GmbH.

Interest-bearing loans and borrowings

	Interest rate	Maturity	30 June 2025	30 June 2024	1 July 2023
	% p.a.	Months	In thousands of EUR	In thousands of EUR	In thousands of EUR
Current interest-bearing loans and borrowings					
Nordic Bond	7.0 + 3M EURIBOR	1-12	1,619	1,860	-
Deferred purchase price	5.0	1-12	-	-	11,515
Shareholder loans	6.5–8.0	1–12	-	-	10,197
Lease liabilities	3.50–10.46	1-12	748	699	605
Lease purchase (SLR-Hungaro)	1.7	1-12	186	184	188
Liabilities from financial institutions (sale and leaseback)	0.12–0.18	1–11	454	735	716
Bank loans/other	3.5	1-12	19	42	18,366
Total current interest-bearing loans and borrowings			**3,025**	**3,519**	**41,587**
Non-current interest-bearing loans and borrowings					
Nordic Bond	7.0 + 3M EURIBOR	27	73,520	73,539	-
Shareholder loan 1	8.0 / 0.2	120	2,925	17,473	-
Shareholder loan 2	11.0	27	2,157	-	-
Shareholder loans	6.5–8.0	n/a	-	-	3,663
Lease liabilities	3.50–10.46	13–216	2,208	2,198	2,338
Lease purchase (SLR-Hungaro)	1.7	13-30	545	744	941
Liabilities from financial institutions (sale and leaseback)	n/a	n/a	-	454	1,190
Bank loans/other	3.5	-	-	-	-
Total non-current interest-bearing loans and borrowings			**81,355**	**94,408**	**8,132**

The change in the carrying amount of shareholder loan 1 is explained in note 7.11 Transactions with related parties. The current component of the Nordic bond includes the nominal accrued interest for the next reporting period.

On 1 July 2023, the Group's bank loans were recognised as current liabilities. In October 2023, however, the term of the bank loans was extended until November 2024. In the 2023/2024 financial year, the bank loans were repaid in full as part of the takeover by SLR Group GmbH (the repayment was made before maturity).

Other financial liabilities

In thousands of EUR	30 June 2025	30 June 2024	1 July 2023
Other financial liabilities at amortized cost, other than interest-bearing loans and borrowings			
Trade payables	22,315	19,938	26,609
Other payables	2,167	1,797	252
Total other financial liabilities	24,482	21,736	26,861
Total current	24,482	21,736	26,861
Total non-current	-	-	-

Trade payables and prepaid expenses mainly comprise outstanding amounts for purchases of goods and ongoing costs. The average payment period for purchases of goods is 70.1 days (2023/24: 49.9 days). Most suppliers do not charge interest on trade payables.

The item "Other liabilities" mainly consists of a provision for land transfer tax (1,420 thousand euro, 2023/2024: 1,420 thousand euro).

4.19. Fair value measurement and risk management

Fair values of financial instruments

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Comparison of the carrying amounts and fair values of financial instruments, other than those with carrying amounts approximate to fair value

In thousands of EUR	30 June 2025			30 June 2024		
	Carrying amount	Fair value	Fair value level	Carrying amount	Fair value	Fair value level
Nordic bond	75,139	71,625	Level 2	75,398	75,563	Level 2
Shareholder loan 1	2,925	2,925	Level 3	17,473	17,292	Level 3
Shareholder loan 2	2,157	1,903	Level 3	-	-	
Shareholder loans (long term)	-	-		-	-	
Shareholder loans (short term)	-	-		-	-	
Deferred purchase price	-	-		-	-	
Lease liabilities	2,955	n/a		2,897	n/a	
Lease purchase (SLR-Hungaro)	731	731	Level 3	928	928	Level 3
Liabilities from financial institutions (sale and leaseback)	454	454	Level 3	1,190	1,190	Level 3
Bank loans/other	19	n/a		42	n/a	
Trade and other payables	24,482	n/a		21,736	n/a	
Total	**108,862**			**119,662**		
Cash and cash equivalents	16,647	n/a		4,951	n/a	
Trade and other receivables	10,941	n/a		19,117	n/a	
Other investments	45	n/a		156	n/a	
Total	**27,633**			**24,224**		

In thousands of EUR	01 July 2023		
	Carrying amount	Fair value	Fair value level
Nordic bond	-	-	Level 2
Shareholder loan 1	-	-	Level 3
Shareholder loan 2	-	-	
Shareholder loans (long term)	3,663	3,663	Level 3
Shareholder loans (short term)	10,197	n/a	
Deferred purchase price	11,515	n/a	n/a
Lease liabilities	2,943	n/a	
Lease purchase (SLR-Hungaro)	1,130	1,130	Level 3
Liabilities from financial institutions (sale and leaseback)	1,905	1,905	Level 3
Bank loans/other	18,366	n/a	
Trade and other payables	26,861	n/a	
Total	**76,581**		
Cash and cash equivalents	29,024	n/a	
Trade and other receivables	22,471	n/a	
Other investments	155	n/a	
Total	**51,651**		

Management concluded that the fair values of cash and cash equivalents, trade receivables and contractual assets, trade payables and short-term loans and borrowings largely correspond to their carrying amounts, which is primarily due to the short term of these instruments. All financial instruments listed in the table are measured at amortised cost as at 30 June 2025 and 30 June 2024, with the exception of lease liabilities, which are measured in accordance with IFRS 16. In addition, trade receivables included in the factoring agreement portfolio are measured at fair value. However, these are sold immediately after they arise, so that no trade receivables at fair value are reported in the balance sheet.

The fair value of the Nordic bond in Level 2 is derived from prices in an illiquid market. The fair values of the Group's financial liabilities at amortised cost in Level 3 are determined using the DCF method, applying a discount rate that reflects the issuer's credit risk at the end of the reporting period. The discount rate used was also derived from prices on an illiquid market.

The Group's own default risk as at 30 June 2025 was assessed as insignificant.

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

In thousands of EUR	**FY 24/25**	**FY 23/24**
Interest income from financial assets measured at amortised cost	5	64
Interest expense from financial liabilities measured at amortised cost	-9,701	-3,266
Net results from interest	-9,696	-3,203
Net gains and losses from financial assets measured at amortised cost	-	-
Net gains and losses from financial liabilities measured at amortised cost	-232	27
Net gains and losses from financial assets and liabilities measured at fair value through profit or loss	-1,376	-1,632
Other net results	-1,607	-1,605
Net gains and losses from financial instruments	-11,303	-4,808

Financial risk management objectives and policies

The Group’s principal financial liabilities comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Group’s operations. The Group’s principal financial assets include cash and short-term deposits that are derived directly from its operations.

The Group's management has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Liquidity risk

Liquidity risk is the risk that the Group will have difficulty meeting its obligations arising from financial liabilities that are settled by the delivery of cash or other financial assets. The Group's objective in liquidity management is to ensure, as far as possible, that it has sufficient liquidity to meet its liabilities as they fall due, both under normal and stress conditions, without incurring unacceptable losses or damaging the Group's reputation.

The Group also monitors the amount of expected cash inflows from trade and other receivables and the expected cash outflows from trade and other payables. The Group has financial risk management policies in place to ensure that all liabilities are settled within the pre-agreed credit terms.

The following overview shows the liquidity position and the undiscounted contractual maturities of cash flows from financial liabilities as at 30 June 2025, 30 June 2024 and 1 July 2023:

Liquidity situation and the contractual maturities of the cash flows resulting from financial liabilities

30 June 2025

In thousands of EUR	Carrying amount	< 1 year	1–5 years	> 5 years	Total
Nordic bond	75,139	10,479	80,608	-	91,087
Shareholder loans 1	2,925	-	-	11,175	11,175
Shareholder loans 2	2,157	-	2,777	-	2,777
Lease liabilities	2,955	879	1,270	1,552	3,701
Hire purchase (SLR-Hungaro)	731	197	546	-	743
Liabilities to financial institutions (sale and leaseback)	454	454	-	-	454
Bank loans/Other	19	19	-	-	19
Trade payables and other liabilities	24,482	24,482	-	-	24,482
Total	**108,862**	**36,510**	**85,201**	**12,727**	**134,438**

30. June 2024

In thousands of EUR	Carrying amount	< 1 year	1–5 years	> 5 years	Total
Nordic bond	75,398	7,919	91,087	-	99,007
Shareholder loan 1	17,473	-	25,013	-	25,013
Shareholder loan 2	-	-	-	-	-
Lease liabilities	2,897	925	2,028	1,673	4,626
Lease purchase (SLR-Hungaro)	928	198	752	-	950
Liabilities from financial institutions (sale and leaseback)	1,190	739	454	-	1,193
Bank loans/other	42	42	-	-	42
Trade and other payables	21,736	21,736	-	-	21,736
Total	**119,662**	**31,558**	**119,334**	**1,673**	**152,566**

01 July 2023

In thousands of EUR	Carrying amount	< 1 year	1–5 years	> 5 years	Total
Nordic bond	-	-	-	-	-
Shareholder loan 1	-	-	-	-	-
Shareholder loan 2	-	-	-	-	-
Shareholder loans	13,860	10,197	3,850	-	14,047
Deferred purchase price	11,515	11,740	-	-	11,740
Lease liabilities	2,943	790	2,785	1,841	5,416
Lease purchase (SLR-Hungaro)	1,130	201	964	-	1,166
Liabilities from financial institutions (sale and leaseback)	1,905	889	1,193	-	2,082
Bank loans/other	18,366	19,156	-	-	19,156
Trade and other payables	26,861	26,861	-	-	26,861
Total	**76,580**	**69,834**	**8,792**	**1,841**	**80,467**

As explained in Note 4.18, the Group's bond is subject to various covenants. A future breach of any of these covenants could result in the Group having to repay the relevant bond earlier than specified in the table above.

Interest payments on variable-rate loans and bond issues reflect market forward interest rates at the balance sheet date, and these amounts may change with changes in market interest rates. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or in significantly different amounts.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It arises mainly from the Group's receivables from customers and from investments in debt securities. The carrying amounts of financial assets and contractual assets represent the maximum credit risk.
The Group's credit risk is mainly influenced by the individual characteristics of each customer. However, management also takes into account broader risk factors such as industry- and country-specific default trends. Due to the diversification of the customer base and the widespread use of factoring and credit insurance, there are no significant concentrations of credit risk.

All customers – both new and existing – are subject to an individual credit assessment by external rating agencies (e.g. Dun & Bradstreet). Individual payment terms are determined based on the results of this assessment; for example, new customers with poor credit ratings may be required to make advance payments.
A large portion of the Group's receivables is secured either through factoring agreements or through a secondary contract model that includes credit limits managed by external insurers. For customers for whom 100% coverage cannot be achieved through credit limits or trade credit insurance, individual reviews are carried out and the account management team provides close support to actively mitigate the risk of default.

The Group does not generally require collateral from its customers for trade and other receivables. However, for certain smaller or higher-risk customers, the Group may require guarantees or other forms of collateral (e.g. sureties or bank guarantees) to mitigate credit risk.
In addition, a significant portion of the Group's trade receivables is covered by credit insurance. These credit enhancements are taken into account when measuring expected credit losses in accordance with IFRS 9.
As at the balance sheet date, no trade receivables or contractual assets were fully exempt from impairment solely due to the existence of collateral.

Market risk

Market risk is the risk that changes in market prices – for the Group, exchange rates and interest rates – will affect the Group's income or the value of its financial instruments. The objective of market risk management is to manage and control market risks within acceptable parameters while optimising returns.

The Group currently considers market risks to be very low and therefore does not use derivatives to manage market risks.

Currency risk

The Group is exposed to transaction currency risk to the extent that there is a discrepancy between the currencies in which sales, purchases, receivables and loans are denominated and the respective functional currencies of the Group companies. The functional currency of the Group companies is primarily the euro (EUR), the Hungarian forint (HUF) (for Hungaro-SLR Gèpipari KFT) and the Czech koruna (CZK) (for SLR-Sates s.r.o). The currencies in which these transactions are mainly denominated are EUR, HUF and CZK.

A reasonably possible appreciation (depreciation) of the HUF or CZK against all other currencies as at 30 June would have affected the valuation of financial instruments denominated in foreign currencies and would have had an immaterial impact on equity and profit or loss. This analysis assumes that all other variables, in particular interest rates, remain constant and does not take into account the effects of forecast sales and purchases.

Interest rate risk
The Group is exposed to interest rate risk as the companies within the Group borrow at both fixed and variable interest rates. The Group manages this risk through an appropriate mix of fixed-rate and variable-rate loans. The Group is mainly exposed to the risk-free EURIBOR interest rate in connection with the bonds issued and factoring agreements. A change in the EURIBOR of 100 basis points would have an impact of EUR 1,064 thousand (2023/2024: EUR 631 thousand) on the income statement.

Capital Management

The Group's objectives when managing capital are:
- to safeguard its ability to continue as a going concern, thereby ensuring long-term operational stability and value creation for shareholders and other stakeholders, and
- to maintain an efficient capital structure that supports business growth and minimises the cost of capital.

The Group defines capital as the total of equity and net interest-bearing debt. Net interest-bearing debt comprises all interest-bearing financial liabilities (including lease liabilities under IFRS 16) less cash and cash equivalents.

As part of its capital management strategy, the Group monitors key financial ratios such as net debt to EBITDA and liquidity headroom under its financing arrangements. Capital structure and financing flexibility are reviewed regularly by management and the Group's supervisory bodies to support organic growth, potential acquisitions, and ongoing investment needs.

The Group is subject to financial covenants under the terms of its senior secured bond (ISIN NO0013177949).
In particular, the Maintenance Test (as defined in Section 12.1 of the bond terms) requires that the Leverage Ratio (Net Interest Bearing Debt to EBITDA) must be below 4.25:1 at each quarterly Reference Date.
There were no breaches of this covenant during the reporting period..

4.20. Employee benefits

The following liabilities are accounted for as employee benefits on the balance sheet:

Employee benefit liabilities

In thousands of EUR	30 June 2025	30 June 2024	01 July 2023
Liabilities for social security contributions	29	38	26
Liabilities for wage tax	380	495	448
Liabilities for wages	3,719	4,145	5,057
Net defined benefit obligation	1,522	709	752
Miscellaneous	-	76	154
Total employee benefit liabilities	**5,650**	**5,463**	**6,437**
Non-current	1,522	785	906
Current	4,129	4,678	5,531

For the pension commitments in the form of defined benefit plans of a former managing director, the widow of a former managing director and various members of the staff, pension provisions were measured as of 30 June 2025 using the projected unit credit method, taking into account the 2018 G mortality tables for pensions insurance by Prof. Dr. Klaus Heubeck using an actuarial interest rate of 3.93% (previous year: 3.87%). The actuarial interest rate used was estimated according to IAS 19 under the assumption of an overall remaining term of 15 years. Salary and pension trends were not taken into account in the expert opinion for the widow of one of the managing directors; a pension trend of 2% (previous year: 1.00%) is taken into account in the expert opinion for the former managing director who is still active.
The level of benefits provided depends on the (former) employee's length of service and their salary in the final years leading up to retirement.
This defined benefit plan exposes the Group to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.
The Group expects to pay EUR 0 thousand in contributions to its defined benefit plans in 2025/2026. There are no pension commitments for new employees joining the company.

Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its components.

In thousands of EUR	Present value of obligation		Fair value of plan assets		Net defined benefit liability	
	FY 24/25	FY 23/24	FY 24/25	FY 23/24	FY 24/25	FY 23/24
Balance at 1 July	2,092	2,089	-1,383	-1,337	709	752
Included in profit or loss						
Current service cost	-	0	-	-	-	-
Interest cost / (income)	80	83	-54	-54	26	29
Included in OCI						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
o demographic assumptions	58	-49	-	-	58	-49
o financial assumptions	161	37	-	-	161	37
o experience adjustment	-	-	-	-	-	-
Return on plan assets excluding interest income	-	-	37	23	37	23
Other						
Contributions paid by the employer	-	-	-1	-15	-1	-15
Benefits paid	-67	-68	-	-	-67	-68
Other Reclassifications	-	-	598	-	598	-
Balance at 30 June	2,324	2,092	-802	-1,383	1,522	709

Plan assets

In thousands of EUR	30 June 2025	30 June 2024	01 July 2023
Allianz SE Reinsurance Policy	575	545	517
Swiss Life Reinsurance Policy	241	227	214
Alte Leipziger	420	444	468
Volkswohlbund	361	338	318
Total	**1,597**	**1,555**	**1,517**

The fair values of the plan assets are not quoted market prices; they are confirmed annually by the respective insurance companies. The sum of the fair values of the plan assets does not correspond to the value in the reconciliation of the net defined benefit liability, as there is a surplus of assets amounting to EUR 767 thousand (2023/2024: EUR 172 thousand) for one obligation, which is not available to cover other obligations and therefore cannot be used for offsetting.

Defined benefit obligation

Actuarial assumptions
The following were the principal actuarial assumptions at the reporting date.

	FY 24/25	FY 23/24
Discount rate	3.93%	3.87%
Future salary growth	0%	0%
Future pension growth	2%	1%

At 30 June 2025, the weighted-average duration of the defined benefit obligation was 15.47 years (2023/2024: 16.02 years).

Sensitivity analysis

The sensitivity analyses below are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions might be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the statement of financial position. Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

	30 June 2025		30 June 2024	
in thousands of EUR	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	-308	339	-258	317
Future salary growth (1% movement)	-	-	-	-
Future pension growth (0.5% movement)	105	-148	102	-94

Employee benefit expenses

In thousands of EUR	FY 24/25	FY 23/24
Wages and salaries	-29,208	-31,271
Social security contributions	-5,823	-5,907
Termination benefits	-337	27
Total	**-35,368**	**-37,151**

The Group has no expenses in connection with special leave after long service.

The average number of employees during the financial year was 701 (2023/2024: 759), of which 523 were production employees (2023/2024: 579) and 178 were office staff (2023/2024: 180).

Further information can be found in the accounting principles in section 5.8.

4.21. Provisions

In thousands of EUR	Warranties	Other	Total
Balance at 1 July 2024	1,174	182	1,356
Provisions made during the year	338	72	410
Provisions used during the year	-	-161	-161
Provisions reversed during the year	-450	-	-450
Unwind of discount	-	-	-
Balance at 30 June 2025	**1,062**	**93**	**1,155**
Non-current	1,062	-	1,062
Current	-	93	93

In thousands of EUR	Warranties	Other	Total
Balance at 1 July 2023	2,961	236	3,048
Assumed in a business combination	-	-	-
Provisions made during the year	49	162	211
Provisions used during the year	-1,326	-329	-1,326
Provisions reversed during the year	-510	-67	-577
Unwind of discount	-	-	-
Balance at 30 June 2024	**1,174**	**2**	**1,356**
Non-current	1,174	-	1,174
Current	-	2	2

Warranties
The provision for warranties relates mainly to castings sold during 2023/2024 and 2024/2025. The provision has been estimated based on past experiences.

Other
Other provisions include a provision for onerous contracts in the subsidiary SLR Elsterheide GmbH amounting to € 72 thousand (2023/2024: € 161 thousand; 1 July 2023: € 67 thousand). This provision is recognized due to inevitable expected losses from contracts with customers regarding castings.

4.22. Revenues

The Group generates its revenue primarily from the sale of castings, tools and models. The most important source of income is the manufacture of customer-specific castings. The production process requires special models (moulds) and tools. As both the models and the tools are also customer-specific and can only be used for a specific type of casting, they are invoiced separately to the customer.
The Group generates its revenue from contracts with customers for the transfer of goods and services both at a specific point in time and over a specific period of time. For the sale of castings and tools, revenue is recognised at a specific point in time, while revenue for the sale of models is recognised over a specific period of time. The disclosure of revenue by product line corresponds to the revenue information disclosed for the single reporting segment in accordance with IFRS 8 "Operating Segments" (see section 4.10).

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

In thousands of EUR	30 June 2025	30 June 2024	01 July 2023
Trade receivables, which are included in "trade and other receivables"	3,266	8,878	12,895
Contract assets	922	814	1,138
Contract liabilities	157	56	366

There have been no significant changes in contract assets and contract liabilities from contracts with customers compared to the previous financial year.

The contract assets primarily relate to the Group's rights to consideration for the construction of the models that are not yet billed to the customers. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

Contract liabilities

The contract liabilities primarily relate to the advance consideration received from customers for the construction of castings and models. The amount of €48 thousand included in contract liabilities on 1 July 2024 has been recognized as revenue during the financial year 2024/2025 (2023/2024: €318 thousand).

Revenues recognized

The amount of revenue recognized in 2024/2025 from performance obligations satisfied (or partially satisfied) in previous periods is €45 thousand (2023/2024: €147 thousand). This is mainly due to changes in the estimate of the stage of completion of construction of models.

In thousands of EUR	FY 24/25	FY 23/24
Revenue recognized at a point in time	189,902	236,418
Revenue recognized over time	4,117	5,023
Total	**194,019**	**241,441**

4.23. Material expenses

in thousands of EUR	FY 24/25	FY 23/24
Cost of raw materials, supplies and purchased goods	-97,244	-121,467
Expenses for purchased services	-26,550	-30,672
Total	**-123,794**	**-152,139**

4.24. Other operating income and expenses

Other operating income

In thousands of EUR	FY 24/25	FY 23/24
Income from government grants for energy costs	6,308	3,974
Income relating to other periods	504	7
Income from foreign currency translation	90	176
Income from sale of assets	68	78
Miscellaneous other income	954	602
Total	**7,924**	**4,836**

Other operating expenses

In thousands of EUR	FY 24/25	FY 23/24
Expenses for maintenance	-6,650	-8,292
Expenses for freight	-5,624	-5,958
Expenses for consulting	-3,167	-2,635
Expenses for insurance and contributions	-709	-903
Expenses for advertising and traveling	-619	-557
Miscellaneous other expenses	-2,593	-1,665
Total	**-19,363**	**-20,039**

The income from government grants for energy costs results from grants for the German subsidiaries to compensate for expenses in relation to electricity that were incurred in the past calendar year.

4.25. Income tax

The major components of income tax expense for the years ended 30 June 2025 and 2024 are:

In thousands of EUR	FY 24/25	FY 23/24
Current tax		
Current tax on profits for the year	-22	-3,477
Current tax from prior years	54	13
Total current tax expense	**32**	**-3,464**
Deferred tax		
(Decrease)/increase in deferred tax assets	1,023	-155
Decrease/(increase) in deferred tax liabilities	375	719
Total deferred tax (expense)/benefit	**1,398**	**563**
Income tax	**1,430**	**-2,901**

The expected tax expense is calculated using the corporate tax rate of 27.5% (prior year: 27.5%) for the German entities. This includes the uniform corporate income tax rate (including solidarity surcharge) of 15.825% (prior year: 15.825%) and an additional trade tax rate of 13.65% (SLR Elsterheide) and 9.8% (St. Leon Rot). In Hungary, there is only a corporate income tax rate of 9% (prior year: 9%) applicable and in the Czech Republic there is a corporate income tax rate of 21% (prior year: 19%).
The following table shows a reconciliation of the expected tax rate to the effective tax rate of 21.4% (prior year: 37.3%):

In thousands of EUR	FY 24/25		FY 23/24	
Profit before income tax	**-6,680**		**7,778**	
Tax using the Group tax rate (27.5%)	1,837	27,5 %	-2,139	27,5%
Tax effects from additions and deductions for trade tax	-288	-4,5%	-39	0,5%
Tax-exempt income	62	1,0%	-	0,0%
Tax effects from unused tax loss carryforward	-	0,0 %	-825	10,3%
Adjustment for current and deferred tax of prior periods	-2	0,0 %	13	-0,2 %
Effect of tax rates in foreign jurisdictions	-68	-1,1%	-	1,2%
Other	-111	-0,8%	184	-3,1%
Income tax and effective tax rate	**1,430**	**21,4%**	**-2,901**	**37,3%**

There was a corporate income tax loss carryforward as of 30 June 2024 with an amount of EUR 3,340 thousand and a trade tax loss carryforward with an amount of EUR 2,826 thousand for which no deferred tax asset was recognized. The tax loss carryforwards do not expire. The tax loss carryforward was utilized in full as of 30 June 2025.

In thousands of EUR	FY 24/25	FY 23/24
Employee benefits	25	63
Property, Plant and Equipment including Purchase Price Allocation	505	550
Provisions	424	538
Sale-Leaseback	202	197
Right-of-use assets	181	142
Contract liabilities	327	380
Financial instruments	34	406
Pension provision	211	-
Deferred tax expense	**1,909**	**2,276**
Property, Plant and Equipment including Purchase Price Allocation	-918	-1,262
Provisions	-491	-747
Sale-Leaseback	-103	-76
Lease liabilities	-190	-155
Contract liabilities	-288	-381
Financial instruments	-91	-28
Government Grants	-2	-2
Pension provision	-62	-5
Tax loss carryforward	-2	-183
Interest expense carryforward	-1,160	-
Deferred tax income	**-3,307**	**-2,840**

Offsetting deferred tax assets and liabilities

Deferred tax assets and liabilities were netted if all conditions from IAS 12.74 were cumulatively fulfilled; this applies in particular to deferred taxes within the tax group but also to deferred taxes from the same underlying transactions (e.g. contract liabilities).

In thousands of EUR	30 June 2025	30 June 2024	01 July 2023
Provisions	26	50	24
Employee Benefits	88	113	175
Sale-Leaseback (Recognition of liabilities)	125	327	524
Lease liabilities	739	711	706
Contract liabilities	222	238	356
Financial instruments	36	-	-
Government grants	1	-1	-4
Pension provision	230	169	164
Tax loss carryforward	188	186	2
Interest expense carryforward	1,160	-	-
Deferred tax assets	**2,815**	**1,792**	**1,947**
Deferred tax assets after offsetting	**0**	**0**	**0**
Property, Plant and Equipment including Purchase Price Allocation	-10,419	-10,822	-6,817
Provisions	-446	-538	-721
Sale-Leaseback	-597	-699	-775
Right-of-use assets	-717	-698	-706
Contract liabilities	-349	-325	-445
Financial instruments	-2,651	-844	-41
Pension provision	-137	3	-
Other	13	4	-3
Deferred tax liabilities	**-15,303**	**-13,919**	**-9,507**
Deferred tax liabilities after offsetting	**-12,488**	**-12,128**	**-7,560**

Tax amounts recognized in OCI

In thousands of EUR	FY 24/25	FY 23/24
Deferred tax related to items recognized in OCI during the year		
Remeasurement of defined benefit liability	71	3
Total	**71**	**3**

Tax amounts recognized in equity

In thousands of EUR	FY 24/25	FY 23/24
Aggregate current and deferred tax arising in the reporting period and not recognized in net profit or loss or other comprehensive income but directly debited or credited to equity		
Current tax related to items recognized in equity during the year		
Adjustment of carrying amount of shareholder loan 1	-1,439	-
Deferred tax related to items recognized in equity during the year		
Adjustment of carrying amount of property, plant and equipment	-	-4,706
Adjustment of carrying amount of shareholder loan 1	-1,829	-425
Total	**-3,268**	**-5,131**

The deferred tax assets include an amount of EUR 188 thousand (2023/2024: EUR 186 thousand; 1 July 2023: EUR 2 thousand) which relates to a tax loss carryforward of SLR Sates. The subsidiary has incurred the losses over the last two financial years. Deferred tax assets on the tax loss carryforward have been recognized only to the extent that there have been sufficient deferred tax liabilities. There have been no tax loss carryforwards in the current year for which no deferred tax asset has been recognized.
The deferred tax assets also include an amount of EUR 1,160 thousand (2023/2024: EUR 0 thousand) which is related to an interest expense carryforward ("Zinsschranke") of the tax group. Deferred tax assets on the interest expense carryforward have been recognized only to the extent that there have been sufficient deferred tax liabilities. There have been no interest expense carryforwards for which no deferred tax asset has been recognized.

Outside basis differences in the amount of EUR 1,181 thousand (2023/2024: EUR 1,224 thousand) have arisen due to differences between the IFRS financial reporting basis and the tax basis of the Group`s subsidiaries. However, a deferred tax liability has not been recognized, because the liability will only crystallise in the event of disposal of the subsidiaries, and no such disposal is expected in the foreseeable future.

4.26. Notes to the statement of cash flows

Cash and cash equivalents

In thousands of EUR	30 June 2025	30 June 2024	01 July 2023
Cash and cash equivalents in the statement of financial position	16,647	4,951	29,024
Cash and cash equivalents in the statement of cash flows	16,647	4,951	29,024

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts. The carrying amount of these assets is approximately equal to their fair value. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated reporting position as shown above.

4.27. Changes in liabilities arising from financing activities

Changes in liabilities arising from financing activities

FY 24/25		Cash-effec-tive	Non-cash-effective				
In thousands of EUR	30 June 2024	Cash flows	Interest expenses	New leases	Capital contri-bution	Other	30 June 2025
Nordic bond	75,398	-7,923	7,663	-	-	-	75,139
Shareholder loan 1	17,473	-	1,854	-	-16,401	-	2,925
Shareholder loan 2	-	2,000	157	-	-	-	2,157
Lease liabilities	2,897	-921	145	846	-	-11	2,955
Lease purchase (SLR-Hungaro)	928	-197	-	-	-	-	731
Liabilities from financial institutions (sale and leaseback)	1,190	-739	3	-	-	-	454
Bank loans / Other	42	-24	2	-	-	-	19
Total	**97,927**	**-7,804**	**9,824**	**846**	**-16,401**	**-11**	**84,380**

FY 23/24		Cash-effective	Non-cash-effective			
In thousands of EUR	01 July 2023	Cash flows	Interest expenses	New leases	Other	30 June 2024
Nordic bond	-	73,688	1,710	-	-	75,398
Shareholder loan 1	-	-	293	-	17,180	17,473
Shareholder loans	13,859	-17,503	187	-	3,457	-
Deferred purchase price	11,515	-11,740	224	-	-	-
Lease liabilities	2,943	-791	158	586	-	2,897
Lease purchase (SLR-Hungaro)	1,130	-202	-	-	-	928
Liabilities from financial institutions (sale and leaseback)	1,905	-727	12	-	-	1,190
Bank loans / other	18,366	-19,156	831	-	-	42
Total	**49,719**	**23,569**	**3,416**	**586**	**20,637**	**97,927**

The column "Capital contribution" includes the effects of the reclassification of parts of shareholder loan 1 to the capital reserve, see explanation under 7.11 *Transactions with related parties.* The column "Other" includes, among other things, lease changes.

The loans previously referred to as shareholder loans relate to several shareholder loans that were repaid in July 2023 (short-term shareholder loan of 10.2 million), as the remaining amount was repaid in full in connection with the sale of the business of Dilasso Holding 1 S.à r.l. to the SLR Group in April 2024.

The deferred purchase price relates to the vendor loan in connection with the acquisition of the business in 2018, which was repaid at the end of 2023 in accordance with the agreement.

The hire purchase of SLR-Hungaro is not considered a lease under IFRS 16.

The difference between cash outflows and reported cash flows from financing activities mainly relates to interest expenses on loans and borrowings as well as factoring interest expenses.

4.28. Events after the reporting date

Due to a gradual reduction in the German corporate income tax rate from 15% to 10% starting in 2028, the SLR Group expects tax relief amounting to around EUR 1 million.

There were no other significant events after the balance sheet date.

4.29. Auditor's fees and services

The total fees and services for the Group auditor are broken down as follows in accordance with Section 315e (1) in conjunction with Section 314 (1) No. 9 HGB:

In thousands of EUR	FY 24/25	FY 23/24
Audit services	225	98
Other assurance services	-	-
Tax advisory services	-	55
Other services	-	-
Total	**225**	**153**

The fee for the audit services provided by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft relates to the audit of the consolidated financial statements and the annual financial statements of SLR Group GmbH. In the previous year, KPMG AG Wirtschaftsprüfungsgesellschaft audited the HGB consolidated financial statements and the annual financial statements of SLR Group GmbH.

5 Material accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise.

5.1. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the parent company and entities controlled by the Group as of the reporting date. Control is achieved when the group:

- has power over the investee
- is exposed, or has rights, to variable returns from its involvement with the investee
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders
- potential voting rights held by the Group, other vote holders or other parties
- rights arising from other contractual arrangements
- any additional facts and circumstances that indicate that the Group has, or does not have, the cur-rent ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Currently, all subsidiaries are 100% controlled by SLR Group GmbH.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent company and to the non-controlling interests, if any. Total comprehensive income of the subsidiaries is attributed to the owners of the parent company and to the non-controlling interests, if any, even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the parent company.

When the Group loses control of a subsidiary, the gain or loss on disposal recognized in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 "Financial Instruments" when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations
The Group accounts for business combinations under the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of simi-lar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

Subsidiaries
Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control
When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interests (NCI) and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

5.2. Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes any capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses. The cost of certain items of property, plant and equipment on 1 July 2023, the Group's date of transition to the IFRS Accounting Standards, was determined with reference to its economic useful lives.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

Subsequent expenditure
Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

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

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

	HGB	IFRS
Buildings	10-50 years	10-50 years
Plant and Equipment	5-25 years	8-25 years
Other Equipment	3-15 years	3-20 years
Vehicles	2-8 years	5-10 years

The differences in the useful lives according to HGB and IFRS result from the differences between the useful life according to the maximum rates recognized for tax purposes (HGB) and economic useful lives (IFRS).

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

5.3. Intangible assets

Research and development	Expenditure on research activities is recognized in profit or loss as incurred. Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortization and any accumulated impairment losses.
Other intangible assets	Other intangible assets, including customer relationships, patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

Subsequent expenditure
Subsequent expenditure is capitalized only when it increases the future economic benefit embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Amortization
Amortization is calculated to write off the cost of intangible assets less their estimated residual values under the straight-line method over their estimated useful lives and is generally recognized in profit or loss.

The estimated useful lives for current and comparative periods are 3 years.
Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

5.4. Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the first-in, first-out allocation method. In the case of manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.

5.5. Cash and cash equivalents

In the statement of financial position, cash and cash equivalents are comprised of cash (i.e. cash on hand and on-demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

Bank balances for which use by the group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the statement of financial position.

5.6. Financial instruments

A financial instrument is any contract that gives rise simultaneously to a financial asset of one entity and to a financial liability or an equity instrument of another entity.

Recognition and initial measurement

Financial instruments are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially recognized at fair value plus or minus transaction costs directly attributable to its acquisition or issue, if the financial instrument is not measured at fair value through profit or loss. Trade receivables are initially recognized at transaction price, if they do not contain a significant financing component.

Derivative financial instruments and separated embedded derivatives are classified as either financial assets or financial liabilities at fair value through profit or loss depending on their market valuation. The Group does not currently hold any such instruments.

Classification and subsequent measurement: Financial assets – classification

On initial recognition, a financial asset is classified and subsequently measured either at: amortized cost; at fair value through other comprehensive income (FVOCI); or at fair value through profit or loss (FVTPL). All financial assets are classified on the basis of both the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- The Group classifies cash and cash equivalents and trade receivables at amortized cost.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

All financial assets not measured at amortized cost or FVOCI as described above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL. This includes, for example, derivative financial assets. Trade receivables that are part of the portfolio of the factoring arrangements are also classified at FVTPL. However, they are immediately sold to the factor upon origination, so that SLR does not have any trade receivables FVTPL in the statement of financial position.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are measured at amortized cost or FVTPL. A financial liability is measured at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.
The financial liabilities of the Group mainly include bonds and loans against financial institutions, trade payables and lease liabilities.

Derecognition

Financial instruments are derecognized when either the contractual rights to the financial instrument’s cash flows expire, the underlying obligation has been met, or the financial instrument is transferred, and the transfer qualifies for derecognition.

The Group enters into transactions whereby it transfers assets recognized in its statement of financial position. These transferred assets are derecognized.

5.7. Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets, and financial and non-financial liabilities (see Note 7.15).

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price. The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out. If an inactive market exists, observable transactions will be analysed to determine whether they are orderly and represent fair value for that financial instrument.
Based on the inputs used in the valuation techniques, fair values are categorized into different levels of the fair value hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: valuation parameters for assets or liabilities that are not based on observable market data (unobservable inputs).

If the inputs used to determine the fair value of an asset or liability can be categorized into different levels of the fair value hierarchy, the fair value measurement is allocated in its entirety to the level of the fair value hierarchy that corresponds to the lowest level input that is significant to the measurement.

The Group recognizes reclassifications between levels of the fair value hierarchy at the end of the reporting period in which the change occurs.

5.8. Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary under the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

5.9. Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Warranties	A warranty provision is recorded when products or services are sold, using historical data and an estimate of the likelihood and cost of possible warranty claims.
Onerous contracts	A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract

5.10. Revenue from contracts with customers

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which SLR expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control over a good or service to a customer. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies. For the accounting policy for onerous contracts, see Note 5.9.

Type of product	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Castings	Customers obtain control of the castings when they are dispatched to them. Invoices are generated and revenue is recognized at that point in time.	Revenue is recognized when the castings are dispatched to the customers.
Tools	The Group builds tools that are used in the production of the castings. As these are specific to each customer (IFRS 15.35(c)), revenue would be recognized over the time of production. However, SLR continues to recognize revenue from tools at a point in time due to the insignificant amount of revenue.	Revenue is recognized when the tools are accepted by the customers for use in the production of the castings.
Models	The Group constructs models for customers based on the customers' designs. The Group recognizes revenue from models over time (period of production). The Group usually receives an advance payment for the models in the beginning of the production and the remaining payment at the date of acceptance of the customer. Revenue is measured based on input methods. The Group recognizes contract assets (reduced by advance payments received) at the reporting date.	Revenue is recognized over time according to IFRS 15.35 (c) based on the cost-to-cost method. This provides a faithful depiction of the fulfilment of the performance obligation regarding the models as the costs of the models are invoiced once at the end of their production. The related costs are recognized in profit or loss when they are incurred. Advance payments are deducted from contract assets.

The Group applies the practical expedient in IFRS 15.121 and therefore does not disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied as of the end of the reporting period.

5.11. Government grants

Other government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Grants related to the acquisition of assets are recognized in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Group for expenses incurred are recognized in profit or loss as other income on a systematic basis in the periods in which the expenses are recognized, unless the conditions for receiving the grant are met after the related expenses have been recognized. In this case, the grant is recognized when it becomes receivable.

5.12. Impairment

Financial assets

Financial instruments and contract assets

The Group recognizes loss allowances for expected credit losses (ECLs) on:

- financial assets measured at amortized cost (cash and cash equivalents, and trade and other receivables); and
- contract assets.

The Group measures, under the general approach, loss allowances at an amount equal to lifetime ECLs for all financial assets, except in the following cases, for which it measures 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- financial assets for which credit risk has not increased significantly since initial recognition.

The Group considers a financial instrument to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

The Group applies the low-risk-exemption for cash and cash equivalents. Since the Group only enters trans-actions with banks with first-class credit ratings, any impairment on cash and cash equivalents is not material.

The Group applies the simplified approach for trade receivables and contract assets, by which loss allowances are always initially measured at an amount equal to lifetime ECLs (Stage 2). Under the simplified approach, trade receivables and contract assets are transferred to Stage 3 when there is any objective evidence of impairment.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

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

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset. The expected losses in the simplified approach are determined using a provision matrix.

Credit-impaired financial assets
At each reporting date, the Group assesses whether financial assets are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position
Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off
The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due. Based on its experience, there have been no corporate customer recoveries after six months.

Non-financial assets
At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than bio-logical assets, investment property, inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the higher of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. In allocating an impairment loss, the carrying amount of an asset is not reduced below the highest of:

- its fair value less costs of disposal;
- its value in use; and
- zero.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

5.13. Operating profit

Operating profit is the result generated from the continuing principal revenue-producing activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, any share of profit of equity-accounted investees and income taxes.

5.14. Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- the unwind of the discount on provisions (see Note 5.9).

Interest income or expense is recognized under the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the financial asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

5.15. Income taxes

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.
The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.
Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that:
  - is not a business combination; and
  - at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences;
  - temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
  - taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

5.16. Effects of changes in FX rates

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss and presented within other operating income/expense.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into €at the exchange rates at the reporting date. For reasons of simplification, the income and expenses of foreign operations are translated into € at the average exchange rates of the year in which the transaction occurred.

Foreign currency differences are recognized in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI.

Since the Group also has subsidiaries in Hungary and the Czech Republic, Hungarian Forint and Czech Koruna are material currencies for the Group aside from the functional currency Euro.

6 Accounting standards issued but not yet effective

The following overview lists the recent changes to the Accounting Standards that are required to be applied for annual reporting periods beginning after 30 June 2025, 2026, or 2027.

However, the Group has not early adopted the following new or amended accounting standards in preparing these consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements
IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories.
- Entities are also required to present a newly defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

Other accounting standards
The following new and amended accounting standards are not expected to have a significant impact on the Group's consolidated financial statements:

For annual reporting periods beginning on or after 1 January 2026:

- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Annual Improvements to IFRS Accounting Standards –
- Volume 11

For annual reporting periods beginning on or after 1 January 2027:

- IFRS 19 Subsidiaries without Public Accountability: Disclosures

St. Leon-Rot, den 31. October 2025

SLR Group GmbH

Geschäftsführung

Gunnar Halden Jörg Rumikewitz

INDEPENDENT AUDITOR'S REPORT

To SLR Group GmbH, St. Leon-Rot

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Audit Opinions

We have audited the consolidated financial statements of SLR Group GmbH, St. Leon-Rot, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 June 2025, and the consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 July 2024 to 30 June 2025, and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of SLR Group GmbH, which is combined with the Company's management report, for the financial year from 1 July 2024 to 30 June 2025.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (the IFRS Accounting Standards) as adopted by the EU and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 30 June 2025, and of its financial performance for the financial year from 1 July 2024 to 30 June 2025, and

- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report” section of our auditor’s report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 July 2024 to 30 June 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matter of most significance in our audit was as follows:

❶ Recoverability of assets within the scope of IAS 36

Our presentation of this key audit matter has been structured as follows:

① Matter and issue

② Audit approach and findings

③ Reference to further information

Hereinafter we present the key audit matter:

❶ **Recoverability of assets within the scope of IAS 36**

① In the Company's consolidated financial statements non-current assets totaling €85.0 million (58% of total assets) are reported. IAS 36 requires that the carrying amount of an asset or a cash-generating unit of an entity should not exceed its recoverable amount (the higher of the two amounts from the fair value less costs to disposal and the value in use). The Company does not recognize any goodwill or certain intangible assets for which an annual impairment test is required. An impairment test is performed if there is an indication that an asset may be impaired, whereby the impairment test may be performed for a cash-generating unit if an asset does not generate cash inflows that are largely independent of the cash inflows from other assets. In the course of adjusting the planning assumptions, a triggering event pursuant to IAS 36 occurred in financial year 2025, and the Company performed an impairment test for the Group's cash-generating unit. As part of the impairment test, the carrying amount of the cash-generating unit is compared with the corresponding recoverable amount. The recoverable amount is determined as the higher of fair value less costs to disposal and value in use. In the present case, the value in use represents the higher amount. The basis for the valuation is generally the present value of future cash flows of the cash-generating unit. The present values are determined using discounted cash flow models. The starting point for this is the Group's medium-term planning for the years 2025 to 2028 prepared by the executive directors. Expectations about future market developments and assumptions about the development of macroeconomic factors are also taken into account. Discounting is based on the weighted average cost of capital of the cash-generating unit. It was determined that the recoverable amount exceeds the carrying amount of the cash-generating unit and therefore there is no need for impairment.

The outcome of this valuation is dependent to a large extent on the estimates made by the executive directors with respect to the future cash flows of the cash-generating unit, the discount rate used as well as other assumptions, and is therefore subject to a corresponding uncertainty. Furthermore, the parameters and procedures for determining the lower limit for the carrying amount of the assets based on recognized valuation methods were subject to estimates by the the executive directors. Against this background and due to the complex nature of the valuation, this matter was of particular significance in the context of our audit.

② As part of our audit, we asssesed, among other things, the methodology used for the purposes of performing the impairment test regarding the recoverability of assets. Together with our internal valuation specialists, we examined the determination of carrying amounts and evaluated the mathematical and methodological structure used to determine the value in use. In addition, we assessed together the value in use determined by the Company. After comparing the future cash flows used in the calculation with the Group's medium-term planning prepared by the executive directors, we assessed the appropriateness of the calculation, in particular by reconciling it with general and sector-specific market expectations. We also assessed the appropriate consideration of the costs of Group functions. In the knowledge that even relatively small changes in the discount rate applied can have a material impact on the value caluclated in this way, we focued our testing in particular on the parameters used to determine the discount rate and examined the calculation model.

Overall, the valuation parameters and assumptions used by the executive directors are in line with our expectations and are also within the ranges considered by us to be reasonable.

③ The Company's disclosures on the impairment test are included in sections A.5.12 of the notes to the consolidated financial statements.

Responsibilities of the Executive Directors for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal control and these arrangements and measures (systems), respectively.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file Slrgroupgmbh-2025-06-30-1-de.xbri and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 July 2024 to 30 June 2025 contained in the “Report on the Audit of the Consolidated Financial Statements and on the Group Management Report” above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the “Group Auditor’s Responsibilities for the Assurance Work on the ESEF Documents” section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the Executive Directors for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

Group Auditor’s Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.

- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.

- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the shareholder’s meeting on 24 March 2025. We were engaged by the shareholder 24 March 2025. We have been the group auditor of the SLR Group GmbH, St. Leon-Rot, without interruption since the financial year 2024/2025.

We declare that the audit opinions expressed in this auditor’s report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

REFERENCE TO AN OTHER MATTER– USE OF THE AUDITOR’S REPORT

Our auditor’s report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the “Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB” and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Markus Küfner.