2024

ANNUAL REPORT

www.rath-group.com

OUTSTANDING INSIDE
Refractory Solutions

KEY FIGURES

	2024 K€	2023 K€	2022 K€	2021 K€	2020 K€
Turnover	**111,345**	121,787	117,594	97,842	86,378
Change in %	**-8.6**	3.6	20.2	13.3	-13.7
EBITDA	**6,407**	16,453*	11,637	11,539	8,484
EBITDA margin in %	**5.8**	13.5	9.9	11.8	9.8
EBIT	**-163**	10,011*	5,061	5,123	1,587
EBIT margin in %	**-0.2**	8.2	4.3	5.2	1.8
EBT	**-1,337**	7,753*	5,144	6,457	-2,562
Operating cash flow	**4,218**	13,393	5,166	2,448	21,209
Equity ratio in %	**43.3**	43.1	42.2	44.7	44.5
Return on shareholders' equity in %	**-3.7**	9.0	7.8	8.5	-5.2
Net debt	**39,476**	26,789	27,641	28,568	23,333
Net Debt / EBITDA	**6.16**	1.63	2.38	2.48	2.75
Working capital in % of the turnover	**34.0**	31.2	30.5	30.3	28.0
ROCE in %	**0.2**	8.8	5.0	3.8	2.4
Investments in property	**9,779**	8,885	3,387	6,464	8,064
Depreciation	**6,569**	6,443	6,576	6,416	6,897
Number of employees on annual average	**593**	603	598	598	593
Number of consolidated companies	**12****	13	13	13	13

*See Annexed Note 6.14 (IAS 8) for information on the retrospective amendment

** Reduction in the number of companies due to the US merger in 2023

ANNUAL REPORT 2024

RATH GROUP

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PREFACE BY THE EXECUTIVE BOARD

DEAR SHAREHOLDERS:

The year 2024 was characterized by crucial changes – geopolitical uncertainties and economic turbulence shaped events and left their mark on many areas of life and economy.

After the elections in Austria, formation of a new government took five full months. In the USA, Donald Trump was once more elected president, while in Germany the government dissolved towards the end of 2024 – with a snap election in February 2025. The war in Ukraine is raging on, with no peace negotiations in sight, resulting in great uncertainty. The conflict in the Middle East, particularly in the Gaza Strip, also has remained unresolved. At the same time, we are experiencing increasing polarization of societies, driven by populist statements from political actors that fuel additional uncertainty. All of this has further shaken confidence in stable geopolitical conditions.

The economic situation in Europe is tense. Austria and Germany are in recession, and in the rest of the EU growth is likewise low. Inflation remains significantly higher than it was in 2020 and 2021, as do interest rates, both in euros and US dollars.

We are also seeing a global change in the economic balance. Europe is increasingly drifting into insignificance, and while the USA is waiting for sustainable investment-promoting signals after the election, China is losing momentum after more than a decade of impressive growth. A global economic slowdown can be observed. Asian producers are pushing into the European and US markets with aggressive prices, exerting additional pressure on local industries.

In this environment, the RATH Group had to adjust its strategic orientation. Our strategy "Evolution 2030+," geared towards sustainable growth, is currently put on hold. While we have taken an important step by investing into "RATH Avanee Private Ltd." in India, we have temporarily paused our expansion plans in Europe and the USA.

Our investments into the existing facilities were extensive and necessary in order to secure our long-term competitiveness. Nevertheless, we are facing structural challenges in Europe: Energy prices that are three to five times higher than in the USA and extensive regulatory requirements – from ESG (the Environmental, Social, and Governance framework) down to the Supply Chain Act – are placing a disproportionate burden on medium-sized companies like ours.

In order to meet these requirements, we had to make targeted investments into our staff from 2023 on. At the same time, there was a decline in turnover from the second half of 2024 on, which prompted us to make structural adjustments in Q3 2024 in order to bring our KPIs back into balance.

Andreas Pfneiszl (CSO), DI Ingo Gruber (COO, CTO)

Even though the future must be viewed with caution at present, we have adapted our strategy and will continue to react flexibly and responsibly to changes in fundamental conditions. We are convinced that with know-how and extensive refractory expertise, the future is alive and well, even under these challenging conditions in Europe! Special thanks go to our dedicated employees.

Your know-how, your loyalty, and your commitment form the backbone of our company. Without you, our journey would not have been possible – because at the end of the day, there is one thing that counts: Competence and commitment.

We look to the future with confidence and determination and thank you, our valued shareholders, for your continued trust.

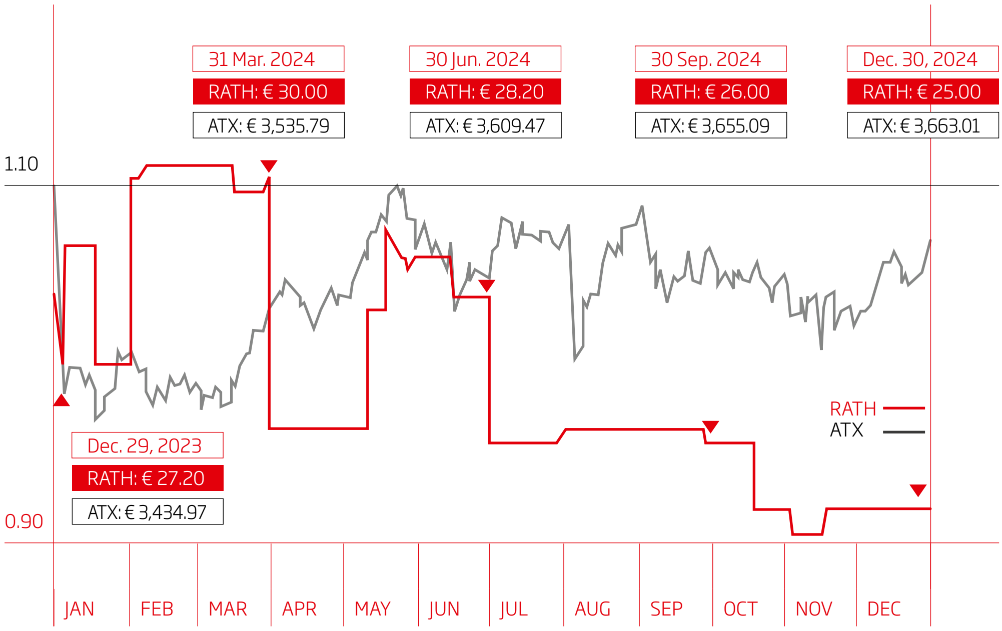
Yours, the Executive Board

Andreas Pfneiszl

DI Ingo Gruber

THE STOCK

› SHARE PRICE DEVELOPMENT



› STOCK MARKET KEY FIGURES

ISIN	AT0000767306
Securities abbreviation	RAT
Market segment	Standard Market Auction
Trading segment	Official trading
Class of shares	No-par shares entitled to vote
Number of shares	1,500,000
Share price on December 30, 2024	€ 25.0
Market capitalization:	€ 37,500,000
Earnings per share	€ -0.93

› CAPITAL MARKET CALENDAR 2025

September 30, 2025	Semi-annual result 2025
June 05, 2025	Annual General Meeting

THE STOCK

STOCK

The RATH stock

After a share price of € 27.20 at the beginning of 2024, there was a slight increase until March 31, 2023. After peaking at € 30.20 on March 13, 2024, the share price fell back to € 28.20 by June 30, 2024. The share price declined further to € 26 by September 30, 2024, and ended the year at € 25.00 on December 31, 2024. In the business year, our share therefore suffered a price loss in the amount of 8 %. This is thus around 15 % below that of the ATX.

Investor Relations

The aim of the capital market communication by RATH AG is to inform the financial community about market-relevant developments promptly and extensively. As a judicious contact, we are capable of creating a fair and appropriate valuation of the RATH stock. The focus is always to convey an image representing the Company’s actual situation according to the principle of true and fair view.

For us, investor relations is not only an obligation to inform our stockholders about the Company, but also an opportunity to attract new investors at home and abroad.

Investor Relations Officer
Andreas Pfneiszl
Email: ir@rath-group.com
Internet: www.rath-group.com

CONSOLIDATED
CORPORATE GOVERNANCE REPORT
IN ACCORDANCE WITH §243C AND §267B OF THE
AUSTRIAN COMMERCIAL CODE (UGB)

CONSOLIDATED CORPORATE GOVERNANCE REPORT DECLARATION PURSUANT TO §§ 243C AND 267B OF THE AUSTRIAN COMMERCIAL CODE (UGB)

RATH is fully committed to complying with the rules of conduct laid down in the Austrian Corporate Governance Code (ÖCGK) and regards this as an essential prerequisite for responsible corporate management. The Executive Board and the Supervisory Board, as well as all employees of the RATH Group, have committed themselves to upholding the Code.

The ÖCGK is based on voluntary self-commitment and goes beyond the legal requirements for a stock corporation. Due to its commitment to the ÖCGK, the RATH Group not only has to comply with the legal requirements, the L Rules ("Legal Requirements"). Rather, the effect of this voluntary commitment is that it must justify non-compliance with C Rules ("Comply or Explain") – these are rules that exceed the legal requirements. In line with this system, the RATH Group explains the deviations from the C rules as follows:

DEVIATIONS FROM C RULES AND EXPLANATION

C Rule 16

The Austrian Corporate Governance Code provides for a Chairperson of the Executive Board. At the RATH Group, the members of the Executive Board, Andreas Pfneiszl, DI Ingo Gruber, and Mag. Alexandra Rester (until September 23, 2024), jointly exercise overall responsibility. The Supervisory Board has not appointed a Chairperson of the Executive Board. A clear distribution of tasks and short, direct communication channels make this unnecessary. Here, Mr. Andreas Pfneiszl assumes the role of spokesman for the Executive Board.

C Rule 18

In accordance with C Rule 18, the ÖCGK stipulates that, depending on the size of the company, an internal audit department must be set up as a separate staff unit of the Executive Board or outsourced to a suitable institution. In view of the size of the company, Rath AG does not have its own "Internal Audit" staff unit; the tasks are performed by the "Quality and Process Management" staff unit. The auditing tasks are carried out on an ad hoc basis in cooperation between the Executive Board and the staff unit, with external consultants being called in where necessary. Furthermore, an internal control and reporting system has been set up to enable the Executive Board to identify risks and respond to them quickly. The Supervisory Board, in particular the Audit Committee, is regularly informed about the internal control mechanisms and risk management in the Group.

C Rule 27

No long-term and/or multi-year performance criteria are defined for the variable remuneration of the Executive Board, nor are there any claw-back provisions. The Executive Board contracts provide for a limit of 2 years' total compensation as part of any severance payment. There is no restriction on the economic situation of the Company.

C Rule 36

The majority of the Supervisory Board members have been active in the Supervisory Board for many years, and the processes and tasks are familiar and well-rehearsed. Nevertheless, the Supervisory Board

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is constantly striving to improve its organization, working methods and efficiency. An explicit and documented self-evaluation took place in the past business year. The next self-evaluation is planned for 2025.

C Rule 36

The Supervisory Board has not appointed a committee authorized to make decisions in urgent cases. In urgent cases, the Executive Board contacts the Chairman of the Supervisory Board, who can bring about a decision by means of a circular procedure.

The Corporate Governance Report of RATH AG also corresponds to the consolidated corporate governance report of the RATH Group. The ÖCGK in force for the business year 2024 (version: January 2023) can be found on the website of the Austrian Working Group for Corporate Governance (www.corporate-governance.at) as well as on that of RATH AG (www.rath-group.com).

C Rule 62

Compliance with Rules 77 to 83 was not subject to an external review for the business year 2024. Compliance with the Austrian Code of Corporate Governance is evaluated internally by the Supervisory Board and the Executive Board.

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Composition of the Executive Board

As of December 31, 2024, the Executive Board of RATH AG consisted of two members. Mr. Andreas Pfneiszl has been a member of the Executive Board since his initial appointment on June 10, 2013, responsible for Strategy, Sales, Finance (since September 23, 2024), Human Resources, and IT.

DI Ingo Gruber has been a member of the Executive Board since October 01, 2019, responsible for the areas of Production as well as Research & Development and SCM.

Mag. Alexandra Rester was a member of the Executive Board from June 1, 2023 until September 23, 2024, with responsibility for Finance, Controlling, Investor Relations and Compliance. Following the departure of Mag. Rester, Mr. Andreas Pfneiszl has taken over the agendas.

As in the previous year, there is no chairperson.

› MEMBERS OF THE MANAGEMENT BOARD

TITLE	NAME	FUNCTION	DATE OF BIRTH	INITIAL APPOINTMENT	END OF TERM OF OFFICE	SUPERVISORY BOARD MANDATES AND/OR COMPARABLE FUNCTIONS IN OTHER COMPANIES NOT INCLUDED INTO THE CONSOLIDATED FINANCIAL STATEMENT
	Andreas Pfneiszl	Member of the Executive Board	December 1, 1969	June 10, 2013	December 31, 2027	none
DI	Ingo Gruber	Member of the Executive Board	April 19, 1962	October 1, 2019	December 31, 2025	none
Mag.	Alexandra Rester	Member of the Executive Board	April 2, 1971	June 1, 2023	September 23, 2024	none

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Andreas PFNEISZL

Areas of responsibility
Executive Board Member
for Sales and Finance

Assigned Group functions
Strategy, Sales, Finance, IR,
Human Resources, Legal, and IT

Group companies
Member of the Executive Board of RATH AG
Member of the Management of
RATH Business Services GmbH, of RATH GmbH and
of RATH Sales GmbH & Co KG
RATH Avanee Private Ltd.

DI Ingo GRUBER

Areas of responsibility
Executive Board Member for
Production and Engineering

Assigned Group functions
Research & Development, Production, and
Purchasing

Group companies
Member of the Executive Board of RATH AG
Member of the Management of
RATH Business Services GmbH,
of Aug. RATH jun. GmbH, RATH GmbH
and of RATH Sales GmbH & Co KG

CONSOLIDATED CORPORATE GOVERNANCE REPORT DECLARATION PURSUANT TO §§ 243C AND 267B OF THE AUSTRIAN COMMERCIAL CODE (UGB)

Composition of the Supervisory Board
The Supervisory Board of RATH AG consists of five members elected by the Annual General Meeting.

› SUPERVISORY BOARD MEMBERS

TITLE	NAME	FUNCTION	DATE OF BIRTH	INITIAL APPOINTMENT	END OF TERM OF OFFICE	SUPERVISORY BOARD MANDATES AND/ OR COMPARABLE FUNCTIONS IN LISTED COMPANIES
Mag.	Stefan Ehrlich-Adám	Chairman of the Supervisory Board	May 19, 1964	June 25, 2013	Until the Annual General Meeting 2028	none
CPA Mag.	Philipp Rath	Deputy of the Chairperson	July 03, 1966	July 17, 2003	Until the Annual General Meeting 2028	none
Mag.	Dieter Hermann	Member of the Supervisory Board	January 10, 1966	June 25, 2013	Until the Annual General Meeting 2028	none
Mag. Dr.	Ulla Reisch	Member of the Supervisory Board	April 22, 1968	May 27, 2018	Until the Annual General Meeting 2028	none
DI Dr.	Matthias Rath	Member of the Supervisory Board	March 17, 1968	June 02, 2023	Until the Annual General Meeting 2028	none

Diversity and measures for the promotion of women

The members of the Supervisory Board are selected on the basis of their professional qualifications, personal competence, and long-standing experience in management positions. In addition, aspects of diversity, internationality, representation of genders and age structure of its members are taken into account as much as possible. One woman is a member of the Supervisory Board. Female representation is thus 20 %. All the members are Austrian citizens.

When selecting the members of the Executive Board, the Supervisory Board ensures that long-term succession planning is adhered to. In the opinion of the Supervisory Board, the basic suitability criteria for the screening of candidates for a position on the Executive Board are their professional qualifications for the portfolio to be assumed, convincing leadership qualities, previous performance, and knowledge of the Company. Setting aside these criteria, women and men have the same chances in the selection process. In the course of making its decision, the Supervisory Board contemplates the following aspects:

CONSOLIDATED CORPORATE GOVERNANCE REPORT DECLARATION PURSUANT TO §§ 243C AND 267B OF THE AUSTRIAN COMMERCIAL CODE (UGB)

1. The members of the Executive Board should have many years of management experience and, if possible, experience in various professions.
2. At least one member of the Executive Board should have a technical background or many years of technical professional experience.
3. The Executive Board as a whole should have many years of experience in the areas of production, sales, finance, and personnel management.

No target figure is set for female representation on the Executive Board. The Supervisory Board decides on the specific filling of the Executive Board positions in the interests of the Company and exclusively on a case-by-case basis, taking into account professional and personal qualifications.

Currently, no member of the Executive Board of RATH AG is female; one member of the Supervisory Board is. Women hold leading positions in numerous departments of the first and second reporting level. As of December 31, 2024, female representation in second-level management amounted to 23 % across the Group (previous year: 17 %).

The RATH Group supports and promotes employment of women in all departments, in particular in technical areas. However, the RATH Group is very often confronted with the situation that in many countries there are still significantly fewer women than men in technical occupations or professions. The RATH Group therefore supports various initiatives to inspire women to take up a technical profession or to start studying technology. This includes regular participation in various events such as recruitment and career orientation days for young women at universities and colleges. The RATH Group also takes measures and makes investments to promote compatibility of career and family. In addition, great attention is paid to strict gender equality in the recruitment process. However, despite all efforts to promote female employees the RATH Group will refrain from anything that would lead to discrimination against men.

Independence of the Supervisory Board members

All members of the Supervisory Board who are not in a business or personal relationship with RATH AG or its Executive Board that would constitute a material conflict of interest and thus have the potential to influence the respective member’s behavior, are regarded as “independent” in the sense of the general clause of regulation 53. The criteria of the Corporate Governance Code Annex 1 are used as a benchmark. According to these criteria, CPA Mag. Philipp Rath, Deputy Chairman of the Supervisory Board of RATH AG, and DI Dr. Matthias Rath, member of the Supervisory Board, are be classified as dependent.

Committees and activities of the Supervisory Board

The Supervisory Board of RATH AG consists of experts from various disciplines and conducts regular meetings dealing, among other things, with strategic matters and balance sheet affairs. The following persons have been members of the Supervisory Board since the Annual General Meeting on

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June 02, 2023: Mag. Stefan Ehrlich-Adám (Chairman), CPA Mag. Philipp Rath (Deputy Chairman), Mag. Dieter Hermann, Mag. Dr. Ulla Reisch and DI Dr. Matthias Rath. Within this framework, the Supervisory Board of RATH AG is involved as an advising body in all basic decisions of the Executive Board.

RATH AG has an Audit Committee, a Strategy Committee and a Remuneration Committee.

The following members of the Supervisory Board have been members of the Audit Committee since the Annual General Meeting on June 02, 2023: Mag. Ehrlich-Adám as chairman, CPA Mag. Philipp Rath, Mag. Dieter Hermann and Mag. Dr. Ulla Reisch. The Audit Committee held two meetings.

The Audit Committee met twice in 2024. In April 2024, the Audit Committee held the final meeting for the business year 2023 in the presence of the annual auditor. The annual financial statement and management report as well as the consolidated financial statement and consolidated annual report were reviewed, and the Supervisory Board was given the recommendation to approve the annual financial statement and (in the absence of the annual auditor) the selection of the financial auditor. At the meeting in December 2024, the annual auditors reported on the status of the preliminary audit of the annual financial statement and consolidated financial statement.

The Strategy Committee consists of 4 members; Mag. Ehrlich-Adám, CPA Mag. Philipp Rath, Mag. Dieter Hermann, and DI Dr. Matthias Rath. The Strategy Committee met once in 2024. The focus of the meeting in November 2024 was on the presentation on the current economic framework conditions and their impact on future investment decisions. The Executive Board presented a cost-cutting program and a personnel adjustment program to secure the Group's future viability.

Two meetings of the Supervisory Board were held in the past business year. The Remuneration Committee consists of Mag. Ehrlich-Adám, CPA Mag. Philipp Rath, and DI Dr. Matthias Rath. The focus of the March 2024 meeting was on determination of the Executive Board's target achievement in 2023. Concomitantly, the targets for 2024 were defined for the variable compensation component. At the meeting in December 2024, the targets for 2024 and the failure to achieve them were discussed, while targets and flagship project targets were defined for the business year 2025.

The duties of the Supervisory Board are governed by the Articles of Association and by applicable law. The Supervisory Board performed its duties in six meetings (including the inaugural meeting). At the inaugural meeting of the Supervisory Board, the members of the individual committees were elected. The meeting in March 2024 reported on the business year 2023, as well as on business performance and plant capacity utilization in 2024; the status of our internal project on ESG, CSRD and potential targets was also reported on. At the meeting in April 2024, the annual financial statements and management report for 2023, as well as the consolidated financial statements and management report for 2023 were audited, the annual financial statements for 2023 were adopted in accordance with the recommendation of the Audit Committee, and the proposal for the appropriation of earnings for the business year 2023

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was approved; our sustainability report was likewise discussed and approved. Furthermore, the proposal for selection of an annual auditor was agreed upon, and the current state of business was discussed. The meeting in May 2024 served primarily for the preliminary discussion of the Annual General Meeting and the report on the current business situation, and an update was given on the status of the cooperation talks in the glass segment with Refratechnik. During the inaugural meeting of the Supervisory Board, which took place on the same day after the Annual General Meeting, members of the Supervisory Board were elected to the individual committees. At the meeting in September 2024, the current business situation was presented, including an overview of our liquidity and capacity utilization.

The Executive Board presented the forecast for 2024 and a proposal for reducing costs. The Supervisory Board resolved to terminate the Executive Board contract and the Executive Board mandate of Mag. Alexandra Rester prematurely. The liquidity status and forecast figures were discussed at the last meeting of the year in December 2024. An outlook for the coming year was also provided. A Supervisory Board meeting was held in January 2025 with a focus on the 2025 budget; the meeting also included a report on the Group's business performance and liquidity. A strategy committee meeting was held in March 2025, at which an amendment to the 2030+ strategy was discussed and proposals for adaptation were made.

The attendance rate was 100 % (previous year: 97 %). No advances or loans were granted to members of the Supervisory Board of RATH AG.

Report on C Rule 49
Rödl & Partner New York, USA, was entrusted with the auditing of the 2024 financial statement of the American group companies RATH, Inc. and RATH LLC. CPA Mag. Philipp Rath was a partner at the sister company Rödl & Partner Vienna, Austria, until July 2024.

CPA
At the 35th Annual General Meeting of RATH AG held on June 02, 2024, PwC Wirtschaftsprüfung GmbH, Vienna, was elected independent auditor for the annual financial statements and consolidated financial statements 2024 of RATH AG.

External evaluation
According to Rule 62 of the Austrian Corporate Governance Code, compliance with the provisions of the Code should be evaluated externally on a regular basis, i.e. at least every three years. An external evaluation of the C Rules 1–76 was carried out by PwC Wirtschaftsprüfung GmbH, Vienna, for the reporting year 2024.

In accordance with Rule 62 of the Austrian Corporate Governance Code, the next external evaluation is planned for the business year 2028.

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Changes after the reporting date

There were no material changes between the reporting date and the date of preparation of the corporate governance report.

The Executive Board

VIENNA, APRIL 29, 2025

Andreas Pfneiszl	DI Ingo Gruber

STATEMENT BY THE LEGAL REPRESENTATIVES IN ACCORDANCE WITH § 124 (1) 3 OF THE AUSTRIAN STOCK EXCHANGE ACT

STATEMENT BY THE LEGAL REPRESENTATIVES IN ACCORDANCE WITH § 124 (1) 3 OF THE AUSTRIAN STOCK EXCHANGE ACT

We confirm to the best of our knowledge that the consolidated financial statement as of December 31, 2024 established according to the International Financial Reporting Standards (IFRS) in the European Union (EU) provides a maximally faithful representation of the Group's asset, financial and earnings position, and that the consolidated annual report as of December 31, 2024 presents the business performance, the operating results and the situation of the Group so as to give a maximally precise representation as possible of the Group's assets, financial and earnings position, and that the consolidated annual report describes the main risks and uncertainties faced by the Group.

We confirm to the best of our knowledge that the parent company's annual financial statement as of December 31, 2024, established according to the Austrian Commercial Code (UGB), provides a maximally faithful representation of the company's asset, financial and earnings position, and that the management report as of December 31, 2024 presents the business performance, the operating results and the situation of the company so as to give a maximally precise representation as possible of the asset, financial and earnings position, and that the management report describes the main risks and uncertainties faced by the company.

The results of the business year ending on December 31, 2024, are not necessarily indicative of the development of future results.

The Executive Board

VIENNA, APRIL 29, 2025

Andreas Pfneiszl

DI Ingo Gruber

REPORT OF THE SUPERVISORY BOARD

REPORT OF THE SUPERVISORY BOARD

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Mag. Stefan Ehrlich-Adám, Chairman of the Supervisory Board

DEAR SHAREHOLDERS:

In the business year 2024, the supervisory board of RATH AG again performed the duties incumbent upon it according to the law and the articles of association with great care. In particular, the Supervisory Board regularly monitored the work of the Executive Board.

Cooperation with the Executive Board was characterized by an intensive and trusting exchange.
To this end, the Supervisory Board was regularly informed in detail by the Executive Board about the development of RATH AG and the RATH Group.

In particular, the Supervisory Board was informed about the market and sales situation, the capacity utilization of the individual plants and the status of research and development activities against the backdrop of the very challenging macroeconomic development, the financial situation of the company and the individual subsidiaries, their current and forecast earnings development and corporate planning. The Executive Board also reported on potential M&A activities on an ongoing basis, as well as on the company's strategic objectives in line with the "Evolution 2030+" strategy. The Chairman of the Supervisory Board was always informed promptly and comprehensively about current developments and significant individual matters. The Supervisory Board was involved at an early stage in decisions of major importance. Where the approval of the Supervisory Board was required by law or the Articles of Association for individual measures taken by the Executive Board, the Supervisory Board passed resolutions to this effect. The Chairman of the Supervisory Board also regularly exchanges information with the spokesman of the Executive Board outside of Supervisory Board meetings.

In the reporting year 2024, the Executive Board and Supervisory Board held five meetings for intensive exchange of information, during which the economic situation and the strategic development of our Group as well as significant events, investments, and measures were discussed. Furthermore, the Supervisory Board received monthly reports on current turnover and market developments.
The Supervisory Board was given ample opportunity to comply with its obligation to inform and supervise. The meetings were held with the consent of all members with the option of virtual participation if required. We have thereby fulfilled our legal obligations and those laid out in our Articles of Association. We have advised the Executive Board regarding the management of the Company and supervised the activities of the executive management. There were no reasons for complaints concerning the business activities of the Executive Board.

Meetings of the Supervisory Board
Five meetings were held during the business year 2024. The attendance rate was 100 %.

At the meeting in Vienna in March 2024, a report was given on the business year 2023, the course of business in 2024, and plant capacity utilization; the acquisition of the Indian joint venture, Avanee Refsol Ltd., was also presented. The Executive Board also reported on internal target projects, such as the

REPORT OF THE SUPERVISORY BOARD

establishment of a technical alliance for the glass industry, and the energy price situation in Europe and raw material prices in general were also addressed. ESG sustainability reporting was also discussed and an update provided.

At the meeting in Vienna in April 2024, the annual financial statements and management report for 2023, as well as the consolidated financial statements and management report for 2023 were audited, the annual financial statements for 2023 were adopted in accordance with the recommendation of the Audit Committee, and the proposal for the appropriation of earnings for the 2023 business year was approved. In the course of the presentation of the course of business, an update was given on the negotiations regarding a technical alliance with a refractory company. The sustainability report was presented, and other ESG topics were discussed. Furthermore, the proposal for selection of an annual auditor was agreed upon, and the current state of business was reported on. The proposed resolutions for the Annual General Meeting were adopted unanimously.

The meeting in Vienna in May 2024 served primarily for preliminary discussion for the Annual General Meeting and a report on the current business situation; an update was also given on the topic of cooperations based on the ongoing talks as part of a technical alliance. The Executive Board provided a forecast for the future course of the year. An outlook for the next two quarters was also provided. During the inaugural meeting of the Supervisory Board, which took place on the same day after the Annual General Meeting, members of the Supervisory Board were elected to the individual committees.

At the meeting in Vienna in September 2024, the amicable dissolution of the Executive Board contract and Executive Board mandate of Mag. Alexandra Rester was resolved on, and the agendas were transferred back to Mr. Andreas Pfneiszl. The Executive Board reported on the negative development of the business situation and on the liquidity situation, and gave an overview of capacity utilization at all production plants. The half-year results for 2024 were discussed and the forecast for 2024 was discussed, while potential cost savings were also mentioned, and the Executive Board provided information on the status of the expansion of production in India.

At the last meeting of the year in December 2024, a review of 2024 was presented, and the liquidity forecast likewise was. A cost and personnel adjustment program was presented with the aim of returning to our former strength in terms of costs due to the persistently weak economic situation in our target sectors and the resulting weaker sales. Finally, a status update was given on the topic of ESG and national legislation.

Committees
The Supervisory Board established three committees during the reporting year. The Audit Committee met twice in 2024. In April 2024, the Audit Committee held the final meeting for the business year 2023 in the presence of the annual auditor. The annual financial statements and management report as well as the consolidated financial statements and management report were reviewed, and a recommendation was

REPORT OF THE SUPERVISORY BOARD

made to the Supervisory Board to adopt the annual financial statements and (without the presence of the auditor) to appoint the auditor for the following year. At the meeting in December 2024, the annual auditors reported on the status of the preliminary audit of the annual financial statement and consolidated financial statement. The Strategy Committee met once in 2024. The focus of the meeting in November 2024 was on the presentation on the current economic framework conditions and their impact on future investment decisions. The Executive Board presented a cost-cutting program and a personnel adjustment program to secure the Group's future viability. Two meetings of the Supervisory Board were held in the past business year. The Remuneration Committee consists of Mag. Ehrlich-Adám, CPA Mag. Philipp Rath, and DI Dr. Matthias Rath. The focus of the March 2024 meeting was on determination of the Executive Board's target achievement in 2023. Concomitantly, the targets for 2024 were defined for the variable compensation component. At the meeting in December 2024, the targets for 2024 and the failure to achieve them were discussed, while targets and flagship project targets were defined for the business year 2025.

Annual Financial Statements

The annual financial statement of RATH AG as of December 31, 2024, and the management report by the Executive Board, as well as the consolidated financial statement as of December 31, 2024, according to the IFRS, and the consolidated annual report by the Executive Board were audited with involvement of Accounting and provided with an unqualified Auditor's Certificate by PwC Wirtschaftsprüfung GmbH, Vienna; this company had been selected as annual auditor by the Annual General Meeting on May 13, 2024. The Audit Committee of the Supervisory Board analyzed the result of the audit in cooperation with the annual auditors during the meeting on April 29, 2025, and recommended approval of the annual financial statement to the Supervisory Board. By resolution of April 29, 2025, the Supervisory Board approved the consolidated financial statements. The Supervisory Board reviewed has reviewed the documents according to § 96 of the Austrian Stock Corporation Act (AktG) as well as the corporate governance report, and approved the annual financial statement, which are therefore established pursuant to § 96 (4) of the AktG; the Supervisory Board has also reviewed and approved the proposal for the appropriation of profits submitted to it by the Executive Board. The final result of the audits gave no reasons for complaints.

VIENNA, APRIL 29, 2025

Mag. Stefan Ehrlich-Adám
Chairman of the Supervisory Board

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ECONOMIC ENVIRONMENT

In 2024, the global economy faced a structural change in the debt markets: higher interest rates, increasing refinancing risks, and rising debt levels meet urgent investment needs, particularly in the areas of climate change, digitalization, and infrastructure. Global economic growth slowed in 2024 compared to the first years after the pandemic.

Globally, growth remained below the levels of the previous years, as high debt levels, rising interest costs and geopolitical uncertainties weighed on economic momentum.

According to the OECD economic outlook from December 2024, global gross domestic product (GDP) grew by 3.1 % in 2024. In its World Economic Outlook of October 2024, the IMF predicted global growth of 3.2 % for 2024. The growth rate is below the average of the years prior to the global financial crisis, but in line with the currently estimated potential growth rates in both advanced and emerging economies. The IMF pointed out that the largest European countries, especially Germany, recorded a slowdown in growth.

This development was attributed to factors such as geopolitical tensions and trade conflicts. The IMF highlighted the role of the USA as the driving force behind global growth and raised its growth forecast for the USA, while lowering its forecasts for China and the eurozone. Overall, 2024 was characterized by stable but moderate growth, with regional differences and sectoral inflation trends influencing economic policy decisions.

INDUSTRY ENVIRONMENT

The global refractories market has always been concerned with the energy-efficient manufacture of refractory products and products that help customers in the refractory industry to improve their energy efficiency. The RATH Group is very well positioned here with its product portfolio, which is unique for market players in the refractory industry. For some time there has been a trend towards replacing natural gas as energy carrier with hydrogen, and since the begin of the war of aggression in Ukraine, efforts have been stepped up once again, especially in Europe, to become less dependent on Russian natural gas. A change in the energy carrier also changes the product requirements of the refractory industry. Here too, the RATH Group has the best solution thanks to our broad product portfolio. According to a market study by Fortune Business Insights, the global refractories market is estimated to reach US$ 36 billion in 2024 (previous year: US$ 35 billion).

SALES UNITS

Within our RATH subsidiaries, we organize our customers and their applications according to sales units. This structure helps our customers to always get the optimal refractory solution. Our engineering department designs the optimum lining; together with our customer advisors, the solutions are discussed with the customer, produced, prepared and handed over.

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SHARES OF SALES BY SALES UNIT ‹

K€	%	2024
57,234	51 %	METALS & FCE
33,577	30 %	CERAMICS & SFU
20,535	18 %	GLASS
111,345	**100 %**	**TOTAL**

K€	%	2023
64,871	53 %	METALS & FCE
37,757	31 %	CERAMICS & SFU
19,160	16 %	GLASS
121,787	**100 %**	**TOTAL**

METALS & FCE

In the "METALS" sector, we handle inquiries from the steel and aluminum industry, or in the non-ferrous metals segment, respectively. Here, the RATH Group provides our customers with a broad product portfolio and offers complete solutions with engineering, assembly and supervision. Our customers are served worldwide. The geographical main sales markets are Europe and the USA, followed by Asia.

Turnover for 2024 amounted to M€ 57.2 and was achieved as planned, although the sales figures for the METALS & FCE sales unit were 12 % down on the previous year.

This is primarily due to a decline in demand in the European market and was already evident in the decline in incoming orders at the end of 2023 and beginning of 2024.

Due to the geopolitical uncertainties in Europe and the persistently high energy prices, major investments, particularly in the "METALS" segment, were postponed. This led to a decrease in project business compared to previous years. These uncertainties are also reflected in the further outlook and manifest both in the very low level of investment in new construction and in the restrained business activity of our customers in the repair and maintenance business.

In the USA, the mood has brightened – at least in the short term –, which is expected to lead to an increased volume of investment after a subdued election year.

In the area of domestic fireplaces, the persistently high interest rate level for loans is reflected in a restrained development in the construction industry. In addition, our customers continued to serve the market with a high level of stock, built up until the end of 2024.

Due to the reasons mentioned above, incoming orders amounted to M€ 48.4 in 2024, down by 12 % on the previous year.

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CERAMICS & SFU

In the CERAMICS division, the RATH Group processes customer inquiries from a wide range of industries for the production of sanitary ware, tableware, heavy clay, and technical ceramics. An extensive portfolio of high-quality refractory materials is available for this purpose – supplemented by engineering, installation and supervision. Particularly demanding applications and individual requirements are regularly supported. The main sales markets are in Europe and the USA.

In the SPECIAL FURNACES area, the focus is on applications such as dental and laboratory furnaces, analytical equipment and systems for drying and sintering materials for battery production. This also includes special applications such as 3D printing. RATH also offers a broad, yet highly specialized and customer-specific range of materials. Engineering, assembly and supervision round off the range of services. The most important markets here are also Europe and the USA.

In the business year 2024, the CERAMICS & SFU sales unit generated M€ 33 of turnover – a decrease by 14 % compared to the previous year.

The main reason for this was the widespread reluctance to invest into the areas of technical ceramics (especially semiconductors), heavy clay ceramics, and battery materials. Planned major investments were postponed due to the wait-and-see attitude of end customers. This development also affects the competition, which often supplements its range with products from the RATH Group and is also struggling with reluctant investment on the part of its customers.

In contrast, the dental, analytical equipment and laboratory furnace construction segment was encouragingly stable, but was unable to compensate for the decline in the other segments. In view of the subdued order intake and the generally cautious economic forecasts, the outlook for 2025 remains cautious despite existing pent-up demand.

GLASS

In the sales unit "GLASS", we deal with inquiries from industries such as container glass, flat glass and special glass production. The RATH Group provides a broad and very application-specific product portfolio here, including cast moldings and wear part material for our customers. With the technology alliance with Refratechnik under the "R2" brand announced in Q4 2024, we have now succeeded in becoming a full-service provider for glassworks. The geographical main sales markets are Europe and the USA.

Turnover in 2024 increased by 7 % to M€ 20. However, orders intake declined in 2024. This is due to the still high energy costs in Europe, while plastic products are also gaining market share again in the container packaging sector in the USA.

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BUSINESS PERFORMANCE 2024

After three years of strong growth due to supply bottlenecks in 2021/2022, demand normalized in 2023, with demand for refractory products decreasing noticeably in the first half of 2024. RATH was unable to escape this cycle-related negative market trend, with consolidated turnover decreasing by 7.5 % in the first half of 2024 compared to the same period of the previous year, while our EBITDA decreased to 4 % of half-year sales.

A further slowdown in incoming orders was observed in the second half of 2024. The all-round negative mood on the global markets, influenced by wars, interest rates, inflation rates and the wait for the US election in November 2024, had a very negative impact on our customers' planning.

There were postponements of projects and orders, as well as cancellations and increasingly fierce competition for the remaining inquiries, which in turn led to aggressive pricing, which RATH did not and will not participate in.

As a result, we generated moderate turnover of k€ 54,752 in the second half of 2024 (previous year: k€ 60,588) and an EBITDA of k€ 4,165 (previous year: k€ 7,418), the EBITDA margin was 8 % (previous year: 12 %).

The following is a breakdown by half-years of the business year 2024:

BY 2023*	BY 2024	2ND HALF-YEAR	1ST HALF-YEAR	KEY FIGURES ‹
121,787	111,345	54,752	56,593	Turnover in k€
16453*	6,407	4,165	2,242	EBITDA in k€
14 %	**6 %**	**7.61 %**	**4 %**	**EBITDA margin**
10011*	-163	649	-812	EBIT in k€
8 %	**-0.15 %**	**1.19 %**	**-1.44 %**	**EBIT margin**
603	593	593	615	Employees in Ø
27.2	25.0	25.0	28.2	Share price in €

SALES DEVELOPMENT

The journey after three strong years of growth is over, where the main positive influencing factors were the recovery from the pandemic year 2020 in 2021/2022, as well as a decent turnover in 2023 due to supply bottlenecks that arose in 2021/2022; customer demand already normalized significantly during 2023. At the end of 2024, we are now reporting turnover of k€ 111,345, which is k€ 10,442 or 8.5 % less.

At the beginning of the reporting year 2024, our order backlog was still at M€ 41, compared to M€ 59 in the previous year. The negative mood that emerged towards the end of 2023 led to a significant downturn throughout 2024. Incoming orders decreased by 9.5 %, and the number of pending orders

* Retrospectively adjusted – See Annexed Note 6.14 (IAS 8) for information on the retrospective amendment

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declined by 33 % to M€ 27.6. The RATH Group is managed through our national companies. The following is an analysis of the sales development at the company level:

Chamottewaren- und Thonöfenfabrik Aug. RATH jun. GmbH Krummnußbaum was not able to maintain the external turnover of the previous year and achieved k€ 38,461 (previous year: k€ 50,658). There was significantly less demand for project business, which meant that there was no "boost" in turnover.
By project business, the company means the entire value chain. We offer not only the supply of materials, but also the know-how of our engineering department for individual solutions, including additional installation services and/or supervision. Here the geographical sales market, classified according to the registered office of our customers, was mainly in Europe and the USA. However, we had losses in all areas, not just in the project business, and our turnover in the stove fitter sector also declined.

The German RATH companies with their three plants in Mönchengladbach, Bennewitz and Meißen were able to maintain the level of sales of k€ 32,656 (previous year: k€ 32,510) compared to the previous year. In the previous year, here we were still talking about order suspensions and postponements to 2024, but unfortunately the commitments we were told about did not materialize in 2024 either, rather some orders were canceled. Our customers in the ceramics industry, who are also active in laboratory and dental furnace construction, are facing low demand on the market, which has a lot to do with the very aggressively priced offers from Asia.

RATH Hungaria kft. remained at the previous year's sales level of € 12,846 (previous year: k€ 12,757). The majority of sales come from the glass industry. The sales markets here are in Europe and the rest of the world.

The US companies RATH Inc. and RATH LLC with their plants in Milledgeville and Owensville achieved a turnover of k€ 21,685 (previous year: k€ 22,073). In the USA, everything was geared towards the election in November 2024; there were de facto hardly any new investments, customers adjusted their inquiries and in turn reduced their inquiries to us. Demand for special furnishings fell significantly once again due to the trade disputes between the USA and China. The sales markets here are predominantly in the Americas.

Our sales companies from Europe and Mexico reported a strong increase in turnover by 50 %, to k€ 5,695 (previous year: k€ 3,790). The companies operate mainly in the project business, in particular in the steel sector and in various segments of the repair business.

EARNINGS DEVELOPMENT

The operative earnings before interest, income taxes, depreciations and amortization (EBITDA), adjusted for one-off effects, decreased to k€ 6,407 (previous year: k€ 16,453*). At 6 %, the EBITDA margin (previous year: 14 %) at a low level unusual for RATH. Earnings before interest and taxes (EBIT) amounted to k€ -163 this year (previous year: k€ 10,011*), the EBIT margin thus amounts to -0.15 % (previous year: 8 %).

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Personnel expenses increased by 5 % to k€ 39,903 (previous year: k€ 37,980), in relation to turnover this corresponds to 36 % (previous year: 31 %), due to rising inflation we also had to implement wage and salary increases. In 2023, we welcomed another member of the Executive Board and several new colleagues in order to be prepared for the strategic goals ahead. Our strategy had to make a pit-stop, and we needed to make adjustments. In September 2024, the Executive Board mandate and the Executive Board contract were terminated by mutual agreement with Ms. Alexandra Rester, and personnel adjustments were made in the period from September to December 2024 to reflect the changed framework conditions. The miscellaneous other operating expenses of k€ 14,706 (previous year: k€ 13,603*) increased by 2 % in relation to turnover.

The financial result at the end of the reporting year was k€ -1,174 (previous year: k€ -2,258). The main drivers here were interest rates, due to the high interest rates in the eurozone, and currency effects.

The RATH Group thus achieved earnings before tax of k€ -1,337 (previous year: k€ 7,753*).
The consolidated result after taxes amounts to k€ -1,392 (previous year: k€ 5,324*).

In 2024, a dividend payment of € 1.00 per share, or a total of k€ 1,500, was realized from the net profit. No dividend payment will be proposed to the upcoming Annual General Meeting for the business year 2024; the accumulated loss will be carried forward to new account.

ASSETS AND FINANCIAL POSITION

In the business year 2024, the balance sheet total increased by k€ 9,605. The share of non-current assets in the total assets increased year-on-year to 51 % (previous year: 42 %). The share of non-current assets in liabilities decreased year-on-year to 40 % (previous year: 36 %).

Deferred tax assets amount to k€ 116 (previous year: k€ 874) and relate to the Austrian tax group, the German companies and our companies in Hungary and the USA.

Working capital increased in the past year, from k€ 38,295* to k€ 37,957. In terms of turnover, this results in a ratio of 34 % (previous year: 31* %).

Consolidated equity decreased compared to the same period of the previous year by 6 % to k€ 53,923 (previous year: k€ 57,228*). This change was primarily due to the poor operating result. The equity ratio remains unchanged at 43 % (previous year: 43 %).

The non-current personnel provisions decreased from k€ 2,160 to k€ 2,087. The decrease is due to the change in the interest rate for pension provisions.

Financial liabilities excluding liabilities from leasing obligations increased by k€ 2,135. Financial liabilities are balanced by cash and cash equivalents plus securities of k€ 9,000 (previous year: k€ 22,001). Our net

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debt increased significantly due to the weak result, the high level of investment into our plants, and the acquisition in India. As at December 31, 2024, the closing balance was k€ 39,476 (previous year: k€ 26,789).

Cash flow from operating activities decreased in the past year to k€ 4,218 (previous year: k€ 13,393). Cash flow from investment activities decreased by approximately k€ 6,409 and shows an amount of k€ -13,070 at year-end compared to k€ -6,661 in 2023. In the financing area, the cash flow shows a balanced result of k€ -4,209 (previous year: k€ -7,164).

At the end of 2024, the debt repayment period (net debt/EBITDA) was 6 years (previous year: 1.6 years). Due to the negative EBIT in the 2024 business year, the EBIT interest coverage is not meaningful (previous year: 5.7).

SUSTAINABLE FINANCING STRATEGY

The Group has issued promissory note bonds via RATH Aktiengesellschaft, some of which expire in 2027 and 2029. The tranches include both fixed and variable interest rates. The placement was made with institutional investors from Austria and Germany. In addition, additional credit lines of k€ 9,525 are available from banks, of which k€ 2,000 had been utilized as at December 31, 2024.

EMPLOYEES

Highly trained, motivated employees are RATH Group’s key success factor. Through their high technical and social competence, they ensure excellent product quality and high service level, and are an important driver for the future. Our success is due on the one hand to the dedication to innovative refractory solutions that we implement in our products and technologies, and on the other hand to the huge commitment and loyalty of our employees. As of December 31, 2024, the RATH Group employed a total of 593 people in full-time equivalents (previous year: 603).

RATH Group does not have a stock option program. Management, senior employees and other key staff are included in bonus schemes that vary from country to country. Staff management tasks are carried out according to the central requirements of the parent company and then transferred to the subsidiaries. Strategic tasks in the field of Human Resources are within the responsibility of the spokesperson of the Executive Board.

In 2024, the RATH Group paid a total of k€ 212 for staff training (previous year: k€ 136). Our leadership program launched in 2023 under the project name “BEST” was continued. Our employees are our most important asset; they not only contribute their professional skills and experience, but also their personal strengths and values. They are willing to work towards the common goals of the company, accept challenges and find solutions. They assume responsibility for their tasks, their colleagues, and themselves. They act in a disciplined, reliable and professional manner and are loyal to the company and their team members. And they appreciate the performance and personality of their colleagues, as well as the family atmosphere in our company. We are proud of our employees and thank them for their dedication and commitment. They are the reason why we are successful and why we are continuously evolving.

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SUSTAINABILITY (CORPORATE SOCIAL RESPONSIBILITY)

The Supervisory Board and Management of the RATH Group attach high value to sustainable corporate governance. Thus, strategic decision-making as well as operational leadership are influenced equally by ecological, economic and social factors.

Active environmental protection is a very important factor and focus area of the RATH Group. Careful handling of resources and waste has top priority in order to protect the environment as far as possible. Aug. RATH jun. GmbH, for example, is a member of Interseroh in Austria and Germany. The technical progress achieved in the field of environmental protection is continuously examined with regard to its applicability to operating facilities.

Since January 1, 2005, the Rath Group has been part of the European Emissions Trading Scheme. Under this scheme, the companies involved (currently Aug. RATH jun. GmbH, Austria, and RATH Hungaria Kft., Hungary) receive emission certificates that must be returned to the relevant authority within four months at the end of the calendar year in respect of that year's actual emissions.

If the actual annual emissions exceed those allocated on the certificates, a corresponding number of additional certificates must be purchased. As in the previous year, the RATH Group had sufficient free certificates.

The most important cross-company strategies for sustainability include RATH's brand and product development strategies, innovation and the improvement of production procedures to optimize the economy and ecology during the production process as well as in the product sector.

Our colleagues are the most important asset for a further positive, sustainable development of our company's success. Open, appreciative dealings with colleagues of all sectors beyond function levels are the foundation of our company.

In 2023, the RATH Group began implementing the requirements set out in the CSRD Directive. Activities were further intensified during 2024.

This is based on our materiality analysis from 2023, in accordance with the requirements of the CSRD Directive. As a result of the materiality analysis, 17 Sustainability Matters were identified. Detailed information on the results of the materiality analysis and the 17 Sustainability Matters can be found in our Sustainability Report.

Furthermore, we performed a screening of all reportable topics in accordance with the ESRS Standard. All topics relevant to us have already been included into our sustainability reporting. Further details can also be found in our sustainability report, to be published on our website on April 30, 2025.

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RESEARCH & DEVELOPMENT

The RATH Group is organized by a central Research and Development department with the priority areas Innovation, Development, Process Optimization, and Materials Science. Intensive and sustainable research and development are important components of our strategy as a premium supplier. Topics and projects in the area of research, technology and innovation are of the highest priority and supporting pillars for our company success, and therefore crucial for a sustainable competitive advantage and growth.

In 2024, the following projects were successfully implemented:

- The construction of the ALTRA-FLEX production line continued at the Mönchengladbach plant, with commissioning planned for 2025.
- Improvement of the ALTRA product line and optimization of further processing in module production
- Further development of precast concrete products for use in the glass industry.
- Increased use of recycled raw materials in many product lines
- Development of further products for use in the highly stressed area of the chlorinator for titanium oxide production
- Development of low-iron lightweight refractories and insulating fire bricks for specialty applications

REPORTING ON KEY FEATURES OF THE INTERNAL CONTROL SYSTEM WITH REGARD TO THE ACCOUNTING PROCESS

The internal control system (ICS) defines all processes for securing economic efficiency and correctness of the accounting. It reduces the error rate of transactions, protects assets from losses by damages and fraud and guarantees conformity of business procedures regarding the Articles of Association, Group guidelines and current legislation (Compliance). The control environment of the accounting process is marked by a structure and process organization with persons specifically assigned to individual functions (e.g. in Financial Accounting and Controlling). The employees involved in the accounting process fulfill the professional requirements. SAP and LucaNet are used in accounting.

As part of a review in the business year 2024, a weakness in the process organization was identified and corrected in a subsidiary; the correction was made during the preparation of the annual report. Moreover, optimization potentials were identified in parts of the accounting-related control system. The company is currently working on the superordinate goal of continuous improvement and further development of the internal control system in line with sustainable quality standards.

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The RATH Group's guidelines are based on the RATH Management Handbook, the compliance guidelines as well as rules of procedure and signature rules for the Company's executive management and managing employees of all RATH Group companies. These terms will be revised according to the Compliance terms, if necessary, and demonstrably brought to the attention of the respective executive management. The local executive management is responsible for adhering to the guidelines and policies of the respective RATH subsidiary. The rules of procedure refer, among other things, to the mandatory compliance with terms of the management handbook and define a list of business cases which require approval by the Group's executive management. The management handbook of the RATH Group comprises, among other things, the information and stipulations necessary for the accounting process as well as the consolidation handbook (reporting policies, accounting and valuation rules) or IT policies.

The consolidated financial statements are comprehensively reviewed in close consultation between the Supervisory Board and the Audit Committee. A standardized monthly management reporting system comprises all individual companies consolidated in the RATH Group. The Supervisory Board of RATH AG regularly discusses information regarding the internal control system during its meetings. The task of the Audit Committee is to monitor the effectiveness of the control system.

RISK MANAGEMENT

The RATH Group is exposed to a variety of opportunities and risks in its global entrepreneurial activities. Constant identification, assessment and control of risks is an essential component of the management, planning and controlling process. The Risk Management resorts to organizational, reporting and management structures available in the Group. These processes are continually evaluated by the central Processing Management team. The contents are about documenting all processes within the Company as well as the documented actions in case of deviations in order to learn from mistakes and make constant improvements. This thinking in processes is anchored in ISO 9001. The risk management system ensures that risks are regularly analyzed and assessed. This ensures that these are anticipated and detected early on, and that countermeasures can be initiated quickly if they occur.

ESSENTIAL RISKS

Risks that might have negative effects on the asset, financial and earnings position and profitability of the RATH Group are basically unchanged compared to previous time periods and are as follows:

Procurement

A pivotal starting point for risk mitigation in the field of procurement is avoidance of dependence on individual suppliers, as far as possible. Our central Purchasing department actively counteracts this and creates requirements for a balanced portfolio of suppliers in consideration of reasonable purchase volumes and prices. In the search for alternative raw material suppliers we recognize the risk of the availability of raw materials by country, particularly China/Russia. Energy is a key issue for the manufacture of our products, so we are constantly looking at availability and prices, and when it comes to prices, we look for opportunities to acquire "future contracts" if this fits in with our hedging strategy.

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Production

The essential value-creation levels of the RATH Group lie within the manufacture of our products. A possible risk of a business interruption with direct impact on the Company's result is covered by our business interruption insurance across the entire Group. The Group proactively counteracts this by way of precaution via constant analyses of individual assets and precautionary maintenance. In this area, digital solutions from the Industry 4.0 environment are increasingly being evaluated. Nonetheless, risks arising from product liability cannot be fully excluded. In case of quality flaws, they will be corrected according to our customer's best interests. Costs arising from this are covered by our group-wide product liability insurance. Reputation damage resulting from this, however, is always a risk for the Group.

Sales

The global product or project sale also harbors risks. Some of our overall solutions are nowadays going to countries that are not always economically and politically stable. Via our sales managers, information is continuously retrieved from the respective sales markets and countries, helping us to recognize possible losses of accounts receivable at an early stage and initiate countermeasures. Outside the European Union and the USA, the RATH Group mostly relies on credit operations in regard to payment conditions. Thus, it is guaranteed that our sales are collateralized by an international bank. For those sales not collateralized with letters of credit, we have set up an internal Receivables Management with credit limits.

Receivables Management assesses the resulting credit risk with the help of external information from credit agencies and our experience with the respective customer or the customer's country, respectively.

On the basis of the information collected a credit limit is set. There were no bad-debt losses in the reporting year 2024. (Previous year: k€ 0).

Liquidity

The aim of liquidity management is to ensure that the Group has sufficient liquidity at all times. RATH's external financing leeway is primarily ensured by international banking groups. Within the Group, the principle of internal financing applies. This means that the financing requirements of subsidiaries are covered – as far as possible and economically feasible – by internal loan relationships. The stipulation of credit limits and the amount of refinancing costs at financial institutes are dependent on their evaluation of the future prospects of the RATH Group. Therefore, bank contacts are well maintained to ensure that our bank partners always have a clear and current idea of the economic situation of our Group. The RATH Group is financed via RATH AG. The company relies on the structured financing form of promissory note loans. In the case of investments, investment loans subsidized directly in the subsidiaries may be utilized.

Foreign currencies and interest

For the most part, the RATH Group provides deliveries to its customers in the respective currency of the Company. The RATH Group is exposed to exchange rate risks in the area of inter-company financing and the associated ongoing valuation of the US$/€ and HUF/€ currency pairs. These can result in both

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positive and negative changes in the financial result of the individual companies and consequently also in the Group. The RATH Group currently has no derivative financial instruments in the area of currencies and interest rates.

TOTAL RISK
The risks of the RATH Group are optimally supervised with the described means and measures; from today's perspective, the continued existence of the Company is not at risk.

INFORMATION ACCORDING TO § 243B OF THE AUSTRIAN COMMERCIAL CODE (UGB)

The authorized capital consists of 1,500,000 no-par value shares (previous year: 1,500,000 no-par-value shares), with each no-par-value share having an equal share of the authorized capital. The Executive Board is not aware of any limits regarding voting rights or transfers of shares. RATH AG does not own any of its own shares. Widely held stock are held by Austrian and international investors.

The share is listed in the "Standard Market Auction" of the Vienna Stock Exchange under ISIN number AT0000767306. No significant investments of RATH Group employees are known. Like every stockholder, employees who own shares are also free to exercise their voting rights at annual general meetings.

There are no provisions not immediately derived from the law regarding the naming and dismissal of the members of the Executive Board and of the Supervisory Board, as well as changes to the Company's Articles of Association.

The Executive Board is not aware of any significant agreements the Company is involved in that take effect in case of a change of control in the company following a takeover bid. There are no compensation agreements in place between the Company and their Executive Board and Supervisory Board Members or employees in the case of a public takeover bid either.

OUTLOOK

MACROECONOMIC DEVELOPMENT
The International Monetary Fund (IMF) forecasts global economic growth of 3.3 % for 2025, which is below the historical average. Inflation will fall to 4.2 % worldwide, but remain an uncertainty factor in some economies. Political uncertainties, geopolitical tensions and protectionist measures could slow down the upturn. The IMF analysis emphasizes that a coordinated monetary policy and multilateral cooperation are crucial for stabilizing the global economy in 2025.

Anticipated development of the RATH Group Based on our order backlog as at January 1, 2025 amounting to M€ 27.6 (previous year: M€ 41) and the current subdued market development, we expect turnover to move sideways compared to the 2024 reporting year. Profitability is going to increase slightly due to the

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cost-cutting program launched in Q4 2024. In order not to fall behind our competitors, we will have to make selective sales and price adjustments.

Nevertheless, the RATH Group will do its utmost to convince customers with a competitive and attractive service and product mix. Within the company, the focus is on the environment, resource-conserving use of energy sources, quality, innovation and cost optimization.

Our main strategic goal of becoming one of the largest European manufacturers of non-basic refractory products has suffered a setback, but we are adapting our strategy and consistently pursuing our adapted goals.

In February 2024, the RATH Group was able to participate in a joint venture in India; together with our new Indian partner, we will set up a production facility in India and serve both the Indian market and RATH's international customer base. RATH's investment in India was awarded based on the fact that India is one of the largest growth markets of the future and offers an excellent environment for energy-intensive industrial companies. In the meantime, as of March 2025, we are about to open our joint venture RATH Avanee Private Ltd., planned for June 2025.

The sales and earnings forecast for the business year 2025 mentioned at the beginning of the paragraph is based on the availability and availability of raw materials and energy, as well as the development of raw material and energy prices. In addition, the interest rate effects, which have risen significantly in both the eurozone and the USA, are playing a key role not only for our customers. The negative effects of the US punitive tariff policy, which cannot yet be assessed, can also be seen as a risk.

The Executive Board

VIENNA, APRIL 29, 2025

Andreas Pfneiszl

DI Ingo Gruber

ANNUAL FINANCIAL STATEMENTS
RATH GROUP 2024

CONSOLIDATED BALANCE SHEET

	ANNEXED NOTE	DECEMBER 31, 2024 K€	DECEMBER 31, 2023 RETROSPECTIVELY ADJUSTED* K€	JANUARY 1, 2023 RETROSPECTIVELY ADJUSTED* K€
Cash and cash equivalents	(20.3)	9,000	22,001	22,398
Trade receivables	(12)	16,822	14,506*	13,629*
Contract assets	(12)	4,560	8,225	7,646
Other financial receivables	(20.4)	1,319	710	1,687
Other non-financial receivables and deferrals	(13)	3,401	3,311*	2,642*
Inventory	(11)	26,358	29,035*	27,337*
Receivables from income taxes	(18)	76	42	23
Current assets		**61,537**	**77,830**	**75,360**
Associated companies	(3)	3,392	0	0
Financial assets	(20.5)	474	483	465
Intangible assets and goodwill	(9)	5,136	4,771	4,536
Tangible assets (property, plant and equipment)	(8)	53,926	50,227	48,452
Deferred tax assets	(18)	116	874	641
Non-current assets		**63,044**	**56,355**	**54,093**
TOTAL ASSETS		**124,581**	**134,186**	**129,453**
Current financial liabilities	(16), (20.6)	3,458	5,519	3,496
Current liabilities from leasing obligations	(10)	764	715	688
Trade payables	(20.7)	7,885	10,402	8,678
Contract liabilities	(20.7)	1,898	3,069	4,086
Other current non-financial liabilities	(19)	4,014	4,393	4,449
Other current financial liabilities	(20.7)	215	113	86
Current accruals and provisions	(17)	2,221	2,409	1,468
Current income tax debts	(18)	920	2,508	1,334
Current liabilities		**21,375**	**29,128**	**24,286**
Non-current financial liabilities	(16), (20.6)	42,700	40,565	45,130
Non-current liabilities from leasing obligations	(10)	1,554	1,992	725
Personnel provisions	(15)	2,087	2,160	1,981
Other long-term liabilities and deferred income	(19)	2,348	1,707	2,329
Deferred tax liabilities	(18)	594	1,407	889
Non-current liabilities		**49,283**	**47,832**	**51,055**
Authorized capital		10,905	10,905	10,905
Capital reserves		1,118	1,118	1,118
Net profit and available savings		46,116	49,007*	45,633*
Reserve from currency conversion		-3,216	-2,812*	-2,747*
Other reserves		-1,003	-993	-799
Non-controlling interests		3	3	3
Stockholders' equity	(14)	**53,923**	57,228	**54,113**
TOTAL LIABILITIES AND EQUITY		**124,581**	**134,186**	**129,453**

*See Annexed Note 6.14 (IAS 8) for information on the retrospective amendment

CONSOLIDATED INCOME STATEMENT

	ANNEXED NOTE	2024 K€	2023 RETROSPECTIVELY ADJUSTED* K€
Sales revenue	(21)	111,345	121,787
Other operating income	(24)	1,848	1,942
		113,193	**123,729**
Cost of material and purchased services	(22)	-52,118	-55,676
Personnel expenses, including social security benefits and taxes	(23)	-39,903	-37,980
Impairment loss from trade receivables as well as contract assets	(12)	-60	-17
Other operating expenses	(25)	-14,706	-13,603*
EBITDA		**6,407**	**16,453***
Depreciation on intangible assets	(9)	-502	-532
Depreciation on property, plant and equipment	(8)	-6,067	-5,910
EBIT		**-163**	**10,011***
Interest income		69	287
Interest expenditures		-2,136	-2,021
Income from shares in associated companies	(3)	0	0
Other financial income		2,550	302
Other financial expenses		-1,657	-826
Financial result	**(26)**	**-1,174**	-2,258
Earnings before tax (EBT)		**-1,337**	7,753*
Income taxes	(18)	-54	-2,429
Consolidated result		**-1,392**	5,324*
of which attributable to stockholders of the parent company	(14)	-1,392	5,324*
of which attributable to non-controlling interests	(14)	0	0
Basic undiluted result per share (in €)	**(14)**	**-0.93**	3.55*
Diluted result per share (in €)	**(14)**	**-0.93**	3.55*

*See Annexed Note 6.14 (IAS 8) for information on the retrospective amendment

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	ANNEXED NOTE	DECEMBER 31, 2024 K€	DECEMBER 31, 2023 RETROSPECTIVELY ADJUSTED* K€
Consolidated result after income tax		-1,392	5,324*
Items not reclassified to the profit and loss account:			
Revaluation of non-current employee benefits according to IAS 19	(15)	-13	-259
Tax thereon	(18)	3	65
		-10	**-194**
Items reclassified into the profit and loss account:			
Currency conversion differences		-404	-66*
		-404	-66*
Other comprehensive income		**-414**	**-260***
attributable to stockholders of the parent company	(14)	-414	-260*
attributable to non-controlling interest	(14)	0	0
Comprehensive income after taxes		**-1,806**	**5,064***
of which comprehensive income attributable to stockholders of the parent company	(14)	-1,806	5,064*
thereof comprehensive income of non-controlling interests	(14)	0	0

*See Annexed Note 6.14 (IAS 8) for information on the retrospective amendment

DEVELOPMENT OF CONSOLIDATED EQUITY

	AUTHORIZED CAPITAL K€	CAPITAL RESERVES K€	DIFFERENCES IN CURRENCY CONVERSION K€	OTHER RESERVES K€	NET PROFIT AND FREE RESERVES K€	TOTAL EQUITY STOCKHOLDERS K€	SHARES OF NON-CONTROLLING STOCKHOLDERS K€	TOTAL EQUITY K€
as of January 1, 2023	**10,905**	**1,118**	**-2,622**	**-798**	**46,470**	**55,072**	**3**	**55,075**
Error correction (IAS 8)	0	0	-125	0	-837	-962	0	-962
Total equity (retrospectively adjusted*) (IAS 8) at the beginning of the year business year	10,905	1,118	-2,747	-798	45,633	54,110	3	54,113
Consolidated net income 2023 (retrospectively adjusted*) (IAS 8)	0	0	0	0	5,324	5,324	0	5,324
Other comprehensive income 2023 (retrospectively adjusted*)	0	0	-66	-194	0	-260	0	-260
Total consolidated earnings (retrospectively adjusted*) (IAS 8)	**0**	**0**	**-66**	**-194**	**5,324**	**5,064**	**0**	**5,064**
Disposal	0	0	0	0	0	0	0	0
Disbursement	0	0	0	0	-1,950	-1,950	0	-1,950
As of December 31, 2023	**10,905**	**1,118**	**-2,812**	**-993**	**49,007**	**57,223**	**3**	**57,228**
Consolidated result 2024	0	0	0	0	-1,392	-1,392	0	-1,392
Other income 2024	0	0	-404	-10	0	-414	0	-414
Total consolidated earnings	**0**	**0**	**-404**	**-10**	**-1,392**	**-1,806**	**0**	**-1,806**
Addition	0	0	0	0	0	0	0	0
Disbursement	0	0	0	0	-1,500	-1,500	0	-1,500
As of December 31, 2024	**10,905**	**1,118**	**-3,216**	**-1,003**	**46,116**	**53,918**	**3**	**53,923**

*See Annexed Note 6.14 (IAS 8) for information on the retrospective amendment

CONSOLIDATED CASH FLOW STATEMENT

	ANNEXED NOTE	2024 K€	2023 RETROSPECTIVELY ADJUSTED* K€
Consolidated result before taxes		**-1,337**	**7,753***
Cash flow from the result			
Depreciations	(8), (9)	6,569	6,442
Value adjustments and income from the disposal of securities classified as FVTPL (fair value through profit or loss)		9	-18
Change to personnel provisions		318	-79
Change to value adjustment		-413	-597
Exchange rate differences	(28)	-893	461
Interest income	(26)	2,067	1,691
Income tax paid	(18)	-54	-927
Income/loss from the disposal of assets		135	259
Other adjustments due to IFRS 9		2	-6*
		6,403	**14,979***
Changes in net working capital			
Trade receivables		-2,316	-1,056*
Other receivables and assets		-699	501*
Inventory		2,677	-1,059*
Contract assets		3,664	-628
Trade payables		-1,075	1,702
Contract liabilities		-1,171	-1,070
Other liabilities, accruals and provisions, and deferrals		-3,266	24
		-2,185	**-1,586***
Net cash inflow from operating activities		**4,218**	**13,393**
Disbursements for investments in property, plant and equipment	(8), (9)	-9,734	-6,785
Payments for shares in associated companies	(3)	-3,400	0
Disbursements made for investments into intangible assets	(8), (9)	-39	-221
Proceeds from the sale of property, plant and equipment	(8), (9)	34	58
Proceeds from investment grants		0	0
Interest received		69	287
Cash flows from the investment activity		**-13,070**	**-6,661**
Proceeds from financial liabilities	(29)	4,700	-74
Repayments of financial liabilities	(29)	-4,565	-3,065
Redemption portion of lease payments	(29)	-708	-757
Dividends paid		-1,500	-1,950
Interest paid		-2,136	-1,318
Cash flows from the financial activity		**-4,209**	**-7,164**
Cash and cash equivalents at the beginning of the year		**22,001**	**22,398**
Net change of cash and cash equivalents		**-13,061**	**-432**
Non-cash currency differences		**60**	**35**
Cash and cash equivalents at the end of the year		**9,000**	**22,001**

*See Annexed Note 6.14 (IAS 8) for information on the retrospective amendment

GROUP NOTES

NOTES ON CONSOLIDATED BALANCE SHEET

1 BASIS FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The company

RATH Aktiengesellschaft (hereinafter referred to as "RATH AG"), Walfischgasse 14, A-1010 Vienna, Austria, and its subsidiaries (hereinafter referred to as the "RATH Group" or "Group") produce and sell refractory materials for industrial customers and commercial enterprises. The main sales markets are located within the European Union, Eastern Europe, and the USA. The registered office of the parent company is in Vienna. Production facilities are located in Austria, Germany, Hungary, and the USA. Furthermore, there are sales companies in Austria, Germany, the Czech Republic, Poland, Ukraine, and Mexico.

The shares of RATH AG are listed on the Vienna stock exchange in the "Standard Market Auction" segment.

Accounting standards

The consolidated financial statement of the RATH Group as of December 31, 2024 have been prepared in accordance with § 245a of the Austrian Commercial Code (UGB) and the provisions of the International Financial Reporting Standards (IFRS) applicable on the reporting date, as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as they are to be applied in the European Union (EU). All IFRS published by the International Accounting Standards Board (IASB) and adopted by the EU for the business year for which application is mandatory were applied by the companies included in the consolidated financial statement.

The accounting practices for the companies included in the consolidated financial statement are based on the uniform accounting methods of the RATH Group.

Some of the amounts reported in the previous period were adjusted retrospectively to correct an error. Detailed information on these adjustments can be found in Annexed Note 6.14.

Unless otherwise indicated, all amounts in notes and tables are stated in thousands of euros ("k€"). Both individual values and totals represent the value with the smallest rounding differences. Therefore, minor rounding differences to the reported totals may occur when adding up the individual values shown.

The present consolidated financial statement was approved for publication by the Executive Board on April 29, 2025. The annual financial statement of RATH AG was presented to the Supervisory Board for review on April 29, 2025.

2 BASIS OF CONSOLIDATION AND CONSOLIDATION METHODS

Consolidation scope

The consolidated financial statements as of December 31, 2024, excluding RATH AG, comprises 11 (previous year: 12) subsidiaries controlled by RATH AG.

The 11** subsidiaries (previous year: 12) are fully consolidated from the date on which control is obtained, and deconsolidated when control is no longer exercised. According to IFRS 10, control is deemed to exist if the RATH Group has power of disposal over the subsidiary, is exposed to a risk burden from fluctuating returns from its interest in the associated company, or has a right to do so, and has the ability to use its power of disposal over the controlled company to influence the level of these returns and can subsequently use this to determine the financial and business policy of the company. In addition, since the reporting year there has been a participation in an Indian joint venture, which is classified as an associate company in accordance with IAS 28 and accounted for using the at-equity method.

In addition to RATH AG, the basis of consolidation comprises the following companies:

	GROUP SHARE		FUNCTIONAL CURRENCY	CONSOLIDATION METHOD
	2024	2023		
Chamottewaren- und Thonöfenfabrik Aug. RATH jun. GmbH, Krummnußbaum, Austria	99.98 %	99.98 %	€	Full consolidation
RATH Business Services GmbH	100 %	100 %	€	Full consolidation
RATH GmbH, Meißen, Germany	100 %	100 %	€	Full consolidation
RATH Sales GmbH & Co KG, Meißen, Germany	100 %	100 %	€	Full consolidation
RATH Sales Beteiligungs GmbH, Meißen, Germany	100 %	100 %	€	Full consolidation
RATH Hungaria Kft., Budapest, Hungary	100 %	100 %	HUF	Full consolidation
RATH Inc., Newark, DE, USA	100 %	100 %	US$	Full consolidation
RATH LLC, Owensville, MO, USA	0 %	100 %	US$	Full consolidation
RATH žárotechnika spol. s r.o, Dvůr Králové nad Labem, Czech Republic	100 %	100 %	CZK	Full consolidation
RATH Polska Sp. z o.o., Dąbrowa Górnicza, Poland	100 %	100 %	PLN	Full consolidation
RATH Ukrajina TOW, Dnipro, Ukraine	100 %	100 %	UAH	Full consolidation
RATH Group S. de R.L. de C.V., Guadalupe, Mexico	100 %	100 %	MXN	Full consolidation
RATH Avanee Private Ltd.	33 %	0 %	INR	At Equity

**Reduction in the number of companies due to the US merger in 2023

Corporate mergers

Mergers are accounted for using the purchase method as of the acquisition date and thus upon transfer of control to the Group.

The purchase cost of an acquisition is measured as the fair values of the assets given and liabilities incurred or assumed at the acquisition date. The acquired assets, liabilities and contingent liabilities are assessed at their fair value at the acquisition date. Intangible assets are determined internally using appropriate valuation methods. They are subject to scheduled amortization or, in the case of an indefinite useful life, are tested for recoverability at least once a year in the same way as goodwill.

Acquisition-related costs are recognized as expenses. Any contingent consideration is assessed at fair value at the acquisition date.

Contingent considerations are assessed at fair value at the acquisition date. If a contingent purchase price part is classified as an equity instrument, it is not re-assessed in subsequent periods, and any settlement is recognized directly in stockholders' equity.

Otherwise, subsequent changes in the fair value of a contingent consideration are recognized as affecting net income in the profit and loss account of the period in which the change in value occurred.

Any remaining positive difference between the purchase costs and the re-valued pro rata stockholders' equity is recognized as goodwill and allocated to cash-generating units. Goodwill is carried forward in the respective local currency in which it was allocated at the acquisition date. The test for recoverability is carried out at the level of the cash-generating units. Negative differences are recognized immediately as affecting net income in the profit and loss account under Other income after reassessment of the suitability for recognition and valuation of the acquired assets and liabilities and taking into account transaction costs.

Transactions with non-controlling stockholders

Transactions with non-controlling stockholders are treated as transactions with equity owners of the Group. Any difference arising from the acquisition of a non-controlling interest between the consideration paid for the performance and the respective share in the carrying amount of the subsidiary's net assets is recognized in stockholders' equity. Gains or losses arising from disposals of non-controlling interest are also reported in stockholders' equity.

Transactions eliminated upon consolidation

All intra-group income and expenditures as well as receivables and liabilities between the fully consolidated companies are eliminated in the course of consolidation. Intermediate profits and losses arising from intra-group deliveries of goods and services in fixed and current assets are eliminated unless they are immaterial. Entries that are unilaterally recognized in the P&L account are derecognized as affecting net income, and the related deferred taxes are recognized.

3 CORPORATE MERGERS

There were no business combinations within the meaning of IFRS 3 in either the current or the previous business year.

3.1 INTEREST IN ASSOCIATED COMPANY

Moreover, RATH AG acquired an interest in a joint venture in India in the reporting year, in which the company holds a 33 % stake. This joint venture is classified as an associated company in accordance with IAS 28, as the parent company can exercise significant influence over financial and operating decisions. RATH Avanee Private Ltd. is headquartered in Hyderabad, India. This company is consolidated in accordance with IAS 28 using the at-equity method. The value of the associated company shown in the balance sheet in the amount of k€ 3,392 corresponds to the acquisition costs. The balance sheet prepared as at December 31, 2024, shows total assets of k€ 11,224, while the revenue of RATH Avanee Private Ltd. amounts to k€ 446, resulting in earnings after taxes of k€ 23.

	DECEMBER 31, 2024 €
BALANCE SHEET	
Current assets	4.664.598
Non-current assets	6.559.810
Total assets	**11.224.408**
Stockholders' equity	10.161.170
Liabilities	1.063.238
Total liabilities and equity	**11.224.408**
P&L ACCOUNT	
Sales revenue	446.169
Expenses for purchased services and materials	-337.470
Other operating expenses	-85.333
Earnings before taxes	23.366
Taxes	0
Earnings after taxes	23.366

4 CURRENCY CONVERSION

Reporting currency

The consolidated financial statement is prepared in €, which is the reporting currency of the RATH Group. The financial statements of foreign companies are translated into € in accordance with the functional currency concept. All balance sheet items with the exception of stockholders' equity are translated at the mean exchange rate as of December 31, 2024. Goodwill is recognized as an asset in the local currency of its respective origin and is also translated at the mean rate of exchange on the consolidated balance sheet date. Expense and income items were converted at average monthly exchange rates as in the previous year.

Currency conversion differences between the closing rate in the balance sheet and the average rate within the profit and loss account are recognized directly in equity under the item "Currency translation differences" in the statement of comprehensive income and thus as part of other income.

The exchange rates of major currencies used for currency conversion developed as follows:

	RATE ON REPORTING DATE DECEMBER 31, 2024	RATE ON REPORTING DATE DECEMBER 31, 2023	AVERAGE RATE 1-12 2024	AVERAGE RATE 1-12 2023
US$	1.039	1.105	1.082	1.082
HUF	411.350	382.800	395.410	381.759
CZK	25.185	24.724	25.118	24.001
PLN	4.275	4.340	4.306	4.542
UAH	43.537	42.048	43.397	39.790
INR	88.934	91.905	88.934	91.905
MXN	21.550	18.723	19.822	19.190

Transactions in foreign currency:

Profits and losses from transactions in a currency other than the respective functional currency are immediately recognized in the profit and loss account as affecting net income.

Monetary assets and liabilities denominated in a foreign currency as of the reporting date are translated into the functional currency at the closing rate. Non-monetary assets and liabilities assessed at fair value in a foreign currency are translated at the exchange rate applicable at the date when the fair value is determined. Non-monetary items assessed at historical purchase or production costs in a foreign currency are translated at the exchange rate at the date of the transaction.

5 EFFECTS OF NEW AND AMENDED STANDARDS

5.1 NEW AND AMENDED STANDARDS APPLICABLE IN 2024

Overview

In the preparation of the consolidated financial statement, the following amendments or changes to existing IAS/IFRS or interpretations as well as the newly issued standards and interpretations, insofar as they had been published in the Official Journal of the European Union by the balance sheet date and had come into force by that date, were observed:

STANDARD	CONTENTS	TO BE APPLIED FROM
IAS 7, IFRS 7	Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier financing agreements (published on May 25, 2023)	January 2024
IAS 1	Amendments to IAS 1 Presentation of Financial Statements: – Classification of liabilities as current or non-current – Long-term liabilities with covenants	January 2024
IFRS 16	Amendments to IFRS 16 Leases: Lease liability for sale and leaseback	January 2024

Neither of these changes has a material impact on the asset, financial and earnings position of the Group.

5.2 STANDARDS, INTERPRETATIONS AND CHANGES TO PUBLISHED STANDARDS THAT ARE NOT YET MANDATORY IN 2024 AND HAVE NOT BEEN APPLIED PREMATURELY

The following changes or revisions of standards and interpretations have not yet been fully adopted by the EU as of the balance sheet date and are not yet mandatory for the business year and have not been applied prematurely either.

STANDARD	CONTENTS	ADOPTED AND TO BE APPLIED FROM	EFFECTS IN THE YEAR OF FIRST-TIME APPLICATION
IAS 21	– Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of convertibility	January 2025	No significant effects

Standards not yet adopted by the European Union as of the reporting date:

STANDARD	CONTENTS	NOT ADOPTED AND TO BE APPLIED FROM	EFFECTS IN THE YEAR OF FIRST-TIME APPLICATION
IFRS 9, IFRS 7	– Changes to the classification and valuation of financial instruments – Nature-dependent electricity contracts	January 2026	No significant effects
IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7	Annual improvements – 11th edition	January 2026	No significant effects
IFRS 18	IFRS 18 Presentation and disclosure in financial statements	January 2026	No significant effects
IFRS 19	IRFS 19 Subsidiaries without public accountability: Disclosures	Janu January 2026 ary 2025	No significant effects

6 ACCOUNTING AND VALUATION PRINCIPLES

6.1 TANGIBLE ASSETS

Tangible assets (property, plant and equipment) are valued at purchase or production costs less accumulated scheduled depreciations and impairments. Acquisition and production costs include all costs incurred to bring the asset up to its current condition and location. The production costs of internally produced assets include the expenses attributable directly to the production.

Borrowing costs are recognized if and insofar as they can be attributed to a qualifying asset. As in the previous year, no borrowing costs were recognized in the reporting year as there were no qualifying assets.

Costs incurred for an item in later periods (subsequent purchase or production costs) are capitalized only if it is probable that the RATH Group will derive future economic benefit from it and the costs can be reliably determined.

Property, plant and equipment subject to wear is depreciated using the straight-line method over the expected useful life of the assets concerned. The depreciation is as a matter of principle recognized in profit or loss. Depreciation methods, residual values and economically useful lives are reviewed on every balance sheet date and adjusted if required. The following useful lives in years were assumed when determining the depreciation rates:

	USEFUL LIFE IN YEARS	
Building	from 10	to 35
Machinery	from 10	to 35
Business equipment	from 10	to 15

Profits and losses from disposals of property, plant and equipment are calculated as the difference between the proceeds from the disposal and the carrying amounts of the tangible asset and are recognized in the profit and loss account under "Other operating income" or "Other operating expenses".

Ordinary maintenance and minor repairs are treated as immediate expenses.

6.2 LEASES

The RATH Group applies the option for simplifications in connection with leases with a short term (12 months or less) as well as for low-value assets, which are those with an acquisition value of less than € 5,000. The Group has entered into leases (as lessee) for various electronic equipment and machinery, which are recognized as low-value assets in accordance with IFRS 16. For those leases which fall under the options, the accounting method does not change, the expenses still appear in the P&L statement.

Assets and liabilities from leases are initially recognized at present value. The leasing liabilities include the present value of the following lease payments:

- fixed payments (including de facto fixed payments, less any leasing incentives to be received)
- variable lease payments linked to an index or (interest) rate, initially valued at the index or interest (rate) on the date of provision
- expected payments from the RATH Group from the utilization of residual value guarantees
- the exercise price of a purchase option whose exercise by the Group is sufficiently certain
- penalties in connection with the termination of a lease, if and insofar as during the term it is taken into account that the Group will exercise the termination option in question.

Within the Group, contracts exist in which the Group acts as lessee and which each contain a service component in addition to a leasing component. The Group does not exercise the option to account for the entire agreement in accordance with IFRS 16 and will therefore separate the two components, if and insofar as this is possible.

The Group determines the maturity of leasing liabilities using the redemption model. Under the redemption model, the current portion corresponds to the redemption portion of the leasing liability.

Scheduled depreciation and amortization is taken into account for the right-of-use asset over the lease term. The term of the individual leases corresponds to the non-terminable basic lease term, taking into account termination, extension and purchase options to the extent that it is reasonably certain that these will be exercised. As a matter of principle, all circumstances that provide an economic incentive to exercise potential options are taken into account.

6.3 INTANGIBLE ASSETS AND GOODWILL

First-time recognition
In accordance with IAS 38, both externally acquired and internally generated intangible assets are recognized only if

- it is probable that future economic benefits associated with the asset will flow to the entity; and
- the purchase or production costs of the asset can be measured reliably

In order to assess the probability of future economic benefits, reasonable and justified assumptions regarding the framework conditions are included. In the case of intangible assets that were acquired separately or in the course of a merger, the probability criterion pursuant to IAS 38 is generally considered to be met.

Individually acquired intangible assets are valued at purchase or production costs upon initial recognition. These include all expenses necessary to bring the asset into working condition for its intended use. The acquisition cost of an intangible asset acquired in a merger is tantamount to its fair value at the acquisition date.

Subsequent valuation
Following initial recognition, intangible assets are recognized at purchase or production costs less cumulative depreciations and impairment. Depreciation is calculated using the straight-line method over an estimated useful life. The following useful lives in years were assumed when determining the depreciation rates:

	USEFUL LIFE IN YEARS	
Customer relations	6	
Rights under trademark law	5	
Other intangible assets	from 1	to 15

There are no intangible assets with an indefinite/indeterminable useful life.

Gains and losses from disposals of intangible assets are calculated as the difference between the proceeds from the disposal and the carrying amounts of the intangible assets and are recognized in the P&L account under "Other operating income" or "Other operating expenses". Development expenses are capitalized only if the development costs can be assessed reliably, if the product or the procedure is technically and commercially suitable, if a future economic use is likely, and if the Group intends to and has sufficient resources to finish the development and use or sell the asset. Capitalized development expenses are assessed as purchase or production costs less cumulative depreciations and cumulated impairments.

Internally generated intangible assets
In the case of internally generated intangible assets, the period of manufacture is divided into a research and a development phase. Development expenses are incurred in particular for new refractory technologies and significant improvements in their performance and quality.

Development expenses are capitalized only if all the conditions of IAS 38 are met cumulatively:

- The completion of the intangible asset can be technically realized to the extent that it can be used or sold.
- The intention to complete the intangible asset and use or sell it.
- The ability to complete the intangible asset and use or sell it.
- The manner in which the intangible asset is expected to generate future economic benefits can be demonstrated.
- Adequate technical, financial and other resources are available to complete development, and the intangible asset can be used or sold.
- The expenditure attributable to the intangible asset can be measured reliably. In the business year as in the previous year, these conditions were met for individual projects (see note (9)).

As of the balance sheet date, intangible assets not yet available for use amounted to k€ 2,511 (previous year: k€ 1,867). These are tested annually or whenever there are indications of potential impairment.

Capitalized development expenses are shown net in the respective expense items.

Goodwill
The goodwill reported in the balance sheet arose from business combinations and was accounted for using the purchase method. In particular, it reflects the expected synergies resulting from the merger that could not be allocated to individual identifiable assets as part of the purchase price allocation. The entire goodwill was allocated to the "USA" segment (see notes (7) and (9)).

6.4 IMPAIRMENT OF NON-CURRENT ASSETS

General
Intangible assets, property, plant and equipment, leasing rights of use, as well as the comprehensive cash-generating units (CGUs), are tested for impairment at each balance sheet date, or whenever a triggering event occurs, using a qualitative analysis. Capitalized development costs for projects in progress as well as goodwill are tested annually for recoverability. The basis for this analysis follows the specifications of the management of the RATH Group.

In case of indications, the RATH Group calculates the recoverable amount for the asset. This corresponds to the higher of use value and fair value minus selling costs. Should the recoverable amount be less than the carrying amount of the asset, an impairment loss for this difference is to be reported as affecting net income.

Goodwill
According to IFRS 3 "Business Combinations", goodwill is not subject to scheduled amortization, but is to be tested for impairment annually or more frequently if there are indications that material impairment may have occurred. Any impairment loss identified in this process is to be recognized at the amount by which the carrying amount of the respective cash-generating unit, including the goodwill allocated to this unit, exceeds the respective recoverable amount. This is the higher of use value and fair value less the selling costs.

Goodwill completely revalued unscheduled is reported in the Summary of Fixed Assets as a disposal.

Determination of the value in use:
The use value of the asset is equivalent to the present value of anticipated future cash flows from its continued use and end-of-life disposal. If no cash flow that is independent of other assets can be determined for an individual asset, the use value is calculated using the next largest unit to which this asset belongs, generating cash flows that are largely independent of the inflows from other assets (cash-generating units, CGUs). The RATH Group defines the individual group companies, grouped by countries, as CGUs.

The starting point for the cash flow forecasts on an after-tax basis to determine the value in use is the budget approved by Executive Board and adopted by the Supervisory Board. After a detailed planning period extending over 5 years, a perpetual annuity is assumed based on the assumptions of the previous year, taking into account a sustainable long-term growth rate of 2 % (previous year: 2 %), which tends to offset general inflation. The planning and forecasting of free cash flows is based in particular on internal and external assumptions about expected future selling prices and volumes, and the costs required to achieve them (in particular energy prices, raw materials, and personnel and taxes), taking into account the expected market environment. In addition, planned capital expenditures as well as the change in working capital are taken into account.

The planned or forecast future cash flows (free cash flows) before taxes are discounted to a present value using the discounted cash flow method. In order to take account of fluctuating inflation trends, the discount rate used this year is a period-specific blended rate calculated individually using the Capital Asset Pricing Model (CAPM) from the average return on debt and the expected return on equity employed (Weighted Average Cost of Capital/ WACC). The period-specific WACCs were largely determined using externally available capital market data from comparable companies.

The following period-specific WACCs after tax were used for the impairment tests of CGUs:

2024	ALLOCATED GOODWILL K€	WACC	WACC BEFORE TAXES	GROWTH RATE PERPETUAL ANNUITY
AT	0	7.89 %	10.25 %	2.00 %
DE	0	7.34 %	10.49 %	2.00 %
HU	0	10.32 %–10.86 %	11.34 %–11.93 %	2.00 %
US	2,104	7.16 %–7.37 %	9.81 %–10.10 %	2.00 %
REST OF	0	9.15 %–9.86 %	12.05 %–12.98 %	2.00 %

2023	ALLOCATED GOODWILL K€	WACC	WACC BEFORE TAXES	GROWTH RATE PERPETUAL ANNUITY
AT	0	7.92 %	7.94 %	2.00 %
DE	0	7.24 %	7.26 %	2.00 %
HU	0	9.98–11.93 %	9.99–11.94 %	2.00 %
US	1,978	6.75–7.58 %	6.77–7.6 %	2.00 %
REST OF	0	8.62–8.64 %	8.64–9.53 %	2.00 %

The fair value measurement is classified in its entirety within Level 3 of the fair value hierarchy, as significant inputs (in particular cash flows) are not observable in the market.

Any subsequent non-impairment leads to an appreciation in value affecting net income up to the lower value of the amortized purchase or production costs and the recoverable amount.

As of the balance sheet date, and thus unchanged from the previous year's balance sheet date, no impairment loss or appreciation in value was recognized in relation to the CGUs.

Sensitivity of the assumptions made
Significant macroeconomic and industry- and company-related assumptions were made in determining the use values of the individual CGUs. The recoverability test was supplemented with stress tests by changing the key parameters individually as part of a sensitivity analysis.

The cash-generating units (CGUs) were individually simulated in the course of the sensitivity analysis for the following parameter changes (stress test): A relative reduction in planned EBITDA by 5 % was assumed in the detailed planning period and in perpetuity. In this simulation, there is no shortfall in the value in use compared to the carrying amount of the cash-generating units. If the WACC is increased by 1.5 percentage points, the simulation does not lead to a shortfall in the value in use compared to the carrying amount in the cash-generating units. A reduction in the growth rate in the perpetual annuity of 0.5 percentage points does not result in a shortfall in any of the cash-generating units.

6.5 GOVERNMENT GRANTS

Government grants for expenses are recognized as other operating income in the respective period, except when the payment of the grant is dependent on conditions that do not occur with sufficient probability yet.

Expense subsidies
Expense subsidies are recognized as deferred income from the date of the binding commitment and deducted from the corresponding expense item in accordance with the expenses incurred.

In the business year 2024, binding government grants were committed (previous year: k€ 125). k€ 0 (previous year: k€ 125) were deducted from the expenses incurred in the business year. In 2024, k€ 0 (previous year: k€ 105) is reported as other operating income.

Investment grants
Investment grants are recognized on the liability side from the time binding approval is given, and reported as affecting net income in accordance with the depreciation of the assets in question.

No investment grants were recognized as liabilities as at December 31, 2024 (previous year: k€ 0). A total of k€ 54 (previous year: k€ 55) in investment grants was recognized in other operating income.

Emission certificates
Based on Directive 2003/87/EC of the European Parliament and of the European Council establishing a scheme for greenhouse gas emission allowance trading, emission certificates are allocated free of charge to the affected companies in the RATH Group through national allocation plans. In addition, the companies concerned were allocated quotas for the exchange of international emission certificates for EU emission allowances free of charge.

Emission certificates allocated free of charge and profits from the exchange of international emission allowances acquired against payment for EU allowances using the quota allocated free of charge are not recognized in the consolidated financial statement of the RATH Group.

To the extent that the certificates used exceed the certificates held, the accrual or provision is measured at the fair value of the certificates (to be replenished) at the relevant reporting date. As of December 31, 2024, sufficient emission certificates were available, as was the case on the previous year's reporting date.

6.6 FINANCIAL ASSETS AND LIABILITIES

Valuation and initial assessment
Trade receivables are recognized from the date on which they arise. All other financial assets and liabilities are initially recognized on the trading day when the organization becomes a party to the contract under the terms of the instrument.

A financial asset (other than a trade receivable without a significant financing component) or a financial liability is initially assessed at fair value. In the case of an item that is not valued at FVTPL, the transaction costs that are directly attributable to the acquisition or issue of the financial instrument are added. Trade receivables without significant financing components are valued at the transaction price upon initial recognition.

Classification and subsequent valuation of financial assets

Upon initial recognition, a financial asset is classified and valued as follows:

- *Financial assets at amortized cost*
  These assets are subsequently measured at amortized cost using the effective interest method. The amortized acquisition costs are reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognized in profit or loss. A gain or loss from the derecognition is recognized in profit or loss.

- 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.

- FVOCI debt instruments
  These investments into debt instruments are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment losses are recognized in profit or loss. Other net gains or losses are recognized in other income. Upon derecognition, the accumulated other income is reclassified to profit or loss.

- FVOCI equity investments:
  Equity investments are assessed at fair value with changes in other income. Dividends are recognized as earnings in profit or loss unless the dividend is clearly covering part of the costs of the investment. Other net gains or losses are recognized in other income and never recycled to profit or loss.

Financial assets are reclassified after initial recognition only if the Group changes its business model for managing the financial assets. In this case, all affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

A financial asset is valued at amortized cost if both of the following conditions are met and it has not been designated as FVTPL:

- It is held in the context of a business model whose objective is to hold financial assets in order to collect the contractual cash flows, and

- the contractual terms of the financial asset give rise to cash flows on specified dates that are solely payments of principal and interest on the principal outstanding.

A debt instrument is designated as FVOCI (fair value through other comprehensive income) if both of the following conditions are met and it has not been designated as FVTPL:

- It is held in the context of a business model whose objective is to hold financial assets to collect the contractual cash flows as well as to sell financial assets; and

- its contractual terms result in cash flows at specified dates, which constitute exclusively payments of principal and interest on the outstanding principal.

Upon initial recognition of an equity investment that is not held for trading, the RATH Group may irrevocably elect to show consequential changes in the fair value of the investment in other income. This choice is made on a case-by-case basis for each investment.

All financial assets that are not valued at amortized cost or at FVOCI are assessed FVTPL. This includes all derivative financial assets. Upon initial recognition, the Group may irrevocably decide to designate financial assets that otherwise qualify for valuation at amortized cost or at FVOCI at FVTPL if this results in the elimination or significant reduction of accounting mismatches otherwise occurring. There are no receivables or liabilities within the Group that are measured at fair value.

Impairment of financial assets
The Group assesses the expected credit losses associated with debt instruments measured at amortized cost or fair value through equity on a forward-looking basis. The impairment method depends on whether there is a significant increase in credit risk.

In the case of trade receivables, the Group applies the simplified approach permitted by IFRS 9, according to which expected credit losses are to be recognized over the term of the receivables from the time of initial recognition. In order to measure the expected credit losses, trade receivables and contract assets were combined on the basis of common credit risk characteristics and days past due. Contract assets relate to work in progress that has not yet been invoiced and have essentially the same risk characteristics as trade receivables for the same types of contracts have. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for contract assets.

The expected loss rates are based on the payment profiles of the revenues over a period of 36 months prior to December 31, 2024, or January 01, 2025, respectively, and the corresponding historical defaults in this period. Historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of customers to settle the claims. The Group has identified the country risk in relation to the respective customer domicile as the most relevant factor and adjusts the historical loss rates based on expected changes in these factors.

The default risk of trade receivables and contract assets is generally classified as low. A significant increase in this is estimated from an overdue period of 90 days.

Information on developments of the value adjustment in relation to trade receivables is provided in Note (12).

Trade receivables and contract assets are derecognized when it is reasonably considered that they are no longer realizable. Indicators that, based on reasonable judgment, claims no longer appear to be recoverable include, without being limited to, a debtor's failure to commit to a repayment schedule to the Group and a failure to make contractual payments for a period of more than 120 days in arrears. In order to determine the loss ratio, i.e. the actual loss of receivables in the event of a customer default or what is likely to be uncollectible from the insolvency estate, the customer's financial situation as well as empirical values and estimates by legal experts are taken into account in addition to any collateral.

Impairment losses on trade receivables and contract assets are presented in the operating result as impairment losses, net. Amounts achieved in subsequent periods and previously written off are recognized in the same item.

Classification of financial liabilities
Upon initial recognition, a financial liability is classified and valued as follows:

- Other financial liabilities (at amortized cost)

- FVTPL (at fair value through profit or loss)

Other financial liabilities are subsequently assessed at amortized cost using the effective interest method. Interest expenditures and foreign currency translation differences are recognized in profit or loss. Profits or losses from write-off are also recognized in profit or loss.

Write-off
The Group writes off a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the cash flows in a transaction in which all significant risks and rewards of ownership of the financial asset are transferred. Write-off takes place also if the Group neither transfers nor retains all material risks and rewards of ownership and does not retain power of disposal over the transferred asset.

The Group writes off a financial liability when the contractual obligations have been fulfilled, canceled or expired. The Group also writes off a financial liability if its contractual terms are changed and the cash flows of the adjusted liability significantly differ. In this case, a new financial liability is recognized at fair value based on the revised terms. Whenever a financial liability is written off, the difference between the book value of the repaid liability and the consideration paid (including non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Derivative financial instruments
As of December 31, 2024, and thus unchanged from the previous year's balance sheet date, the RATH Group does not hold any derivative financial instruments.

6.7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include ready money and readily available bank balances with a remaining time to maturity of up to three months. The item Cash and cash equivalents corresponds to the cash fund in the consolidated cash flow statement.

6.8 INVENTORY

Inventory is valued at the lower value of the purchase or production costs and the net realizable value as of the balance sheet date.
The RATH Group reviews the recoverability of inventory at regular intervals and compares them with the net realizable value on the sales market (selling price less attributable selling and administrative costs). If this is lower than the cost of acquisition or production is, a depreciation to net realizable value is recognized as affecting net income.

In addition, marketability discounts for raw materials, excluding spare parts, are assumed to be 50 % in case of no consumption of the raw material between 2 and 3 years and 100 % in case of no consumption over 3 years. In the case of finished products, a distinction is made between adhesives and castables and other finished products. Adhesives and castables are written down by 100 % if they have not been used within one year. For all finished products other than standard products, the following movement discounts apply:

- No consumption within 3 years: 33 %
- No consumption within 4 years: 67 %
- No consumption within 5 years and more: 100 %

If the reason for the marketability discount or the impairment due to a lower net realizable value ceases to apply, the value adjustment is reversed.

Purchase or production costs include all costs of manufacturing, working and processing, as well as other costs that have been incurred to bring the inventory in its current location and condition. Production costs include all direct costs and variable costs and overheads that are systematically incurred during production on the basis of the average utilization of the production facilities. Unit costs are calculated using the moving average price method.

The net realizable value is the estimated selling price in the ordinary course of business less applicable variable cost of sales and production.

6.9 EMPLOYEE BENEFITS

- *Short-term employee benefits*
  Obligations from short-term employee benefits are recognized as an expense as soon as the related work is performed. A liability is recognized for the amount expected to be payable if the Group currently has a legal or actual obligation to pay that amount as a result of employee service, and the obligation can be estimated reliably.

- *Defined-contribution plans*
  Obligations for contributions to defined-contribution plans are recognized as an expense as soon as the related work is performed. Prepaid contributions are recognized as assets if and insofar as a right to reimbursement or a reduction in future payments arises. In

the case of defined-contribution pension plans, the company performs payments to private or public pension systems and employee and employee pension funds due to statutory or contractual obligations. There are no other obligations beyond the payment of contributions.

- *Defined-benefit plans*
  All other obligations result from unfunded, defined-benefit plans and are provided for accordingly. The Group's net obligation with regard to defined-benefit plans is calculated separately for each plan by estimating the future benefits that the employees have earned in the current and prior periods. This amount is discounted, and the fair value of any scheme assets is deducted.

This obligation is reported in accordance with IAS 19. This is done by determining the present value of the defined-benefit obligation (DBO). The DBO is calculated using the projected unit credit (PUC) method. According to this method, future payments are calculated using realistic assumptions over that period during which the respectively entitled persons acquire these entitlements. The calculation of the required provision value is done for the respective balance sheet date by an actuary's expert opinion.

Future obligations will be assessed according to actuarial principles and are based on a proper assumption of the discount rate, salary increase factor and the pension increase factor. Assumption-based revaluations of the net liability from defined-benefit plans are recognized directly in stockholders' equity via other income in the year in which they occur. Thus, the accrual or provision usually corresponds to the actual obligation on the respective balance sheet date. Any past service costs are immediately recognized as affecting net income. Regarding the anniversary bonus provisions, actuarial profits and losses are immediately reported as affecting net income. For severance payment provisions and pension provisions, the results from the revaluation of the net liability are recognized in the other income. With respect to severance payment provisions, the service costs are distributed over the time frame in which the maximum entitlement to compensation is reached.

6.10 ACCRUALS AND PROVISIONS

Accruals and provisions are recognized whenever the RATH Group has a legal or factual obligation to a third party as a result of a past event, whereby it is likely that this obligation will lead to a reduction of resources and a reliable estimate of the amount of the obligation can be made. If dismantling work needs to be carried out on a tangible asset at the end of its useful life, the associated expenses will be entered on the liabilities side in the form of an accrual or provision for costs of disposal and capitalized as part of purchase or production costs. The accruals and provisions are recognized at the value corresponding to the best possible estimate of the expenditure required to fulfill the obligation. If the present value of the accrual or provision established using a standard market interest rate is significantly different from the nominal value, the present value of the obligation is recognized.

6.11 TAXES

Tax expenditure includes current and deferred taxes. Current taxes and deferred taxes are recognized in profit or loss. Excepted from this are those items that are associated with a merger or with an item recognized directly in stockholders' equity or in other income.

Interest and penalties on income taxes that do not meet the definition of income taxes are accounted for in accordance with IAS 37. IFRIC 23 is taken into account for the accounting of uncertain tax items.

Current taxes
Current taxes are the expected tax payables or tax claim on taxable income or fiscal loss for the business year based on tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable for earlier years. The amount of the expected tax liability or tax claim reflects the amount that represents the best estimate, taking into account fiscal uncertainties, if and insofar as there should be any. Current tax liabilities also include all tax liabilities arising as a result of the determination of dividends.

Current taxes for individual companies within the RATH Group are calculated from the income tax liability of the company and the tax rate applicable in the respective country. Current tax assets and liabilities are netted only under certain conditions.

There is a tax sharing agreement pursuant to § 9 (8) KStG 1988 between RATH AG as the parent company and the Group companies Aug. RATH jun. GmbH and RATH Business Services GmbH as group members for the purpose of group taxation. In addition, there is a fiscal unity between the US companies and the companies in Germany.

Deferred taxes
Deferred taxes are recognized for temporary differences between the carrying amounts of assets and liabilities for Group accounting purposes and the amounts used for fiscal purposes and for fiscal loss carry-forwards. No deferred taxes are reported for the following items:

- temporary differences upon initial recognition of assets or liabilities in a transaction that is not a merger of companies and affects neither the balance sheet result before taxes nor the taxable result.

- temporary differences associated with investments into subsidiaries, affiliates and associates and jointly controlled entities, if and insofar as 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.

- taxable temporary differences upon initial valuation of goodwill.

A deferred tax asset for unused fiscal losses, unused fiscal credits and deductible temporary differences is recognized to the extent that it is probable that future taxable results will be available against which it can be utilized. Future taxable profits are determined on the basis of the reversal of taxable temporary differences. If the amount is not sufficient to fully capitalize deferred tax assets, the future taxable profits – taking into account the reversal of temporary differences – are to be determined on the basis of the individual business plans of the subsidiaries. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized. Write-ups are made if the probability of future taxable income improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it is probable that future taxable earnings will allow the asset to be recovered.

Deferred taxes are assessed using the tax rates expected to apply to temporary differences as soon as they reverse, using tax rates in force or announced at the reporting date.

The calculation of deferred taxes in Austria was based on a tax rate of 23 % from 2024 on (previous year: 23 %). Unchanged from previous years, the calculation was carried out in Germany with 31 %, in Hungary with 9 % and in the USA with 23 %.

The valuation of deferred taxes reflects the fiscal consequences arising from the Group's expectations regarding the manner in which the carrying amounts of its assets and liabilities will be recovered or settled at the reporting date.

Deferred tax assets and deferred tax liabilities are to be netted if certain conditions are met.

6.12 REVENUE RECOGNITION

General
The basis for the recognition of sales revenue within the RATH Group is the existence of a contract in which a consideration is agreed with the customer. The consideration is allocated to the individual performance obligations under the contract on the basis of their relative individual selling prices. If these are not available (e.g. for customer-specific projects), the expected costs plus a margin are used.

Variable consideration is recognized in sales revenue only to the extent that it is highly probable that there will not be a significant reduction in such amounts in the future. Sales revenue is therefore presented less any rebates, discounts, bonuses and any contractual penalties. Revenue recognition is also performed for graded price structures that define discounts in future periods. Recognition of variable considerations is mainly based on historical data.

The diversity in the product and customer portfolio is also reflected in the payment terms and is particularly pronounced in the project business. In general, the RATH Group strives for payment schedules that roughly correspond to the progress of the project or the shortest possible payment terms for pure delivery orders.

Depending on the nature of the performance obligation, it is recognized as turnover in a date-based or period-based manner, respectively.

Performance obligations within the RATH Group
The RATH Group produces and sells refractory products. These include high-temperature insulation wool, rolls, mats, combination modules, lightweight refractory bricks and dense bricks and castables, as well as vacuum-formed shapes and filter elements. In addition to the production of standard formats, also customer-specific products are manufactured, whose production usually requires engineering (planning). In the context of projects, customers are provided with holistic refractory solutions such as furnaces. In addition to engineering, further services such as assembly, supervision or repair services are offered and also sold together with the production service.

A performance is customer-specific if:

- the design specifications are unique to a customer and reworking would be uneconomical or involve significant costs; or
- alternative use of the products is limited by contractual restrictions.

At the beginning of the contract, independent goods or services are deferred and identified as a performance obligation. A series of independently deferrable goods or services that are essentially the same and have the same pattern of transmission to the customer are identified as a performance obligation (e.g. production of several identical bricks of standard size).

A product or a service is independently deferrable if the following two criteria are met:

- the customer derives benefits from the promised goods or services directly or in combination with other resources available to the customer; and
- the promised goods or services are separable from other promised goods or services under the same contract.

The following significant and typical performance obligations exist within the RATH Group:

- Production of products with standard format
- Engineering (incl. documentation) and manufacturing of customer-specific products
- Services such as installation, supervision, repair or maintenance

Neither in the business year nor in the previous year were there any agreements containing significant financing components or significant guarantees or warranties and associated obligations. As in the previous business year, the performance obligations have an expected original term of a maximum of one year.

Period-based revenue recognition
The Group recognizes revenue over a period of time if any of the following criteria is met:

- The customer receives the benefit of the performance provided and consumes it at the same time
- Production or improvement of an asset over which the customer has control during the production or improvement

- Customer-specific performance: Production of an asset that cannot be used by the company for any other purpose, where there is an entitlement to receive payment for the performances rendered so far and an expectation that the contract be performed as agreed

This results in the following typical performance obligations within the RATH Group, for which period-based revenue is recognized:

- Engineering (incl. documentation) and manufacturing of customer-specific products

- Services such as installation, supervision, repair or maintenance

Date-based revenue recognition
If the criteria for period-based revenue recognition are not met, the revenues are recognized in a date-based manner.
Revenue is therefore recognized when control is transferred on a specific date. Here, the Group uses the following indicators:

- The significant risks and rewards of ownership of the asset lie with the customer in accordance with the agreed INCOTERM

- Customer acceptance (unless a mere formality)

The RATH Group has the following significant and typical performance obligations, for which date-based revenue recognition is applied:

- Production of products with standard format

Contract costs
Costs incurred to obtain a contract with an expected term of no more than one year are recognized in accordance with IFRS 15:91–94. Significant costs incurred in obtaining a contract with a term of more than one year are capitalized as an asset and expensed over the term of the contract. As of December 31, 2024, no deferred contract costs existed (previous year: k€ 0).

6.13 FINANCIAL INCOME AND EXPENSES

The Group's financial income and expenses comprise

- Interest income

- Interest expenditures

- Income from securities

- Net gains or losses from financial assets assessed at FVTPL

- Foreign exchange gains and losses from financial assets and liabilities

- Impairment losses (and reversals of impairment losses) on investments in securities measured at amortized cost

Interest income and expenses are recognized in profit or loss using the effective interest method. Income from securities is recognized in profit or loss at the time when the Group has a legal claim to payment.

The effective interest rate is the interest rate that exactly discounts the estimated future cash outflows or receipts over the expected lifetime of the financial instrument:

- on the net book value of the financial asset, or

- on the residual book value of the financial liability.

In the calculation of interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (if the asset's credit rating is not impaired) or to the residual carrying amount of the liability. For financial assets that are impaired in terms of credit rating after initial recognition, by contrast, interest income is calculated by application of the effective interest rate to the amortized acquisition cost of the financial asset. If the credit rating of the asset is no longer impaired, interest income is again calculated on a gross basis.

6.14 SIGNIFICANT ESTIMATES, DISCRETIONARY DECISIONS, AND ERRORS

General
Preparation of the consolidated financial statement requires the management to make certain estimates and assumptions that affect the application of accounting and valuation methods, the recognition and measurement of assets and liabilities and contingent liabilities, the disclosure of other obligations at the balance sheet date, and the recognition of income and expenditures during the reporting period.

Historical information, planning data and economic conditions of the business environment are taken into account when determining the estimates and assumptions. These estimates and the underlying assumptions are reviewed on an ongoing basis. The actual amounts may differ from these estimates. With respect to liabilities and impairments not reported in the balance sheet and arising from sureties, guarantees and other contingencies, regular estimates are made as to whether recognition is required in the consolidated financial statement.

The following accounting and valuation methods are most significantly associated with management's use of discretion, estimates and assumptions:

Revenue recognition
In addition to material deliveries, there are often other performance obligation such as engineering, supervision or installation services. This gives rise to discretionary scope with regard to determining the individual distinguishable performance obligations and the allocation of the consideration to them on the basis of their individual selling prices. It is also necessary to exercise discretion as to whether in the case of orders from long-standing existing customers or in areas in which the Group has long-standing experience a customer acceptance not yet performed should be classified as a formal act and therefore revenue is recognized in a period-based manner.

In addition, the assessment of whether a material is customer-specific requires certain discretionary powers. This classification is decisive for the timing of revenue recognition. Determination of the transaction price hardly involves any discretionary decisions, as it is usually not of a variable nature.

The RATH Group provides various types of product guarantees depending on the business line and market conditions.
The accounting of provisions for product warranties is as a matter of principle associated with estimates regarding the frequency and amount of the claims. These estimates are based on historical records of the frequency and amount of warranty claims as well as management's best estimate of the expected benefits from warranty claims. As there have been no significant expenses from warranty claims in the past and no significant changes are expected in the future, we did not recognize a provision for product liability in the previous year.

Recognition of deferred tax assets
In order to determine deferred tax assets, assumptions have to be made regarding future taxable income and the time of realization of deferred tax assets. However, since future business developments are uncertain, and in some cases they cannot be influenced by the RATH Group, the valuation of deferred taxes is subject to uncertainties.

Accounting of mergers

The accounting of mergers requires the use of discretionary judgment in assessing the identifiability of intangible assets and recognizing all identifiable assets, liabilities and contingent liabilities at their fair values at the acquisition date. In particular, the valuation of intangible assets is as a matter of principle based on the forecast of the overall expected future cash flows and is closely linked to management's assumptions regarding their future development and the underlying developments of the discounting interest rate to be applied.

Impairment of assets

Goodwill and assets are reviewed for recoverability whenever any events or changes in circumstances indicate that the carrying amount 'of an asset or group of assets may exceed its recoverable amount. Goodwill and intangible assets not yet ready for use are to be tested for recoverability annually, even if there are no signs of impairment. When assessing recoverability, the management makes estimates and future-related assumptions about the expected cash flow surpluses and cost of capital rates for the RATH Group and individual cash-generating units in the planning periods. The estimates made are made to the best of the management's knowledge and belief under the going concern assumption, are based on experience, and take the remaining uncertainty into account in an appropriate manner.

Useful lives of property, plant and equipment

Determination of the useful lives of property, plant and equipment is based on estimates that are in turn based on experience from the operation of comparable assets. A list of the useful lives is provided in Note (6.1).

Valuation of existing obligations for pensions, severance payments and service anniversary bonuses

The actuarial valuation of pension plans as well as of severance remuneration and service anniversary bonuses is based on assumptions concerning the expected discount rate, salary and pension increases, fluctuation rates and life expectancy. Detailed information on the parameters used as well as a sensitivity analysis is provided in Note (15).

Subsequent measurement of trade receivables and contract assets

Value adjustments for trade receivables and contract assets are based on expected credit losses. This requires assumptions to be made to determine the weighted average loss rates.

Capitalization of development costs

In addition to the definition of the research and development phase, the assessment of technical feasibility also involves discretionary decisions by the management. Meeting the recognition criteria for intangible assets under IAS 38 likewise necessitates assumptions about market conditions and developments, customer demand and other future developments.

Restatement in accordance with IAS 8.41 et seqq.

IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" must be applied to the selection and application of accounting policies, the recognition of changes in accounting estimates, and the correction of errors from previous periods. Changes to accounting policies and corrections of errors are as a matter of principle made retrospectively.

During the preparation of the IFRS reporting package of the Mexican Group company, an error was identified when reviewing the financial statement items for the last five years. An amount of kMX$ 22,058 (equivalent to approximately k€ 960) had been erroneously recognized in the balance sheet under inventories, trade receivables and other non-financial receivables in the course of a consolidation entry (HBII) and subsequently updated annually. From today's perspective, this represents a historic consolidation error. The error correction was carried out retrospectively in accordance with IAS 8.42. The comparative figures for the previous year (2023) have been adjusted to ensure a correct presentation of the net assets, financial position and results of operations. In addition, an adjustment was made as at January 1, 2023 (beginning of the reporting period).

The error was corrected by retrospectively adjusting all affected items in the financial statements for previous years as follows:

Balance Sheet (excerp)	DECEMBER 31, 2023 K€	INCREASE/ (DECREASE) K€	DECEMBER 31, 2023 RETROSPECTIVELY ADJUSTED K€	JANUARY 1, 2023 K€	INCREASE/ (DECREASE) K€	JANUARY 1, 2023 RETROSPECTIVELY ADJUSTED K€
Trade receivables	15,040	(534)	14,506	14,108	(479)	13,629
Other non-financial receivables and deferrals	3,628	(317)	3,311	2,980	(338)	2,642
Inventory	29,195	(160)	29,035	27,481	(144)	27,337
Net profit and available savings	49,784	(777)	49,007	46,470	(837)	45,633
Reserve from currency conversion	(2,578)	(234)	(2,812)	(2,622)	(125)	(2,747)
Total equity	58,239	(1,011)	57,228	55,075	(962)	54,113

Profit and loss account (excerpt)	2023 K€	PROFIT INCREASE/ (REDUCTION) K€	2023 RETROSPECTIVELY ADJUSTED K€
Other operating expenses	(13,663)	60	(13,603)
Consolidated result	5,264	60	5,324
Basic undiluted result per share (in €)	3.51	0.04	3.55
Diluted result per share (in €)	3.51	0.04	3.55

Basic and diluted earnings per share for the previous year were likewise adjusted retrospectively. The adjustment for basic and diluted earnings per share resulted in an increase of k€ 0.04 per share.

7 BUSINESS SEGMENTS

General

The business segments are presented by region. The business segmentation by regions corresponds to the RATH Group's internal reporting system, which is regularly presented to the chief operating decision-maker, the Executive Board of RATH AG.

Assets and liabilities as well as yields and expenses are allocated to the individual business segments only if and insofar as they are attributable to the respective business segments directly or by way of a reasonable procedure. Allocations between the individual segments are performed using the arm's length principle.

The business segment information is subject to the same accounting and valuation methods as the consolidated financial statement is, and is presented according to the following regions:

Austria:	RATH AG, Chamottewaren- und Thonöfenfabrik Aug. RATH jun. GmbH, RATH Business Services GmbH
Germany:	RATH GmbH, RATH Sales GmbH & Co KG, RATH Sales Beteiligungs GmbH
Hungary:	RATH Hungaria Kft.
USA:	RATH Inc.
Rest of world:	RATH žárotechnika spol. s r.o, RATH Polska Sp. Z o.o., RATH Ukrajina TOW, RATH Group S. de R.L. de C.V.

Segment reporting

The segment "Austria" comprises the production site in Krummnußbaum, where, in addition to the production of lightweight refractory bricks and dense bricks, further focuses are on the production of vacuum-formed shapes and stove fitter products. The holding company RATH AG and RATH Business Services GmbH are also allocated to this segment.

Filter cartridges for hot-gas filtration are produced in addition to vacuum-formed shapes at the Meißen plant, which is assigned to the "Germany" segment. The Mönchengladbach plant mainly produces high-temperature wool, from which we manufacture mats and rolls or modules. The focus of the Bennewitz plant is on the production of insulating fire bricks.

The plant in Budapest belongs to the "Hungary" segment and produces mainly pre-cast blocks and dense bricks as well as lightweight refractory bricks.

In the "USA" segment, refractory products are produced and sold at the two locations in Milledgeville and Owensville. The Milledgeville plant mainly produces dense bricks. At the Owensville site, the production focus is on refractory products for the glass industry and the further processing of vacuum-formed parts.

In the above segments, in addition to the production of standard formats, customer-specific products are also manufactured, whose production generally requires engineering (planning). In the context of projects, customers are provided with holistic refractory solutions. In addition to engineering, further services such as assembly or supervision are offered and also sold together with the production service.

The segment "Rest" consists of the sales companies in the Czech Republic, Poland, Ukraine, and Mexico.

	AUSTRIA K€	GERMANY K€	HUNGARY K€	USA K€	REST OF K€	CONSOLIDATION K€	TOTAL K€
2024							
Orders for goods	30,543	21,350	10,506	21,401	2,682	0	86,481
Delivery of materials including services	7,910	11,270	2,340	285	3,013	0	24,818
Intra-Group sales	11,165	23,521	5,351	470	467	-40,953	22
Other revenues	0	25	0	0	0	0	25
Total	**49,618**	**56,166**	**18,197**	**22,156**	**6,162**	**-40,953**	**111,345**
Other operating income	12,509	3,958	274	0	75	-14,968	1,848
Cost of material and purchased services	-32,502	-34,885	-12,264	-10,323	-3,343	41,199	-52,118
Personnel expenses	-15,855	-13,170	-3,128	-6,703	-1,047	0	-39,903
Other operating expenses and impairment loss from trade receivables and contract assets	-12,788	-9,288	-2,466	-4,143	-731	14,650	-14,766
EBITDA	**982**	**2,781**	**613**	**987**	**1,116**	**-72**	**6,407**
Depreciations	-1,727	-2,094	-764	-1,928	-56	0	-6,569
Segment result (EBIT)	**-745**	**687**	**-152**	**-942**	**1,060**	**-72**	**-163**
Financial income	3,781	73	466	26	62	-1,789	2,619
Financial expenses	-2,866	-109	-1,005	-1,281	-84	1,552	-3,793
Financial result	**915**	**-36**	-539	-1,255	**-22**	**-241**	**-1,174**
Earnings before tax (EBT)	**170**	**651**	-691	**-2,197**	**1,038**	**-314**	**-1,337**
Income tax	-182	179	-107	-16	-56	128	-54
Annual yield	**-13**	**831**	**-798**	**-2,212**	**982**	**-187**	**-1,392**
Segment assets	116,683	71,312	17,078	27,446	4,510	-112,448	124,581
Segment liabilities	72,530	38,324	12,177	26,881	3,158	-82,412	70,658
Investments	1,593	6,340	929	9,962	62	0	18,886
Depreciations	1,727	2,094	764	1,928	56	0	6,569

	AUSTRIA	GERMANY	HUNGARY	USA	REST OF	CONSOLIDATION	TOTAL*
					RETROSPECTIVELY ADJUSTED		
	K€	K€	K€	K€	K€	K€	K€
2023							
Orders for goods	33,457	21,397	11,840	21,558	2,963	0	91,215
Delivery of materials including services	17,201	11,093	917	515	825	0	30,551
Intra-Group sales	9,352	27,228	7,149	2,014	457	-46,200	0
Other revenues	0	21	0	0	0	0	21
Total	**60,010**	**59,739**	**19,906**	**24,087**	**4,245**	**-46,200**	**121,787**
Other operating income	9,165	4,158	233	0	67	-11,682	1,942
Cost of material and purchased services	-39,341	-36,457	-11,169	-12,881	-1,882	46,054	-55,676
Personnel expenses	-15,008	-12,619	-2,916	-6,364	-1,073	0	-37,980
Other operating expenses and impairment loss from trade receivables and contract assets	-11,240	-8,080	-1,873	-3,601	-646*	11,822	-13,620*
EBITDA	**3,585**	**6,741**	**4,181**	**1,241**	**711***	**-5**	**16,453***
Depreciations	-1,623	-2,025	-761	-1,950	-81	0	-6,440
EBIT	**1,962**	**4,716**	**3,419**	**-710**	**630***	**-5**	**10,011***
Financial income	4,431	9,699	883	33	64	-14,520	589
Financial expenses	-2,349	-173	-609	-586	86	787	-2,844
Financial result	**2,081**	**9,526**	**275**	**-553**	**149**	**-13,737**	**-2,258**
EBT	**4,044**	**14,242**	**3,694**	**-1,263**	**779***	**-13,743**	**7,753***
Income tax	-200	-1,882	-500	-12	18	147	-2,429
Annual yield	**3,843**	**12,361**	**3,194**	**-1,274**	**797***	**-13,597**	**5,324***
Segment assets	132,351	72,408	20,222	37,143	3,271*	-131,210	134,186*
Segment liabilities	86,675	40,254	14,152	38,947	2,708	-105,778	76,960
Investments	1,113	3,923	1,195	547	7	0	6,785
Depreciations	1,623	2,025	761	1,950	81	0	6,440

*See Annexed Note 6.14 (IAS 8) for information on the retrospective amendment

NOTES ON CONSOLIDATED BALANCE SHEET

8 TANGIBLE ASSETS (PROPERTY, PLANT AND EQUIPMENT)

	REAL ESTATE	BUILDINGS (INCLUDING BUILDINGS ON THIRD-PARTY GROUND)	MACHINERY	OTHER ASSETS AND BUSINESS EQUIPMENT	RIGHTS OF USE FROM LEASING	ASSETS UNDER CONSTRUCTION	TOTAL
	K€	K€	K€	K€	K€	K	K€
Acquisition cost							
As of January 01, 2023	405	30,534	112,694	13,662	3,417	1,070	161,781
Additions	0	282	2,672	430	2,070	3,431	8,885
Disposals	0	-16	-212	-90	-975	-9	-1,304
Repostings	0	173	686	68	0	-1,547	-621
Exchange rate change	8	-56	-478	-20	-27	11	-562
As of December 31, 2023	**414**	**30,917**	**115,362**	**14,050**	**4,485**	**2,954**	**168,184**
Additions	0	1029	3,256	997	164	4,129	9,575
Disposals	0	-4	-220	-148	-257	32	-596
Repostings	0	152	829	48	70	-1,098	0
Exchange rate change	-14	97	888	33	73	-30	1,045
As of December 31, 2024	**400**	**32,192**	**120,115**	**14,981**	**4,532**	**5,988**	**178,209**
Cumulated depreciations							
As of January 01, 2023	-1	-18,091	-81,036	-12,160	-2,042	0	-113,330
Additions	0	-785	-3,941	-414	-773	0	-5,913
Disposals	0	0	0	0	976	0	976
Exchange rate change	0	4	283	18	7	0	312
As of December 31, 2023	**-1**	**-18,872**	**-84,694**	**-12,556**	**-1,832**	**0**	**-117,955**
Additions	0	-801	-4,098	-467	-701	0	-6,067
Disposals	0	0	0	0	257	0	257
Exchange rate change	0	-18	-431	-30	-40	0	-520
As of December 31, 2024	**-1**	**-19,691**	**-89,223**	**-13,053**	**-2,316**	**0**	**-124,284**
Carrying amounts							
As of January 01, 2023	**404**	**12,443**	**31,658**	**1,502**	**1,375**	**1,070**	**48,452**
As of December 31, 2023	**413**	**12,045**	**30,668**	**1,494**	**2,652**	**2,954**	**50,227**
As of December 31, 2024	**400**	**12,501**	**30,893**	**1,928**	**2,215**	**5,989**	**53,926**

Unscheduled impairment losses were recognized neither in the business year nor in the previous year.

The difference between depreciation in the summary of fixed assets and the profit and loss account results from the reversal of the expense allowance amounting to k€ 31 (previous year: k€ 3). As in the previous year, no property, plant and equipment was pledged for external financing. As of December 31, 2024, purchase commitments in the area of fixed assets amounted to k€ 973 (previous year: k€ 2,377).

9 INTANGIBLE ASSETS

	SOFTWARE	OTHER RIGHTS	LICENSES	ACTIVATED DEVELOPMENT EXPENSES	TRADEMARK LAW	CUSTOMER RELATIONS	GOODWILL	TOTAL
	K€	K€	K€	K€	K€	K€	K€	K€
Acquisition cost								
As of January 01, 2023	1,696	174	0	1,661	470	2,454	2,049	8,503
Additions	11	0	210	647	0	0	0	868
Disposals	0	0	0	0	0	0	0	0
Repostings	0	0	0	0	0	0	0	0
Exchange rate change	0	0	0	0	-16	-85	-71	-171
As of December 31, 2023	**1,708**	**174**	**210**	**2,308**	**454**	**2,369**	**1,978**	**9,200**
Additions	70	0	0	645	56	0	0	771
Disposals	-5	0	0	0	0	-59	0	-64
Repostings	0	0	0	0	0	0	0	0
Exchange rate change	1	0	0	0	29	117	126	273
As of December 31, 2024	**1,772**	**174**	**210**	**2,953**	**539**	**2,427**	**2,104**	**10,180**
Cumulated depreciations								
As of January 01, 2023	-1,609	-174	0	-371	-314	-1,499	0	-3,967
Additions	-50	0	-15	-25	-93	-350	0	-532
Exchange rate change	1	0	0	0	14	57	0	72
As of December 31, 2023	**-1,656**	**-174**	**-15**	**-396**	**-393**	**-1,793**	**0**	**-4,427**
Additions	-31	0	-30	-18	-116	-307	0	-502
Disposals	0	0	0	0	0	0	0	0
Exchange rate change	-2	0	0	0	-30	-83	0	-115
As of December 31, 2024	**-1,689**	**-174**	**-45**	**-414**	**-539**	**-2,183**	**0**	**-5,044**
As of January 01, 2023								
As of December 31, 2023	**87**	**0**	**0**	**1,290**	**156**	**955**	**2,049**	**4,536**
As of December 31, 2023	**50**	**0**	**195**	**1,912**	**61**	**576**	**1,978**	**4,771**
As of December 31, 2024	**84**	**0**	**165**	**2,539**	**0**	**245**	**2,104**	**5,136**

Information on goodwill is provided in Item (6.3) and (6.4) of the Notes.

As in the previous year, internally generated intangible assets comprise mainly capitalized costs for the development of a high-temperature long fiber.

Unscheduled impairment losses were recognized neither in the business year nor in the previous year.

As in the previous year, no tangible assets were deposited for external financing.

10 LEASES

Right-of-use assets under leases:

The right-of-use assets under leases developed in the business year as follows:

	PRODUCTION BUILDINGS AND WAREHOUSES, OFFICE BUILDINGS	EMPLOYEE VEHICLES	FORKLIFT TRUCKS AND OTHER COMMERCIAL VEHICLES	TOOLS AND OTHER EQUIPMENT	TOTAL
	K€	K€	K€	K€	K€
Acquisition cost					
As of January 01, 2023	1,992	800	594	32	3,418
IFRS 16 Remeasurements	0	0	0	0	0
Additions	1,552	511	7	0	2,070
Disposals	-214	-488	-277	0	-979
Exchange rate change	-29	8	-4	-1	-26
As of December 31, 2023	**3,301**	**831**	**320**	**31**	**4,483**
Additions	0	63	101	0	164
Disposals	0	-206	-51	0	-257
Repostings	0	70	0	0	70
Exchange rate change	65	-3	9	2	73
As of December 31, 2024	**3,366**	**755**	**379**	**33**	**4,532**
Cumulated depreciations					
As of January 01, 2023	-1,082	-616	-329	-15	-2,042
Additions	-332	-224	-211	-6	-773
Disposals	214	487	274	0	975
Exchange rate change	11	-6	1	1	7
As of December 31, 2023	**-1,189**	**-359**	**-265**	**-20**	**-1,833**
Additions	-305	-185	-205	-6	-701
Disposals	0	164	93	0	257
Exchange rate change	-38	2	-2	-2	-40
As of December 31, 2024	**-1,532**	**-378**	**-379**	**-28**	**-2,316**
Carrying amounts					
As of January 01, 2023	**910**	**184**	**265**	**17**	**1,376**
As of December 31, 2023	**2,112**	**472**	**55**	**11**	**2,649**
As of December 31, 2024	**1,834**	**377**	**0**	**5**	**2,215**

The acquisition of right-to-use assets under a lease agreement is not reflected in the cash flow statement as a non-cash transaction.

The expense recognized in the business year for short-term leases amounts to k€ 740 (previous year: k€ 613), and that for leases of low value to k€ 12 (previous year: k€ 8). Non-lease components amounting to k€ 127 (previous year: k€ 108) were reported. All 3 components are reported in the cash flow statement under the operating cash flow and summarized in other operating expenses under the item "Rental and leasing". The "Occupancy costs" presented in the same P&L statement item include primarily cleaning expenses and thus no expenses in connection with leases.

Leasing liabilities

The development of leasing liabilities in the business year is shown in Note (29). As of December 31, 2024, it is composed as follows:

	DECEMBER 31, 2024 K€	DECEMBER 31, 2023 K€
Non-current leasing liabilities	1,554	1,992
Current leasing liabilities	764	715
	2,319	**2,707**

Individual leases for employee vehicles are linked to the 3-month EURIBOR (not taking into account a change by 25 basis points). The effect of changes in this index was immaterial and was not included in the reconciliation.

In the business year, dividends amounting to k€ 84 (previous year: k€ 47) were reported in interest expenditures for leases:

The redemption portion of the leasing liability contained in the lease payments is recognized in cash flow from investing activities, to which the interest portion is also allocated in accordance with the option in IAS 7.31.

In accordance with IFRS 16, as a matter of principle the implicit interest rate specified by the lessor was used to measure the lease liabilities if this was contractually known and could be reliably determined. In cases where such an interest rate was not available or could not be reliably determined, a company-specific incremental borrowing rate (IBR) was used.

The IBRs were determined on the basis of the company's internal financing conditions and taking into account the term, credit rating, asset type, and regional market risks. A realistic company-specific interest curve was derived from this, which was used to measure the lease liabilities in accordance with IFRS 16 if no reliable implicit interest rate from the lessor was available. The derived interest rates were differentiated according to lease category, term, collateral and regional affiliation. For 2024, this resulted in incremental borrowing rates (IBRs) of 3.56 % to 5.00 %.

The rates were applied to all leases for which no reliable interest rate was available from the lessor.

11 INVENTORY

	DECEMBER 31, 2024 K€	DECEMBER 31, 2023 RETROSPECTIVELY ADJUSTED K€
Finished goods	13,854	15,953
Raw materials, consumables and fuel	6,252	5,953
Other inventories	3,692	4,141*
Merchandise	3,290	4,224
Value adjustments for inventories	-729	-1,236
	26,358	**29,035***

Inventories were tested for impairment in 2024. The comparison of acquisition and production costs with the net realizable value on the sales market and the determination of marketability discounts resulted in earnings from the reversal of value adjustments for inventories, excluding foreign currency effects, in the amount of k€ 506 (previous year: k€ 549).

*See Annexed Note 6.14 (IAS 8) for information on the retrospective amendment

12 TRADE RECEIVABLES AND CONTRACT ASSETS

Trade receivables and contract assets are composed as follows:

	DECEMBER 31, 2024 K€	DECEMBER 31, 2023 RETROSPECTIVELY ADJUSTED K€
Trade receivables	17,677	15,775*
Contract assets	4,560	8,225
Value adjustments	-856	-1,268
	21,382	**22,731***
of which non-current	0	0

The portfolio of contract assets has developed as follows:

	2024 K€	2023 K€
Balance as of 1 January	**8,225**	**7,646**
Addition	4,266	5,161
Reversal	-8,225	-4,654
Change in value adjustment	0	23
Currency conversion	294	49
Balance as of December 31	**4,560**	**8,225**

If, on the balance sheet date, performances have been provided in connection with performance obligations that meet the criteria for period-based revenue recognition and have not yet been (fully) invoiced, these services are deferred as contract assets in parallel with revenue recognition in accordance with the stage of completion. Thus, the contract assets of the RATH Group are primarily associated with uncompleted, customer-specific projects and customer-specific finished products from production orders without a service component. Raw materials and semi-finished products are not taken into account here.

Customer-specific projects not yet completed and performances rendered in connection with these and customer-specific construction contracts of a non-project nature are capitalized as contract assets.

Based on the procedure described in Note (6.6), the value adjustment with respect to trade receivables and contract assets was determined as follows as of December 31, 2024 and as of the previous year's balance sheet date:

		OVERDUE				
Value adjustments as of December 31, 2024	NOT OVERDUE	UP TO 90 DAYS	91-180 DAYS	181-360 DAYS	MORE THAN 360 DAYS	TOTAL
Expected loss ratio in %	0.20 %	0.18 %	11.42 %	20.46 %	99.35 %	
Trade receivables (gross carrying amount)	14,008	2,418	12	532	708	17,678
Other financial receivables (gross carrying amount)	0	0	0	0	0	0
Contract assets – gross carrying amount	4,560	0	0	0	0	4,560
Value adjustment	-38	-4	-1	-109	-704	-856

*See Annexed Note 6.14 (IAS 8) for information on the retrospective amendment

Value adjustments as at December 31, 2023 RETROSPECTIVELY ADJUSTED*	NOT OVERDUE	OVERDUE UP TO 90 DAYS	91-180 DAYS	181-360 DAYS	MORE THAN 360 DAYS	TOTAL
Expected loss ratio in %	0.69 %	1.37 %	0.94 %	0.16 %	89.53 %	
Trade receivables (gross carrying amount)	9,113*	3,607	113	1,722	1,219	15,774
Other financial receivables (gross carrying amount)	0	0	0	0	0	0
Contract assets (gross carrying amount)	8,225	0	0	0	0	8,225
Value adjustment	-124	-49	-1	-3	-1,091	-1,268

The value adjustments are developing as follows:

	2024 K€	2023 K€
Balance as of 1 January	**1,268**	**1,280**
Use	0	0
Reversal	-428	-11
Allocation to reserves	19	-1
Currency conversion	-4	0
Balance as of December 31	**856**	**1,268**

General information on credit and market risks as well as impairment of trade receivables is provided in the risk report.

13 OTHER NON-FINANCIAL RECEIVABLES AND DEFERRALS

	DECEMBER 31, 2024 K€	DECEMBER 31, 2023 RETROSPECTIVELY ADJUSTED K€
Receivables tax office and social security contributions	2,797	2,611*
Deferrals	378	445
Emission certificates	55	55
Miscellaneous other receivables	141	201
Other non-financial receivables and deferrals	**3,401**	**3,311***

*See Annexed Note 6.14 (IAS 8) for information on the retrospective amendment

14 STOCKHOLDERS' EQUITY

Unchanged compared to the previous year, the authorized capital is reported as RATH AG's nominal capital of k€ 10,905. It consists of 1,500,000 no-par value shares, which are fully paid up. As in the previous year, there are neither preferential rights nor restrictions, nor is there any authorized capital. Nor are any shares held by the parent company or subsidiaries.

The appropriated capital reserves amounting to k€ 1,118 (previous year: k€ 1,118) may be released only to offset a net loss that would otherwise have to be reported in the annual financial statements of RATH AG. The available savings are the result of profits and loss carry-forwards that were generated within the Group. The other reserves include other income excluding currency conversion differences, which are reported separately.

Dividends are determined according to the net profit reported in the annual financial statement of the parent company in accordance with corporate law. As of December 31, 2024, RATH AG reports a net profit to the amount of € 13,893,924 (previous year: k€ 15,359). For the business year 2024, no dividend payment is proposed.

The interest of non-controlling shareholders in equity relates to Chamottewaren- und Thonöfenfabrik Aug.Rath jun. GmbH, Austria, amount to 0.02 %, as in the previous year, and is not substantial.

Capital management

The management goal is to structure the capital in accordance with the requirements of shareholders, banks and creditors so as to ensure optimal development of the Group. The management pursues a balanced relationship between profitability, security in the form of a solid equity ratio, and operational flexibility. Neither the parent company nor subsidiaries are subject to minimum capital requirements under the Articles of Association or due to external requirements. The goal of capital management is, on the one hand, to ensure the continued existence of the Group companies ("going concern") and, on the other hand, to maximize shareholder return through the optimization of equity and debt capital.

The capital structure is continuously monitored. To this end, cost of capital and risks inherent in each type of capital are taken into consideration. The equity ratio is a central monitoring parameter. The target quota is above 40 %. The equity ratio at the reporting date was 43.3 % (previous year: 43.1 %).

In addition, the Executive Board monitors the Group's liquidity on an ongoing basis and reports to the Supervisory Board at regular intervals. As at December 31, 2024, the Group had cash and cash equivalents of k€ 9,000 and credit lines available at any time in the amount of k€ 9,525 (previous year: k€ 9,525), of which k€ 2,000 (previous year: € 0) were utilized. In addition, the Group took out further financing measures amounting to M€ 5 after the reporting date (31).

Earnings per share

The basic undiluted result per share is calculated by dividing the share of the consolidated result attributable to the stockholders of RATH AG by the weighted number of ordinary shares in circulation during the year.

	2024 K€	2023 RETROSPECTIVELY ADJUSTED K€
Proportion of consolidated result attributable to stockholders of the parent company in k€	-1,392	5,324*
Weighted number of shares in circulation	1,500,000	1,500,000
Result per share in €	-0.93	3.55
Dividend payout per share for the business year in €	1.00	1.30

The diluted result per share is equivalent to the basic undiluted result per share, as no financial instruments with a diluting effect are in use.

*See Annexed Note 6.14 (IAS 8) for information on the retrospective amendment

15 EMPLOYEE BENEFITS

Pension obligations

The pension obligation is based on individual contractual commitments to a total of one pension recipient / former executive employee in Austria, after whose retirement pension payments are to be made.

Severance payment obligations

In accordance with statutory provisions, the RATH Group is obliged to pay severance payments to all employees in Austria whose employment contracts began before January 01, 2003, as soon as their employment contracts are terminated by the employer or at the time of going into retirement This depends on the number of years of service and the salary at the time of severance and amounts to between two and 12 monthly salaries. With effect from December 31, 2002, the option was exercised to freeze all severance payments and to transfer all employees to the new system of a defined-contribution "employee pension fund." A provision is formed for the frozen obligation.

For all valid Austrian employment relationships that began after December 31, 2002, from the second month of the employment contract on the RATH Group pays 1.53 % of the employee's salary into the Employee Benefit Fund each month, where the contributions are invested in an employee account and are either paid or transferred as entitlement to the employee upon termination of the employment contract. The RATH Group is obliged solely to pay the contributions. For this defined-contribution pension model, therefore, no accrual or provision needs to be established.

All members of the Executive Board are entitled to a severance payment of half a month's salary per year of service upon termination of the Executive Board function and termination of the employment contract. € 148,554 (previous year: k€ 57) are included in other provisions.

Anniversary bonus reserves

Based on legal regulations or collective agreements, the RATH Group is obliged to pay anniversary bonuses to the amount of one to three months' salary to all blue-collar workers who joined the company on or after May 1, 2015, and to white-collar workers in Austria who have exceeded a certain length of service.

Calculation parameters

The calculations for employee benefits are based on the following parameters:

	2024 %	2023 %
Interest rate Pensions	3.08 %	3.37 %
Interest rate Severance payments	3.37 %	3.37 % – 3.49 %
Interest rate Anniversary	3.45 % – 3.72 %	3.44 % – 3.69 %
Salary increases	3.00 %	3.00 %
Pension increases	3.00 %	3.00 %
Probability of death	AVÖ 2018-P	AVÖ 2018-P

Through the Federal Constitution Act on Different Age Limits, the starting age for women's pensions will be gradually increased from 60 to 65 years starting in 2024. Starting in 2033, men and women may retire with pensions at 65.

	DECEMBER 31, 2024 K€	DECEMBER 31, 2023 K€
Accruals and provisions for severance payments	454	473
Accruals and provisions for pensions	1,241	1,306
Provisions for anniversary bonuses	392	382
	2,087	**2,160**

Development of the provision (DBO)	SEVERANCE PAYMENT PROVISION		PENSION PROVISION		ANNIVERSARY BONUS PROVISION	
	2024 K€	2023 K€	2024 K€	2023 K€	2024 K€	2023 K€
Cash value of accrual (DBO) on January 1.	**473**	**439**	**1,304**	**1,210**	**382**	**332**
Service costs	15	14	0	0	33	75
Interest expenses	16	18	42	45	13	13
Reported in the P&L account	**31**	**32**	**42**	**45**	**46**	**88**
Actuarial profits/losses						
from experience-based adjustments	16	31	15	147	0	0
from changes in demographic assumptions	0	0	0	0	0	0
from changes in financial assumptions	4	26	20	43	0	0
reported in other income	**20**	**58**	**35**	**190**	**0**	**0**
Disbursements	-69	-56	-139	-139	-36	-39
Other changes	0	0	0	0	0	0
Cash value of accrual (DBO) on December 31	**454**	**473**	**1,241**	**1,305**	**392**	**382**

The expected payments (“expected benefits”) from defined employee benefit obligations for subsequent years are as follows:

	DECEMBER 31, 2024		
	PENSIONS K€	SEVERANCE PAYMENTS K€	ANNIVERSARY BONUSES K€
up to 1 year	139	4	10
1 - 5 years	474	118	77
5 - 10 years	354	422	220
more than 10 years	136	228	1,884
Expected payments	**1,104**	**772**	**2,191**

For the RATH Group, the risk is primarily in the development of life expectancy and inflation, because the benefits from these care plans are life-long pension benefits. There are no further (extraordinary) risks. For the severance payments and the service anniversary bonuses, the risk is primarily in the development of inflation and wage increases.

Under otherwise unchanged conditions, a change in the interest rate of return or the increase in purchases has the following effects on the accruals and provisions:

Impact Change Return interest rate	INCREASE BY 1.0 PERCENTAGE POINTS K€	REDUCTION BY 1.0 PERCENTAGE POINTS K€
Change in the provision for severance payments	-34	38
Change in the provision for pensions	-65	72
Change to the provision for anniversary bonus payments	-46	56

	INCREASE BY 1.0 PERCENTAGE POINTS K€	REDUCTION BY 1.0 PERCENTAGE POINTS K€
Impact Change Payment increase		
Change in the provision for severance payments	38	-35
Change in the provision for pensions	71	-66
Change to the provision for anniversary bonus payments	56	-47

Pension payments to pension recipients in the business year amounted to k€ 139 (previous year: k€ 139).

The weighted duration corresponds to the weighted average maturity of the expected future benefits and is calculated according to F. Macaulay's formula and amounts to 4.74 years for the pension obligations (previous year: 4.99 years). Those of the severance obligations of RATH AG 9.16 years and those of Aug. Rath Jun. GmbH 8.56 years (previous year: 8.79 years). Obligations from anniversary bonuses are treated differently depending on the employment relationship. At RATH AG, the claims are recognized with a duration of 10.9 years; furthermore at Aug. Rath Jun. GmbH, the calculation for blue-collar workers is 27.73 years and for white-collar workers 16.77 years (previous year: 17.97 years).

16 FINANCIAL LIABILITIES

	DECEMBER 31, 2024			DECEMBER 31, 2023		
	NON-CURRENT K€	CURRENT K€	TOTAL K€	NON-CURRENT K€	CURRENT K€	TOTAL K€
Liabilities towards banks						
Investment loan	2,700	0	2,700	0	0	0
Cash advance	0	2,000	2,000	0	0	0
Investment loan	0	565	565	565	565	1,130
Promissory note bonds	40,000	892	40,892	40,000	4,954	44,954
	42,700	**3,457**	**46,157**	**40,565**	**5,519**	**46,084**

The promissory note loan item relates to the long-term promissory note loan in the amount of M€ 40 as well as the k€ 892 in interest thereon. The maturities of financial liabilities are presented in the risk report under liquidity risk. The main conditions of financial liabilities are as follows

TYPE OF FINANCING	INTEREST FIXED/ VARIABLE	CURRENCY	EFFECTIVE INTEREST 2024 %	CARRYING AMOUNT AS OF DECEMBER 31, 2024 K€	DUE	EFFECTIVE INTEREST 2023 %	CARRYING AMOUNT AS OF DECEMBER 31, 2023 K€	DUE
Cash advance	fixed	€	5.05	2,000	< 1 year	n/a	0	< 1 year
Investment loans	variable	€	4.58	2,700	> 1 year	n/a	0	< 1 year
Investment loans	fixed	€	0	0	< 1 year	1.53 - 2.11	4,000	< 1 year
Investment loan	fixed	€	0.78	565	< 1 year	0.78	565	< 1 year
Investment loan	fixed	€	n/a	0	> 1 year	0.78	565	> 1 year
Promissory note bonds	variable	€	4.16-6.04	26,500	> 1 year	4.7-5.9	26,500	> 1 year
Promissory note bonds	fixed	€	3.3 - 3.77	13,500	> 1 year	3.3 - 3.77	13,500	> 1 year
Accrued interest	n/a	€	n/a	893	< 1 year	n/a	954	< 1 year
				46,158			**46,084**	

IPlease refer to Note (20.6) with regard to the fair values.

17 ACCRUALS AND PROVISIONS AND CONTINGENT LIABILITIES

Current accruals and provisions

	PERSONNEL K€	OTHER K€	TOTAL K€
As of January 01, 2023	**1,223**	**245**	**1,468**
Addition	1,547	338	1,884
Consumption	-684	-250	-934
Reversal	0	0	0
Currency conversion	-13	2	-11
As of December 31, 2023	**2,073**	**335**	**2,408**
Addition	284	1,134	1,418
Consumption	-1,358	-197	-1,555
Reversal	0	0	0
Currency conversion	6	-57	-51
As of December 31, 2024	**1,005**	**1,214**	**2,221**

The decrease in personnel provisions is mainly due to the fact that premium provisions were reversed across the Group for the past business year. As in the previous year, other accruals and provisions are mainly composed of provisions for legal and consulting fees, provisions for Supervisory Board remuneration, and uncertain liabilities. All the accruals and provisions listed in the above table are short-term.

Pending legal disputes

As in the previous year, there are no major pending legal disputes ongoing as of the reporting date.

Contingent liabilities

The Group has the following contingent liabilities as of the balance sheet date:

	DECEMBER 31, 2024 K€	DECEMBER 31, 2023 K€
Retentions for business partners	3,131	4,538
	3,131	**4,538**

The financial retentions mainly relate to the project business and are granted in favor of customers to hedge our performance obligations, which are fulfilled by third parties. There are no return obligations that would exceed industry-standard guarantees. The management is currently not aware of any other significant opportunities and risks from off-balance sheet transactions.

18 INCOME TAX

	2024 K€	2023 K€
Current income tax expenditure for the current business year	298	-1,719
Current income tax expense for prior periods	-385	-358
Current income tax expense	**-87**	**-2,077**
Deferred tax expenditure/earnings	33	-352
Income taxes	**-54**	**-2,429**

The current income tax liabilities reported on the balance sheet date are owed to the following tax authorities:

	DECEMBER 31, 2024 K€	DECEMBER 31, 2023 K€
Germany	910	2,467
Austria	0	-89
Miscellaneous	10	131
Current income tax debts	**920**	**2,508**
Poland	0	0
Austria	23	23
Hungary	48	0
Czech Republic	5	19
Income tax receivables	**76**	**42**

Temporary differences between the amount stated in the IFRS consolidated financial statement and the respective fiscal valuation or loss carry-forwards, respectively, have the following impact on deferred taxes reported on the balance sheet:

	DECEMBER 31, 2024 K€	DECEMBER 31, 2023 K€
Holdings of deferred tax assets and liabilities:		
Deferred tax assets:		
Loss carry-forwards	1,575	1,607
Fixed assets	138	0
Inventories	1,108	912
Liabilities from leasing transactions	592	565
Contract liabilities and other liabilities	16	893
Personnel provisions IAS 19	120	127
Receivables	14	57
Temporary differences in the foreign currency valuation	2	0
Other	1,145	814
Subtotal deferred tax assets	**4,710**	**4,975**
Deferred tax liabilities:		
Fixed assets	-3,178	-3,053
Rights of use from leasing	-563	-302
Contract assets	-1,255	-1,998
Other	-181	-153
Subtotal deferred tax liabilities	**-5,177**	**-5,506**
Netting	-263	2,282
Deferred tax assets	**116**	**875**
Deferred tax liabilities	**-594**	**-1,407**
Deferred taxes (net position)	**-478**	**-532**

Based on the currently applicable tax regulations, it can be assumed that the differences resulting from retained earnings between the carrying amount of the investment for tax purposes and the prorated stockholders' equity of the subsidiaries included in the consolidated financial statements will essentially remain tax-free. No tax deferral has therefore been established in this regard.

Deferred taxes on loss carry-forwards amounting to k€ 6,443 (previous year: k€ 7,077) have been capitalized, as either on the basis of the existing budget statement it is probable their use will be offset with future fiscal profits, or sufficient taxable temporary differences are available.

On loss carry-forwards amounting to k€ 38,955 (previous year: k€ 35,557), no deferred taxes have been capitalized, as it is unlikely from the current perspective that they will be offset on the reporting date with future fiscal profits from individual companies. Of the non-recognized loss carry-forwards, k€ 31,790 (previous year: k€ 28,777) are non-vested to expire within the years 2027 to 2037, and k€ 7,165 (previous year: k€ 6,780) are vested.

The causes of the difference between the expected tax burden in accordance with application of the Austrian corporate income tax rate of 23 % and the income tax expense breaks down as follows:

	2024 K€	2023 RETROSPECTIVELY ADJUSTED K€
Earnings before income tax	-1,337	7,753*
Income taxes at the tax rate of 23 %	**307**	**-1,783***
Deviating foreign tax rates	-173	-402
Deviating foreign tax rates	0	0
Non-deductible expenses	-60	-50
Tax expenditure and earnings from previous periods	-385	-358
Other effects	257	164*
Effective tax burden (+) or relief (-)	**-54**	**-2,429**
Effective tax burden (+) or relief (-) in %	**4.0 %**	**31.6 %**

The tax recognized in the other income is as follows:

TAXES RECOGNIZED IN THE OTHER INCOME	2024 BEFORE TAXES K€	2024 TAX INCOME (EXPENSE) K€	2024 AFTER TAXES K€	2023 BEFORE TAXES K€	2023 TAX INCOME (EXPENSE) K€	2023 AFTER TAXES K€
Items not reclassified to profit or loss						
Revaluation of net liability from defined-benefit plans	13	-3	10	259	-65	194

*See Annexed Note 6.14 (IAS 8) for information on the retrospective amendment

19 OTHER NON-FINANCIAL LIABILITIES

The other non-financial liabilities are broken down as follows:

	DECEMBER 31, 2024 K€	DECEMBER 31, 2023 K€
Other personnel-related deferrals	749	677
Liabilities from taxes	1,807	1,615
Deferrals from vacation entitlements and overtime	806	790
Liabilities from social security contributions	468	458
Investment and expenditure grants	2,348	2,208
Miscellaneous other non-financial liabilities	184	352
Other non-financial liabilities	**6,362**	**6,100**
of which non-current	2,348	2,208

The investment and expense grants mainly consist of a non-repayable COVID-19 investment premium amounting to k€ 411 (previous year: k€ 439) and a non-repayable research grant from the European Union amounting to k€ 1,754 (previous year: k€ 1,785), which was recognized as an expense grant in the amount of k€ 563 (previous year: k€ 594) and as an investment grant in the amount of k€ 1,191 (previous year: k€ 1,191).

20 FINANCIAL INSTRUMENTS

20.1 OVERVIEW

This disclosure comprises information on the financial instruments of the RATH Group, including

- an overview of all financial instruments held by the Group
- detailed information on each type of financial instrument
- information about the determination of the fair value of the instruments, including related discretionary decisions and estimation uncertainties.

The following financial instruments were held by the Group on the balance sheet date:

	ANNEXED NOTE	DECEMBER 31, 2024 K€	DECEMBER 31, 2023 RETROSPECTIVELY ADJUSTED K€
Financial assets			
Financial assets valued at amortized cost:			
Trade receivables and contract assets	(20.2)	21,382	22,731*
Cash and cash equivalents	(20.3)	9,000	22,001
Other current financial receivables	(20.4)	1,319	710
Financial assets assessed at fair value as affecting net income:			0
Non-current financial assets	(20.5)	474	483
		32,175	**45925***
Financial liabilities			
Liabilities valued at amortized cost			
Trade payables and contract liabilities	(20.7)	9,783	13,471
Other financial liabilities	(20.7)	215	113
Current bank liabilities	(20.6)	3,458	5,519
Non-current bank liabilities	(20.6)	42,700	40,565
Leasing liabilities	(10)	2,319	2,707
		58,474	**62,374**

Information on the liabilities from leasing obligations is provided under Item (10).

*See Annexed Note 6.14 (IAS 8) for information on the retrospective amendment

20.2 TRADE RECEIVABLES AND CONTRACT ASSETS

General and classification

Trade receivables are amounts owed by customers for goods sold or services rendered in the ordinary course of business. They are generally payable within 30 days and are therefore classified as current. Trade receivables are initially recognized at the amount of the non-contingent consideration. Since within the RATH Group these do not contain any significant financing components, they are not to be recognized at fair value. Details of the Group's impairment methods and the calculation of the value adjustment are disclosed in Note (6.6).

Fair values

Due to the short-term nature of the receivables and contract assets, their carrying amount corresponds to their fair value.

Impairments and risks

Information on impairments of trade receivables and contract assets is provided in Note (12). The default and foreign currency risks to which the Group is exposed can be found in the risk report.

20.3 CASH AND CASH EQUIVALENTS

	DECEMBER 31, 2024 *K€*	DECEMBER 31, 2023 *K€*
Cash balance	12	24
Bank balances	8,988	21,977
	9,000	**22,001**

Bank balances are freely available.

Classification

Time deposits are reported as cash equivalents if they have a term of up to three months from the acquisition date and are repayable within 24 hours on notice without loss of interest. See Note (6.7) for the Group's other accounting policies for cash and cash equivalents.

Fair values

Credit balances are held only with first-class, international banks. Due to the short-term nature of cash and cash equivalents, their carrying amount matches their fair value.

20.4 OTHER FINANCIAL ASSETS VALUED AT AMORTIZED COSTS

Classification

As in the previous year, the other financial receivables primarily include receivables from creditors and current security deposits. They are to be recognized initially at the amount of the non-contingent consideration. Since within the RATH Group these do not contain any significant financing components, they are not to be recognized at fair value. Details of the Group's impairment methods and the calculation of the value adjustment are disclosed in Note (6.6).

Fair values

Due to the short-term nature of the other receivables, their carrying amount matches their fair value.

Impairments and risks

Information on impairment of other financial assets valued at amortized cost is provided in Note (12). The default and foreign currency risks to which the Group is exposed can be found in the risk report.

20.5 FINANCIAL ASSETS ASSESSED AT FAIR VALUE AS AFFECTING NET INCOME

The financial assets recognized by December 31, 2024, consisted of co-ownership shares in a fund, which serve exclusively to cover the accruals and provisions for pensions in accordance with the provisions of §§ 14 and 116 of the Austrian Income Tax Act.

Classification
Investment fund shares may not be valued at FVOCI in accordance with IFRS 9, as they do not constitute equity instruments. However, if they do not have contractual cash flows at specified dates that represent solely principal and interest payments on the principal outstanding, they are measured at fair value as affecting net income with changes in fair value recognized in the consolidated income statement.

Fair values and risks
Information on the Group's exposure to market risks is to be found in the risk report. For information on the methods and assumptions used in determining the fair value, please refer to Note (6.6).

20.6 FINANCIAL LIABILITIES

Fair values
Significant differences between carrying amount and fair value exist for promissory note bonds amounting to k€ 13,500 (previous year: k€ 17,500) with fixed interest rates. The fair values of the miscellaneous bank liabilities do not differ significantly from the carrying amounts, as the interest payments on these borrowings either almost match current market rates or the borrowings are short-term.

	DECEMBER 31, 2024		DECEMBER 31, 2023	
	CARRYING AMOUNT K€	FAIR VALUE K€	CARRYING AMOUNT K€	FAIR VALUE K€
Non-current bank liabilities	42,700	46,839	40,565	39,637
Current bank liabilities	3,457	2,469	5,519	6,324
	46,157	49,308	46,084	45,961

The fair values of non-current borrowings are based on discounted cash flows using the current market interest rate for such borrowings. The fair values of non-current borrowings are based on discounted cash flows using the current market interest rate for such borrowings. They are assigned, due to the use of unobservable inputs, including the Bank's own default risk, to fair values of Level 3 in the fair-value hierarchy (see Note (20.8)).

Compliance with credit conditions and risk exposure:
While the covenants relating to the equity ratio were complied with in the 2024 business year, the ratio of consolidated net debt to consolidated EBITDA was above 3.5 x, meaning that a step-up margin of + 0.5 % p.a. will be due from the next interest period in September 2025.

Further explanations and details of the risks to which the Group is exposed from short-term and non-current borrowings can be found in the risk report.

20.7 TRADE PAYABLES, CONTRACT LIABILITIES AND OTHER FINANCIAL LIABILITIES

	DECEMBER 31, 2024 K€	DECEMBER 31, 2023 K€
Trade payables	10,402	8,678
Contract liabilities	3,069	4,086
Other financial liabilities	113	86
	13,584	**12,850**

Trade payables are uncollateralized and are usually settled within 30 days of receipt. The carrying amounts are equivalent to their fair values due to their short-term nature. As in the previous year, the contract liabilities are mainly down payments received. The contract liabilities reported at the previous year's balance sheet date were fully recognized as sales revenue in the business year. The carrying amounts of the contract liabilities are equivalent to their fair values due to their short-term nature.

As in the previous year, the other financial liabilities are mainly from debtors with credit balances. The carrying amounts of this item are also equivalent to the fair values due to their short-term nature.

20.8 FAIR-VALUE HIERARCHY

This section explains the discretionary decisions and estimates used in determining the fair values of financial instruments.
The Group classifies its financial instruments into the three levels mandated in the context of the accounting standards in order to provide guidance on the reliability of the inputs used in determining the fair value. An explanation of these levels is provided following the table below, which shows the carrying amounts of financial assets and financial liabilities including their levels in the fair-value hierarchy.

	CATEGORY	VALUATION: AT AMORTIZED PURCHASE COSTS K€	VALUATION: AT THE FAIR VALUE TO BE APPLIED K€	VALUATION: TOTAL K€	LEVEL 1 K€	LEVEL 2 K€	LEVEL 3 K€	TOTAL K€
December 31, 2024								
Financial assets								
Cash and cash equivalents	at amortized acquisition cost	9,000	0	9,000	9,000	0	0	9,000
Trade receivables and contract assets	at amortized acquisition cost	21,382	0	21,382	0	0	21,382	21,382
Other financial receivables	at amortized acquisition cost	1,319	0	1,319	0	0	1,319	1,319
Non-current financial assets	mandatory at FVTPL	0	474	474	474	0	0	474
Financial liabilities								
Trade payables and contract liabilities	at amortized acquisition cost	9,782	0	9,782	0	0	9,782	9,782
Other financial liabilities	at amortized acquisition cost	215	0	215	0	0	215	215
Current bank liabilities	at amortized acquisition cost	3,458	0	3,458	0	0	3,458	3,458
Non-current bank liabilities	at amortized acquisition cost	42,700	0	42,700	0	0	42.700	42,700
Leasing liabilities	at amortized acquisition cost	2,319	0	2,319	0	0	2,319	2,319

		VALUATION						
	CATEGORY	AT AMORTIZED PURCHASE COSTS	AT THE FAIR VALUE TO BE APPLIED	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
		K€	K€	K€	K€	K€	K€	K€
December 31, 2023 RETROSPECTIVELY ADJUSTED*								
Financial assets								
Cash and cash equivalents	at amortized acquisition cost	22,001	0	22,001	22,001	0	0	22,001
Trade receivables and contract assets	at amortized acquisition cost	22,731*	0	22,731*	0	0	22,731*	22,731*
Other financial receivables	at amortized acquisition cost	710	0	710	0	0	710	710
Non-current financial assets	Mandatory for FVTPL	0	483	483	483	0	0	483
		45.442*						
Financial liabilities								
Trade and other liabilities and services and contractual liabilities	at amortized acquisition cost	13,471	0	13,471	0	0	13,471	13,471
Other financial liabilities	at amortized acquisition cost	113	0	113	0	0	113	113
Current bank liabilities	at amortized acquisition cost	5,518	0	5,518	0	0	5,518	5,518
Non-current bank liabilities	at amortized acquisition cost	40,565	0	40,565	0	0	40,565	40,565
Leasing liabilities	at amortized acquisition cost	2,707	0	2,707	0	0	2,707	2,707

Level 1: The fair value of financial instruments traded on active markets (such as listed derivatives and equity instruments) is based on quoted market prices at the end of the reporting period. The quoted market price of the financial assets held by the Group is the current bid price. These instruments are classified in Level 1.

Level 2: The fair value of financial instruments that are not traded on active markets (such as OTC derivatives) is determined using valuation techniques that maximize the use of observable market data and minimize the use of company-specific estimates. If all ignificant inputs for valuation of an instrument at fair value are observable, the instrument is classified in Level 2.

Level 3: If any of the significant inputs are not observable, the instrument is classified in Level 3. This applies to unquoted equity instruments.

No regroupings were made during the year.

In detail, the following valuation techniques are used to value financial instruments:

- Use of quoted market prices or dealer quotes for similar instruments
- for other financial instruments: an analysis of discounted cash flows (DCF analysis).

*See Annexed Note 6.14 (IAS 8) for information on the retrospective amendment

NOTES ON THE CONSOLIDATED INCOME STATEMENT

21 SALES REVENUE

The following tables show the revenue from contracts with customers according to the sales units METALS & FCE (Fuels, Chemicals & Energy), CERAMICS & SFU (Special Furnaces) and GLASS. Geographical allocation of sales revenues is based on the customer's location.

Sales by region and sales unit 2024	AFRICA & MIDDLE EAST K€	AMERICAS K€	ASIA/PACIFIC K€	EUROPE K€	TOTAL K€
METALS & FCE	2,106	8,079	2,093	44,956	57,234
CERAMICS & SFU	602	4,145	2,061	26,768	33,577
GLASS	1,699	10,494	910	7,431	20,535
Total in k€	**4,407**	**22,719**	**5,064**	**79,156**	**111,345**

Sales by region and sales unit 2023	AFRICA & MIDDLE EAST K€	AMERICAS K€	ASIA/PACIFIC K€	EUROPE K€	TOTAL K€
METALS & FCE	4,471	7,228	866	52,306	64,871
CERAMICS & SFU	404	4,400	3,250	29,703	37,757
GLASS	1,629	8,126	641	8,763	19,159
Total in k€	**6,504**	**19,754**	**4,757**	**90,772**	**121,787**

22 COST OF MATERIALS AND PURCHASED SERVICES

	2024 K€	2023 K€
Costs of materials	-36,008	-37,528
Expenses for third-party performances	-16,110	-18,147
	-52,118	**-55,676**

23 PERSONNEL EXPENSES

Personnel expenses and the number of employees have developed as follows compared to the previous year:

	2024 K€	2023 K€
Wages and salaries	-32,370	-30,547
Expenses for statutory taxes and contributions	-5,466	-5,943
Contributions to defined-contribution plans	-967	-555
Expenses for severance payments and service anniversary bonuses	-56	-45
Other personnel expenses	-1,044	-891
	-39,903	**-37,980**
Average number of employees		
Blue collar	350	357
White collar	242	246
	593	**603**
Staff count at balance sheet date		
Blue collar	340	351
White collar	232	252
	572	**603**

Remuneration for the Executive Board and Supervisory Board

Executive Board members were remunerated in the current and previous business years as follows:

NAME	FIXED K€	OF WHICH AFFILIATED COMPANY	VARIABLE K€	OTHER REMUNERATIONS	TOTAL 2024
Andreas Pfneiszl	282	62	0	15	297
DI Ingo Gruber	282	62	0	10	292
Mag. Alexandra Rester	493	0	0	10	503
					1,092

NAME	FIXED K€	OF WHICH AFFILIATED COMPANY	VARIABLE K€	OTHER REMUNERATIONS	TOTAL 2023
Andreas Pfneiszl	275	62	145	13	433
DI Ingo Gruber	275	62	145	10	430
Mag. Alexandra Rester	129	0	37	6	172
					1,035

The remuneration of the Executive Board depends on the scope of functions and the responsibility and personal achievements by the individual board member, as well as on the achievement of company goals, size and economic situation of the company. At RATH AG, performance-related remunerations are not granted via stock options but are dependent on variable success criteria. Part of this is a predefined target achievement regarding the operating results as well as qualitative and quantitative goals.

The amount of the variable remuneration is limited to 50 % of the basic salary. Any amount exceeding this is credited as variable remuneration to the subsequent years. If the consolidated result falls below a defined minimum amount, this gives rise to a penalty, which is also carried forward to subsequent years and leads to a reduction in future variable salary components. As in the previous year, the total remuneration of the Executive Board for the business year comprises both fixed and performance-related components. The members of the Executive Board were granted entitlements to pension benefits in the form of a life insurance. In the event of premature termination of the employment relationships, the contributions paid up to this point in time become vested.

The fixed total remuneration of Mag. Alexandra Rester comprises contractually agreed variable and fixed salary components for 2025 in the amount of € 264,637 in accordance with the termination agreement.

Upon termination of his/her function and provided that his/her employment is terminated at the same time, a member of the Executive Board is entitled to a severance payment as defined in § 23 of the Angestelltengesetz (Austrian Salaried Employees Act), unless the termination is due to a justified dismissal. In this regard, it should be noted that the old severance payment claims were frozen as of December 31, 2002; the claims will change only as a result of salary adjustments and amount to € 34,904 as of December 31, 2024 (previous year: k€ 32).

All members of the Executive Board are entitled to a severance payment of half a month's salary per year of service upon termination of the Executive Board function and termination of the employment contract. € 148,554 (previous year: 57 k€) were accrued.

As in the previous year, RATH AG has taken out directors' and officers' liability insurance (D&O insurance) for 2024. The costs of this insurance are borne by the organization. The D&O insurance covers certain personal liability risks of the responsible persons of the RATH Group. The annual costs amount to € 15,105 (previous year: k€ 15).

Expenditures for the emoluments of the members of the Supervisory Board amounted to € 98,000 in the reporting year (previous year: k€ 100). In addition, in the business year € 0 (previous year: k€ 10) was paid in consulting fees to members of the Supervisory Board.

Pension payments were made to former executive bodies to the amount of € 139,438 (previous year: k€ 139).

24 OTHER OPERATING INCOME

	2024 K€	2023 K€
Capitalized services	1,308	663
Other allowances and grants	32	160
Income from the disposal of fixed assets, excluding financial assets	34	53
Insurance claims or compensation	169	942
Miscellaneous	305	124
	1,848	**1,942**

25 OTHER OPERATING EXPENSES

	2024 KE	2023 RETROSPECTIVELY ADJUSTED KE
Legal counseling and other consulting	2,629	2,182
Maintenance and service	2,104	2,338
Marketing	1,366	1,196
IT expenses	1,237	1,081
Travel expenses	1,179	1,028
Other taxes	925	715
Rental and leasing	880	730
Insurances	847	796
Miscellaneous other expenses	592	345
Disposal costs	514	531
Car and truck expenses	422	426
Energy	318	492
Expenses for workplace safety	295	311
Communications expenses	232	214
Out-of-pocket costs for monetary transactions	231	139*
Technical examination costs	217	340
Continued education and training	212	136
Contributions for trade associations	164	163
Occupancy costs	140	153
Supervisory board remunerations	92	109
Office supplies	85	93
Transportation by third parties	25	87
	14,706	**13,603***

The auditor's total fees in the reporting period are broken down by service type as follows:

	2024 KE	2023 KE
Year-end audit:		
Consolidated financial statement RATH AG	67	63
Annual financial statement RATH AG	14	25
Annual financial statement Chamottewaren- und Thonöfenfabrik Aug. RATH jun. GmbH	32	32
Other confirmation services	165	148
	277	**268**
Other services:		
Tax consultancy	0	0
Other consulting services	0	0
	0	**0**

The other assurance services primarily relate to the audit of the reporting packages and annual financial statements, the assessment of the effectiveness of risk management in accordance with Rule 83 of the ÖCGK and Rule 62 of the Austrian Code of Corporate Governance as well as audit services in connection with the energy tax rebate in Germany and Austria.

*See Annexed Note 6.14 (IAS 8) for information on the retrospective amendment

26 FINANCIAL RESULT

The financial result by category of the individual financial instruments is broken down as follows:

2024	VALUATION RESULTS FROM					
	INTEREST INCOME AND INTEREST EXPENSES	FINANCIAL INSTRUMENTS ASSESSED AT FAIR VALUE	CURRENCY CONVERSION	VALUE REDUCTIONS IN VALUE AND WRITE-UPS	OTHER PROFITS AND LOSSES	NET FINANCIAL RESULT
	K€	K€	K€	K€	K€	K€
EARNINGS +/EXPENSES –						
Financial receivables at amortized cost	69	0	949	0	0	1,018
Financial liabilities at amortized cost	-2,136	0	0	0	0	-2,136
Mandatorily for FVTPL	0	-9	0	0	0	-9
Personnel provisions	0	0	0	0	0	0
Credit and liability provisions	0	0	0	0	-47	-47
Total	**-2,067**	**-9**	**949**	**0**	**-47**	**-1,174**
of which in impairing losses on accounts receivables	0	0	0	0	0	0
of which included in financial result	-2,067	-9	949	0	-47	-1,174
Total	**-2,067**	**-9**	**949**	**0**	**-47**	**-1,174**

2023	VALUATION RESULTS FROM					
	INTEREST INCOME AND INTEREST EXPENSES	FINANCIAL INSTRUMENTS ASSESSED AT FAIR VALUE	CURRENCY CONVERSION	VALUE REDUCTIONS IN VALUE AND WRITE-UPS	OTHER PROFITS AND LOSSES	NET FINANCIAL RESULT
	K€	K€	K€	K€	K€	K€
EARNINGS +/EXPENSES –						
Financial receivables at amortized cost	287	0	-478	0	0	-191
Financial liabilities at amortized cost	-2,008	0	0	0	1	-2,007
Mandatorily for FVTPL	0	18	0	0	0	18
Personnel provisions	-13	0	0	0	0	-13
Credit and liability provisions	0	0	0	0	-66	-66
Total	**-1,733**	**18**	**-478**	**0**	**-65**	**-2,258**
of which in impairing losses on accounts receivables	0	0	0	0	0	0
of which included in financial result	-1,733	18	-478	0	-65	-2,258
Total	**-1,733**	**18**	**-478**	**0**	**-65**	**-2,258**

Impairment and write-ups in value for loans and receivables involve trade receivables and are reported in the operational result.

27 RESEARCH AND DEVELOPMENT EXPENSES

The expenses include the following research and non-capitalizable development expenditures:

	2024 K€	2023 K€
Personnel costs	1,112	1,079
Technical examination costs	217	340
	1,329	**1,419**

NOTES ON THE CONSOLIDATED CASH FLOW STATEMENT

28 GENERAL NOTES ON THE CONSOLIDATED CASH FLOW STATEMENT

The cash flow statement of the RATH Group shows how cash and cash equivalents have changed over the course of the reporting year as a result of cash inflows and outflows. Cash and cash equivalents (fund) comprise cash and bank balances.

The effects of mergers are eliminated here and shown in the item Net disbursements for mergers. Amounts taken over from foreign Group companies are as a matter of principle converted at average exchange rates for the year. In deviation from this, the cash and cash equivalents fund is recognized at the exchange rate on the balance sheet date.

The exchange rate differences reported in the cash flow from results comprise of the following:

	2024 K€	2023 RETROSPECTIVELY ADJUSTED K€
Change reserve currency conversion	-404	138
Trade receivables and contract assets	-314	129
Liquid assets	72	-35
Inventory	120	-86
Other receivables and deferrals	156	-151
Property, plant and equipment, and intangible assets	-514	331
Trade payables and contract liabilities	-119	74
Other liabilities and deferrals	-133	66
Other balance sheet items	-19	-6
Financial liabilities	262	0
Currency conversion-related changes in cash flow from ongoing business activities	**-893**	**460**

The exchange rate-related changes in the individual balance sheet items do not fully offset the change in the currency conversion reserve reported in stockholders' equity, as the foreign currency effects of balance sheet items eliminated in the consolidation are shown net with these in the consolidated cash flow statement.

29 RECONCILIATION OF NET LIABILITY

The net liability of the RATH Group on the balance sheet date is as follows::

	DECEMBER 31, 2024 K€	DECEMBER 31, 2023 K€
Cash and cash equivalents	-9,000	-22,001
Financial liabilities	46,158	46,084
Leasing liabilities	2,319	2,707
Net liability	**39,477**	**26,789**

The change in net liability in the financial year is made up of the following movements:

	PROMISSORY BILL LOANS K€	EXPORT CREDITS K€	CASH ADVANCE K€	INVESTMENT LOANS K€	LEASES K€	SUB-TOTAL K€	CASH AND CASH EQUIVALENTS FUND K€	NET LIABILITIES K€
Net liabilities as of January 01, 2023	**44,431**	**2,500**	**0**	**1,695**	**1,414**	**50,040**	**22,398**	**27,642**
Inclusion	0	0	0	0	517	517	0	
Redemption	0	-2,500	0	-565	-757	-3,822	0	
Remeasurements IFRS 16	0	0	0	0	1,552	1,552	0	
Disposal	0	0	0	0	0	0	0	
Accrued interest (net)	523	0	0	0	0	523	0	
Repostings / Other changes	0	0	0	0	0	0	-397	
Exchange rate change	0	0	0	0	-19	-19	0	
Net liabilities as of December 31, 2023	**44,954**	**0**	**0**	**1,130**	**2,707**	**48,790**	**22,001**	**26,789**
Inclusion	0	0	2,000	2,700	164	4,864	0	
Redemption	-4,000	0	0	-565	-708	-5,273	0	
Initial recognition – IFRS 16	0	0	0	0	13	13	0	
Accrued interest (net)	-61	0		0	0	-61	0	
Repostings / Other changes	0	0	0	0	110	110	-13,001	
Exchange rate change	0	0	0	0	33	33	0	
Net liabilities as of December 31, 2024	**40,893**	**0**	**2,000**	**3,265**	**2,319**	**48,477**	**8,999**	**39,477**

RISK REPORT

Risk policy principles

The RATH Group is exposed to a large number of risks that are inseparably linked to entrepreneurial activity in the course of its multinational activities with its business divisions, assets and liabilities and planned business decisions.

The Executive Board bears the responsibility for the establishment and control of the Group's risk management system. The Group's risk management guidelines were developed so as to identify and analyze risks, to introduce appropriate risk limits and controls, and to monitor the development of risks and compliance with limits. The risk management policies and the risk management system are regularly reviewed to reflect changes in market conditions and in the Group's activities. The existing training and management standards and the associated processes are intended to ensure a target-oriented control environment in which all employees understand their respective tasks and responsibilities.

The Audit Committee monitors on the one hand compliance by the Executive Board with the policies and processes of Group risk management and on the other the effectiveness of the risk management system with regard to the risks to which the Group is exposed.

The Group is exposed to the following financial risks:

- Default risk
- Liquidity risk
- Market risk
- Interest rate fluctuation risk

Default risk

The default risk is the risk of financial losses that will be incurred if a customer or contracting party to a financial instrument fails to honor its contractual obligations. As a matter of principle, the default risk arises from trade receivables and from the Group's investment certificates held as financial assets.

The carrying amounts of the financial assets and contract assets are equivalent to the maximum default risk.

Trade receivables and contract assets

The Group's default risk is influenced mainly by the individual characteristics of its customers. However, the Executive Board also considers the characteristics of the entire customer base, including the default risk of the industrial sector and the countries in which the customers operate, as these factors may also affect the default risk.

For monitoring of the default risk, customers are divided into groups according to their creditworthiness. The geographical location, industrial sector, age structure and the occurrence and duration of payment problems are taken into account. The Group limits its default risk on trade receivables by setting a maximum payment term amounting to 3 months for corporate customers, which may be exceeded only in exceptional cases.

The maximum credit risk of trade receivables relating to customer groups breaks down as follows as of the reporting date:

	DECEMBER 31, 2024 K€	DECEMBER 31, 2023 RETROSPECTIVELY ADJUSTED K€
Receivables with large customers, gross	3,216	3,609
Receivables from miscellaneous customers, gross	19,023	20,390*
Trade receivables and contract assets, gross	**22,239**	**23,999***
Value adjustments	-856	-1,268
Trade receivables and contract assets, net	**21,383**	**22,731***

*See Annexed Note 6.14 (IAS 8) for information on the retrospective amendment

Approx. 16 % (previous year: 16 %) of trade receivables and contract assets as of the reporting date result from business relationships with 10 key accounts. The RATH Group sees no significant concentration of risk.

Liquidity risk

The liquidity risk is the risk that the Group may not be in a position to meet its financial liabilities by delivering cash or other financial assets in accordance with the contract. The purpose of managing the Group's liquidity is to ensure that – as far as possible – sufficient cash and cash equivalents are available at any time to meet payment obligations when they fall due, under normal as well as under problematic conditions, without suffering unacceptable losses or damaging the Group's reputation.

The Group uses activity-based cost accounting to calculate its product and service costs. This allows monitoring of cash requirements and optimization of inflows to the capital employed.

The Executive Board monitors the Group's liquidity on an ongoing basis and reports to the Supervisory Board at regular intervals. As at December 31, 2024, the Group had cash and cash equivalents of k€ 9,000 and credit lines available at any time in the amount of k€ 9,525 (previous year: k€ 9,525), of which k€ 2,000 (previous year: € 0) were utilized. In addition, after the reporting date, the Group took out further financing measures amounting to M€ 5 with an Austrian bank (see Note 31).

The following table shows the contractual residual terms of the financial liabilities as of the reporting date, including estimated interest payments. These are non-discounted gross amounts including contractual interest payments, but excluding the effect of netting.

		DUE IN 6 MONTHS		DUE IN 6-12 MONTHS		DUE IN 1-5 YEARS		DUE >5 YEARS	
December 31, 2024	CARRYING AMOUNT K€	INTER-EST K€	RE-DEMPTION K€	INTER-EST K€	RE-DEMPTION K€	INTER-EST K€	RE-DEMPTION K€	INTER-EST K€	RE-DEMPTION K€
Trade payables	7,884	0	7,884	0	0	0	0	0	0
Contract liabilities	1,898	0	1,898	0	0	0	0	0	0
Other financial liabilities	215	0	215	0	0	0	0	0	0
Current bank liabilities	3,458	915	2,283	1	283	0	0	0	0
Non-current bank liabilities	42,700	805	0	1,118	0	6,033	42,430	6	270
Leasing liabilities	2,318	43	333	37	309	62	740	0	0

		DUE IN 6 MONTHS		DUE IN 6-12 MONTHS		DUE IN 1-5 YEARS		DUE >5 YEARS	
December 31, 2023	CARRYING AMOUNT K€	INTER-EST K€	RE-DEMPTION K€	INTER-EST K€	RE-DEMPTION K€	INTER-EST K€	RE-DEMPTION K€	INTER-EST K€	RE-DEMPTION K€
Trade payables	10,402	0	10,402	0	0	0	0	0	0
Contract liabilities	3,069	0	3,069	0	0	0	0	0	0
Other financial liabilities	113	0	113	0	0	0	0	0	0
Current bank liabilities	5,518	950	283	3	4,283	0	0	0	0
Non-current bank liabilities	40,565	1,014	0	1,002	0	6,754	22,065	1,239	18,500
Leasing liabilities	2,708	43	333	37	309	62	2,066	0	0

The RATH Group's refinancing options are determined by numerous financial, macroeconomic and other factors. These factors include credit terms (covenants) in current and future credit agreements and the maintenance of the current credit rating.

Market risk

The most significant market risks for the RATH Group are price risks for raw materials and energy, foreign currencies and interest rates. The objective of risk management is to monitor and control risks in order to minimize potential losses due to price fluctuations.

Price risks

Significant price risks for the RATH Group exist in the area of energy and raw material costs. Energy costs, which are mainly incurred in the drying and firing of refractory materials, account for a significant part of the Group's total costs. In 2024, the Group's electricity and gas costs amounted to k€ 8,228 (previous year: k€ 9,875) or 7.4 % (previous year: 8.11 %) of the turnover. Energy prices depend on the development of international and local markets and are subject to fluctuations. The RATH Group minimizes the risk from energy price fluctuations by closely monitoring and, as a rule, negotiating prices annually. Quantities and prices are fixed on a quarterly basis, the remaining non-fixed portion is purchased on the spot market, and the hedges currently run for several years.

The most important raw materials for the RATH Group include alumina, aluminum, silicon, andalusite or flint clay chamotte. Due to the diversified product portfolio, there is no significant cluster risk in raw material prices. The prices are usually negotiated annually, and their development is closely monitored. In the case of raw materials, in addition to the price risk, there is also a risk regarding the security of supply. A disruption of supply inevitably leads to production problems. With few, insignificant exceptions, there are alternative supplier options for the supply of raw materials in order to minimize the supply risk. Raw material prices were not stable in this business year either; they are in a permanent state of flux.

Currency risk

The Group is exposed to transactional foreign currency risks to the extent that the rates of currencies in which sales and purchase transactions as well as receivables and credit transactions take place do not match the functional currency of the Group companies. The above transactions are conducted mainly based on euros (€) and US dollars (US$).

In addition, the translation of foreign individual financial statements into the Group currency, the €, results in currency conversion differences (translation risk), which are recognized in the currency conversion difference in other comprehensive income. Revenues, earnings and balance sheet values of the companies not located in the eurozone are therefore dependent on the respective € exchange rate.

The summarized quantitative information on the Group's foreign exchange risk reported to the Group's management is as follows:

	DECEMBER 31, 2024		DECEMBER 31, 2023	
Net exposure	*K€*	*KUS$*	*K€*	*KUS$*
Financial assets:				
Cash and cash equivalents	311	323	2,404	2,656
Trade receivables and contract assets	4,680	4,867	3,880	4,287
Financial liabilities:				
Trade payables	-680	-707	-3,119	-3,447
Net exposure	**4,311**	**4,483**	**3,165**	**3,496**

A strengthening/weakening of the € or US$ as of December 31 would have the following effects on the consolidated result and stockholders' equity if the general conditions remained unchanged:

Effect on result for the period in case of	AS OF DECEMBER 31, 2024, IN THE RESPECTIVE CURRENCY 9 % STRENGTHENING OF THE €	11 % WEAKENING OF THE €	10 % STRENGTHENING OF THE US$	10 % WEAKENING OF THE US$
Financial assets:				
Cash and cash equivalents	72	-91	80	-83
Trade receivables and contract assets	421	-535	468	-487
Financial liabilities:				
Trade payables	-61	78	-68	71
Total	**432**	**-548**	**480**	**-499**

Effect on result for the period in case of	AS OF DECEMBER 31, 2023, IN THE RESPECTIVE CURRENCY 9 % STRENGTHENING OF THE €	11 % WEAKENING OF THE €	10 % STRENGTHENING OF THE US$	10 % WEAKENING OF THE US$
Financial assets:				
Cash and cash equivalents	215	-292	240	-266
Trade receivables and contract assets	349	-472	388	-429
Financial liabilities:				
Trade payables	-281	379	-312	345
Total	**285**	**-385**	**317**	**-350**

Interest rate fluctuation risk

Risks from interest rate changes essentially consist of non-current debt financing. The following sensitivity analysis shows the impact of interest rate changes regarding interest-bearing instruments on the period result of the RATH Group. The analysis assumes that all other variables, especially exchange rates, remain constant.

The RATH Group does not assess any fixed-rate financial assets or liabilities in the financial statements at fair value as affecting net income, and, as of the reporting date (and thus unchanged from the previous year), has no derivatives as hedging instruments for fair-value hedges. A change to the interest rate regarding fixed rate instruments would have no effect on the consolidated income statement.

As of December 31, 2024	CARRYING AMOUNT K€	INTEREST PROFILE NOT INTER-EST-BEARING K€	FIXED INTER-EST-BEARING K€	VARIABLY INTEREST-BEARING K€	PROFIT/LOSS PLUS 100 BASIS POINTS K€	MINUS 100 BASIS POINTS K€
Interest-bearing liabilities:						
Trade payables and contract liabilities	9,782	9,783	0	0	0	0
Other financial liabilities	215	215	0	0	0	0
Current financial liabilities	3,458	893	2,565	0	-26	0
Non-current financial liabilities	42,700	0	13,500	29,200	-292	0
Leasing liabilities	2,318	0	2,318	0	0	0
Total	**58,473**	**10,890**	**18,383**	**29,200**	**-318**	**0**
Interest-bearing assets:						
Cash and cash equivalents	9,000	12	0	8,988	90	-90
Trade receivables and contract assets	21,382	21,382	0	0	0	0
Other current financial receivables	1,320	1,320	0	0	0	0
Non-current financial assets	474	0	0	474	5	-5
Total	**32,176**	**22,714**	**0**	**9,462**	**95**	**-95**

As of December 31, 2023	CARRYING AMOUNT K€	INTEREST PROFILE NOT INTER-EST-BEARING K€	FIXED INTER-EST-BEARING K€	VARIABLY INTEREST-BEARING K€	PROFIT/LOSS PLUS 100 BASIS POINTS K€	MINUS 100 BASIS POINTS K€
Trade payables and contract liabilities	13,471	13,471	0	0	0	0
Other financial liabilities	113	113	0	0	0	0
Current financial liabilities	5,518	953	4,000	0	0	0
Non-current financial liabilities	40,565	0	14,630	26,500	-265	0
Leasing liabilities	2,707	0	2,707	0	0	0
Net exposure	**62,375**	**14,537**	**21,337**	**26,500**	**-265**	**0**
Interest-bearing assets:						
Cash and cash equivalents	22,001	24	0	21,977	220	-220
Trade receivables and contract assets	23,265	23,265	0	0	0	0
Other current financial receivables	710	710	0	0	0	0
Non-current financial assets	483	0	0	465	5	-5
Total	**46,459**	**23,999**	**0**	**22,460**	**225**	**-225**

OTHER INFORMATION

30 BUSINESS RELATIONSHIPS WITH RELATED COMPANIES AND PERSONS

All transactions with related parties are conducted at arm's length Related parties conducting transactions with the RATH Group include:

- Rath Holding GmbH
- Agenda Austria
- Spumix Dämmstoff GmbH

Rath Holding GmbH, Vienna, as the ultimate parent company of RATH AG, holds 66.67 % of the shares in RATH AG, as on the previous year's balance sheet date. At Rath Holding GmbH, FN 195558k, Dr. Ernst Rath, Mag. Karin Bauer-Rath, and CPA/Tax Consultant Mag. Philipp Rath are registered managing directors. The following companies are listed in the commercial register as shareholders: Dr. Ernst Rath Gesellschaft m.b.H., Vienna, and Dkfm. Paul Rath Gesellschaft m.b.H., Vienna. At Dr. Ernst Rath Gesellschaft m.b.H., FN 102608w, Dr. Ernst Rath and DI Dr. Matthias Rath are registered managing directors. The following are listed as stockholders in the commercial register: Dr. Ernst Rath, CPA/Tax Consultant Mag. Philipp Rath and DI Dr. Matthias Rath.

At Dkfm. Paul Rath Gesellschaft m.b.H., FN 101540z, Mag. Karin Bauer-Rath is registered as managing director. The following are listed as stockholders in the commercial register: Mag. Karin Bauer-Rath and Ms. Andrea Vladarski.

As in the previous year, there were no significant transactions with the companies listed above during the business year.

- House ownership Walfischgasse, Dr. Ernst Rath and co-owners
  The rental expenses charged, including operating costs, amounted to k€ 202 in the financial year (previous year: k€ 199), whereby there were no outstanding liabilities at the reporting date and thus unchanged from the previous year. The liabilities from lease obligations from this matter recognized as of the reporting date amount to k€ 595 (previous year: k€ 729).

- Members of the Supervisory Board and Executive Board, and their close family members
  The business relationships with members of the Executive Board and of the Supervisory Board of RATH AG are listed in Note (23) insofar as payments from Executive Board contracts and Supervisory Board mandates are concerned.

Pension payments made to related parties are disclosed in Note (15).

In the business year 2024, the Association for Scientific Dialog and Agenda Austria, which was founded as an association, received a membership fee in the amount of € 20,000 from RATH AG. Mag. Nicole Ehrlich Adám acts as a board member of the association and is the wife of supervisory board member Stefan Ehrlich Adám.

RATH AG's distribution license agreement with "spumix Dämmstoff GmbH" is being amortized over 7 years (k€ 210). The managing director of the company is DI Dr. Matthias Rath.

Executive Board of RATH AG, Vienna
As per December 31, 2024, the Executive Board of RATH AG consisted of two members. Mr. Andreas Pfneiszl, born in 1969, has been a member of the Executive Board since June 10, 2013 (initial appointment) and is responsible for Strategy, Finance, Sales, Investor Relations, Human Resources, IT, and Legal. DI Ingo Gruber, born in 1962, has been a member of the Executive Board since October 1, 2019 (initial appointment), and is responsible for Production, Research & Development, SCM, Purchasing, and Quality Management.

As in the previous year, the Executive Board members Andreas Pfneiszl and Ingo Gruber did not hold any Supervisory Board mandates or comparable functions in domestic or foreign companies not included in the consolidated financial statements.

Furthermore, the Chairman, Andreas Pfneiszl, is also represented in the Executive Board of RATH Business Services GmbH, Vienna, RATH GmbH, Meißen, RATH Sales GmbH & Co KG, Meißen and RATH Sales Beteiligungs GmbH, Meißen. In addition, he is also a director of the investment company RATH Avanee Private Ltd. The Chairman, DI Ingo Gruber, is furthermore also represented in the Executive Board of Aug. RATH jun. GmbH, Krummnußbaum, RATH Business Services GmbH, Vienna, RATH GmbH, Meißen, RATH Sales GmbH & Co KG, Meißen and RATH Beteiligungs GmbH, Meißen.

The Executive Board contract with Mr. Pfneiszl ends on December 31, 2027, while the contract with DI Gruber runs until December 31, 2025.

Supervisory Board of RATH AG, Vienna
Mag. Stefan Ehrlich-Adám (Chairman) since June 25, 2013
CPA Mag. Philipp Rath (Vice Chairman) since July 17, 2003 Mag. Dieter Hermann since June 25, 2013
Mag. Dr. Ulla Reisch since May 27, 2018
DI Dr. Matthias Rath since June 02, 2023

31 EVENTS AFTER THE BALANCE SHEET DATE

In January 2025, the document currency in the SAP system of the Hungarian location was changed from Hungarian forint (HUF) to euro (€). This measure represents a significant step in the further harmonization of Group-wide financial processes.

To secure the company's liquidity in view of the challenges expected in the coming financial year, a loan amounting to M€ 5 was taken out with an Austrian bank after the balance sheet date. The measure serves to strengthen the Group's financial flexibility as a precautionary measure.

This consolidated financial statement was prepared on April 29, 2025 by the company's Executive Board and presented to the Supervisory Board on April 30, 2025 for review and approval.

The Executive Board

Andreas Pfneiszl

DI Ingo Gruber

VIENNA, APRIL 29, 2025

AUDITOR'S CERTIFICATE

AUDITOR'S CERTIFICATE

Report on the consolidated financial statements

AUDIT PART

We examined the consolidated financial statement of Rath Aktiengesellschaft, Vienna, and its subsidiaries (from the Group) consisting of the consolidated balance sheet on December 31, 2024, the consolidated income statement, the consolidated statement of comprehensive income, the development of the consolidated equity and the consolidated cash flow statement for the business year ending on this balance sheet date and the Group Notes.

According to our assessment, the annexed consolidated financial statement conform to the legal provisions and provide a fair and true representation of the assets and financial position of the Group on December 31, 2024, as well as of the profitability and the cash flows from the group for the business year ending on this reporting date in agreement with the International Financial Reporting Standards as they are applied in the EU (IFRS) and the additional requirements of § 245a of the UGB (Austrian Commercial Code).

BASIS FOR THE AUDIT OPINION

We conducted our audit in accordance with EU Regulation No. 537/2014 (hereinafter EU-Reg) and generally accepted Austrian standards for the auditing of financial statement. These principles require application of the International Standards on Auditing (ISA). Our responsibilities under these provisions and standards are described further in the section of our Auditor's Certificate entitled "Responsibilities of the annual auditor for the auditing of the consolidated financial statement". We are independent of the Group in agreement with the provisions of Austrian corporate and professional law, and we have fulfilled our other professional obligations in agreement with these requirements. We believe that the documentary audit evidence we obtained for auditing up to the date of the auditor's certificate is sufficient and appropriate to serve as a basis for our Audit Opinion at this date.

PARTICULARLY IMPORTANT AUDITING MATTERS

- Particularly important auditing matters are such that were most important for our audit of the consolidated financial statement from the financial year according to our best judgment. These circumstances were considered in connection with our auditing of the consolidated financial statement as a whole and during the formation of our Audit Opinion, and we do not provide a separate opinion on these circumstances.

We have structured our presentation of these particularly important auditing matters as follows:

- Facts
- Audit procedure and findings
- Reference to further information

AUDITOR'S CERTIFICATE

1. RECOVERABILITY OF GOODWILL AND RECOVERABILITY OF THE CARRYING AMOUNTS OF THE CASH-GENERATING UNITS

- Facts

In the consolidated financial statements of Rath Aktiengesellschaft, Vienna, as of December 31, 2024, goodwill in the amount of k€ 2,104 (previous year: k€ 1,978) is reported under the balance sheet item "Intangible assets & goodwill."

Goodwill is subjected to a mandatory recoverability test by the management at least once a year on the balance sheet date or as required by circumstances in order to determine any possible need for impairment. In addition, other intangible assets in the amount of k€ 3,032 and property, plant and equipment in the amount of k€ 53,926 are reported in the consolidated financial statements as of December 31, 2024. In accordance with IAS 36, the management assesses whether the carrying amounts of the cash-generating units may be impaired.

The goodwill presented in the consolidated financial statements originates entirely from a business acquisition in the USA and is allocated to the segment "USA", which constitutes a cash-generating unit ("CGU"). In the course of the impairment test, an impairment loss on goodwill is recognized if the carrying amount of the cash-generating unit USA exceeds the corresponding recoverable amount. In addition, an impairment loss is recognized if the carrying amount of a cash-generating unit exceeds the recoverable amount.

The recoverable amount of a cash-generating unit is the higher of its value in use and its fair value less costs to sell. External and internal sources of information must be taken into account when assessing whether there are indications of impairment. This also takes into account expectations regarding future market developments and assumptions about the development of macroeconomic influencing factors as well as the expected development of commodity prices and energy costs on the business activities of the respective CGU. The Group determines the value in use using a discounted cash flow method (DCF method). In addition to forecasts of future cash flows ("free cash flows") before taxes, the capitalization interest rate (WACC) in particular is to be classified as highly discretionary. Discounting is based on the weighted average cost of capital of the cash-generating units.

In the business year 2024, no impairment losses were recognized on goodwill or on the carrying amounts of the cash-generating units.

The measurement of the recoverable amount is complex and requires appropriate expertise and depends to a significant extent on significant assumptions and discretionary decisions by management. There is a risk for the consolidated financial statements that the valuation assumptions on which the impairment test is based may lead to an unidentified and unrecognized impairment if the recoverable amounts of the cash-generating unit are not determined appropriately.

AUDITOR'S CERTIFICATE

Since even minor changes in the capitalization rate or future cash flows can have a significant impact on the recoverable amount, there is considerable estimation uncertainty with regard to the determination of the value in use and thus the recoverability of the goodwill or the carrying amount of the CGU.
The recoverability of goodwill and the recoverability of the carrying amounts of the CGU are therefore considered a key audit matter.

- Audit procedure and findings

We have audited the management's calculations of the recoverability of the cash-generating units.

In the course of our audit, with the participation of our internal valuation specialists, we verified, among other things, the methodology used to perform the impairment test. Moreover, we satisfied ourselves as to the appropriateness of the key assumptions and input parameters for the planned development of future cash flows before taxes and the valuation of the values in use and assessed whether all material relevant internal and external sources of information were taken into account by management. The expected future cash flows were derived from the budget approved by the management and adopted by the Supervisory Board, as well as from the multi-year plan acknowledged by the Supervisory Board, whereby the management made individual adjustments to the expected results at the level of the cash-generating units and thus also in total at Group level. These changes were brought to the attention of the Supervisory Board. In addition, we assessed the appropriateness of the calculation in particular by reconciling it with general and industry-specific market expectations. Keeping in mind that even small changes in the discount rate used can have a material impact on the amount of the value in use determined in this way, we assessed these and their derivation both with regard to the individual assumptions and parameters on the basis of available market data and against the background of a critical overall assessment in comparison to similar companies. We examined the valuation models used to determine the values in use for mathematical accuracy and compliance with the valuation principles of the relevant IFRS regulations.

In order to take account of the existing forecast uncertainties, we reviewed the sensitivity analyses prepared by management and prepared our own sensitivity analyses for the purpose of our audit opinion.

We found that the goodwill of the operating segment USA and the carrying amounts of the cash-generating units are covered by the discounted future cash flows, taking into account the information available.

Finally, we assessed whether the disclosures in the Annexed Notes on the recoverability of goodwill and the recoverability of the carrying amounts of the CGU are complete and appropriate. Our audit procedures confirmed the appropriateness and reasonableness of the valuation model used by the Company to perform the recoverability tests of goodwill and cash-generating units as of December 31, 2024. The assumptions and parameters on which the valuation is based are reasonable. The disclosures required by the relevant standards are complete and comprehensible.

AUDITOR'S CERTIFICATE

- Reference to further information

For further information, please refer to the notes to the consolidated financial statements of Rath Aktiengesellschaft, Vienna, sections (6.1), (6.2), (6.3), (6.4) and (6.14) regarding the accounting and valuation methods of property, plant and equipment, intangible assets, impairment of non-current assets and the use of discretionary decisions as well as sections (8) and (9) regarding the development of property, plant and equipment and intangible assets.

FURTHER INFORMATION

The legal representatives are responsible for the further information. The further information comprises all the information in the annual report, not including the consolidated financial statement, the consolidated annual report and the Auditor's Certificate regarding this. Our audit opinion on the consolidated financial statement does not cover such other information, and we do not express any form of assurance thereon.

In connection with our auditing of the consolidated financial statement, we have a responsibility to read this other information and, in doing so, evaluate whether the other information is materially inconsistent with the consolidated financial statement or our knowledge obtained in the course of the audit, or otherwise appears to be misstated.

If, based on our work performed on the other information obtained before the date of this Auditor's Certificate, we conclude that there has been a material misstatement of such other information, we are required to report that fact. We have nothing to report in this respect.

RESPONSIBILITIES OF THE LEGAL REPRESENTATIVES AND OF THE AUDIT COMMITTEE FOR THE ANNUAL FINANCIAL STATEMENTS

The legal representatives are responsible for the creation of the consolidated financial statement and for the same providing a maximally faithful representation of the asset, financial and earnings position of the Group in agreement with the International Financial Reporting Standards (IFRS) as applicable in the EU and the additional requirements of the § 245a of the Austrian Commercial Code (UGB). Furthermore, the legal representatives are responsible for the internal controls that they consider necessary to enable preparation of consolidated financial statement free of significant misrepresentations, whether fraudulent or accidental.

During the creation of the consolidated financial statement, the legal representatives are responsible for assessing the capability of the Group to continue their company activities, to specify circumstances in connection with the continuation of their company activities – if and insofar as relevant – and to apply the accounting principle of the continuation of company activities; unless the legal representatives intend to either liquidate the Group or to stop their company activities or do not have any realistic alternatives to this.

The Audit Committee is responsible for monitoring the accounting process of the Group.

AUDITOR'S CERTIFICATE

RESPONSIBILITIES OF THE ANNUAL AUDITOR FOR THE AUDITING OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our goals are to obtain sufficient certainty as to whether the consolidated financial statement as a whole is free of material – fraudulent or accidental – misrepresentations, and to provide an Auditor's Certificate that expresses our Audit Opinion. Sufficient certainty is a high level of certainty, but not a guarantee that an audit executed in agreement with the EU-Reg and the Austrian principles of proper auditing, which mandate application of the ISA, will always discover a significant misrepresentation if such exists. Incorrect representations may result from fraudulent acts or mistakes and are to be considered significant if it can be expected from them individually or altogether that they will influence the economic decisions of users made on the basis of these consolidated financial statement.

As a part of an audit in agreement with the EU-Reg and the Austrian principles of proper auditing, which mandate application of the ISA, we exercise discretion according to our best judgment during the entire audit and maintain a critical approach.

Furthermore, the following applies:

- We identify and assess risks of significant – fraudulent or accidental – misrepresentations in the statement, plan auditing measures as a response to these risks, execute them and obtain documentary audit evidence that is sufficient and suitable to serve as a basis for our Audit Opinion. The risk that significant misrepresentations resulting from fraudulent actions not being discovered is greater than a risk of misrepresentations resulting from mistakes, because fraudulent actions may comprise collusive collaborations, falsifications, intended incompleteness, misleading representations or the bypassing of internal controls.

- We gain an understanding of the internal control system relevant for the audit in order to plan auditing measures that are appropriate under the specified circumstances, however not with the goal of presenting a judgment of the effectiveness of the Group's internal control system.

- We assess the appropriateness of the accounting methods applied by the legal representatives as well as the plausibility of the estimated values in the accounting presented by the legal representatives and related information.

- We draw conclusions about the appropriateness of the application of the accounting principle for the continuation of the company's operations by the legal representatives as well as on the basis of the obtained documentary audit evidence as to whether there is a significant discrepancy in connection with events or circumstances that may cause significant doubt in the ability of the Group to continue its business activities. If we come to the conclusion that a significant uncertainty exists, we are obligated to make note of this in our Auditor's Certificate for the relevant information in the

AUDITOR'S CERTIFICATE

consolidated financial statements or, if these specifications are inappropriate, to modify our Audit Opinion. We draw our conclusion on the basis of the documentary audit evidence that we have obtained up to the date of our Auditor's Certificate. Future events or circumstances may nevertheless result in the Group not being able to continue its operations.

- We evaluate the entire presentation, the structure and the content of the consolidated financial statements including the specifications as well as the question as to whether the consolidated financial statements represents the business transactions and events in a manner that creates a maximally faithful representation.

- We plan and perform the audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group to express an opinion on the consolidated financial statements.

We are responsible for the direction, supervision, and review of the audit activities performed for the purpose of the audit of the consolidated financial statements. We bear the sole responsibility for our Audit Opinion.

We talk to the Audit Committee about the planned scope and the planned time needed for the audit, as well as about important findings, including any important deficiencies in the internal control system that we detect during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them on all relationships and other matters that may reasonably be thought to bear on our independence and – if and insofar as applicable – actions taken to address threats or safeguards applied.

On the basis of the issues that we discuss with the Audit Committee, we determine those that were most important for the audit of the annual consolidated financial statement for the business year and are therefore particularly important auditing matters. We describe these issues in our Auditor's Certificate unless laws or other legal provisions rule out publication of the issues, or we determine in extremely rare cases that an issue should not be included in our Auditor's Certificate because it is reasonably expected that the negative consequences of such a notification would outweigh their advantages for the public interest.

Other statutory and other legal requirements

REPORT ON THE CONSOLIDATED MANAGEMENT REPORT

Due to the provisions of Austrian corporate law, the consolidated annual report must be audited to see whether it is in agreement with the consolidated financial statement and was prepared according to the applicable legal requirements.

AUDITOR'S CERTIFICATE

The legal representatives are responsible for the creation of the consolidated annual report in agreement with the provisions of Austrian corporate law.

We have executed our audit in agreement with the professional principles for the auditing of the consolidated annual report.

Audit Opinion
According to our assessment, the consolidated annual report was created according to the applicable legal requirements, contains the applicable specifications according to § 243a of the Austrian Commercial Code (UGB), and is in agreement with the consolidated financial statement.

Statement
In view of the knowledge and understanding of the Group and its environment gained during the auditing of the consolidated financial statements, no significant misrepresentations in the consolidated annual report were identified.

ADDITIONAL INFORMATION UNDER ARTICLE 10 OF THE EU-REG

We were elected as annual auditors by the Annual General Meeting on May 13, 2024. We were commissioned by the Supervisory Board on September 23, 2024. We have been annual auditors without interruption since the business year 2019.

We declare that the Audit Opinion in Section "Report on the consolidated financial statement" is consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU-Reg.

We declare that we have not performed any prohibited non-auditing services (Article 5 (1) of the EU-Reg), and that we have maintained our independence from the audited company in the performance of the audit.

AUDITOR'S CERTIFICATE

FINANCIAL AUDITOR RESPONSIBLE FOR THE ORDER

The auditor responsible for the final audit is Dipl.-BW (FH) Marius Richter.

Vienna
April 29, 2025
PwC Wirtschaftsprüfung GmbH

Signed: Dipl.-BW (FH) Marius Richter,
Certified Public Accountant

The consolidated financial statements with our Auditor's Certificate may be published or disclosed only with our approval. This Auditor's Certificate relates only to the complete consolidated financial statements in the German language, including the consolidated annual report. To any deviating versions, the regulations of § 281 (2) of the Austrian Commercial Code (UGB) apply

GLOSSARY

Business Management Terms and Key Figures

AVÖ	Aktuarvereinigung Österreichs (Actuarial Association of Austria); professional body of Austrian actuaries and actuarial experts. AVÖ publishes the annuity valuation tables according to which the pension and severance payment liabilities are calculated.
CAPITAL EMPLOYED	Capital employed; stockholders' equity including minority interests, plus net debt.
CGU (CASH GENERATING UNIT)	The smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.
CORPORATE GOVERNANCE	Code of conduct for the responsible management and control of companies, reported in the Austrian Corporate Governance Code. The content represents a voluntary body of rules and regulations.
DBO (DEFINED BENEFIT OBLIGATION)	Present value of all vested and non-vested earned rights based on the estimated salary level at the time of retirement. The sole actuarial procedure that may be used to calculate the DBO is the projected unit credit method. The DBO corresponds to the PBO (Projected Benefit Obligation).
D&O INSURANCE – "DIRECTORS' & OFFICERS' LIABILITY INSURANCE"	The D&O Insurance (more generally: Financial losses liability insurance for members of organs of legal entities such as stock corporations, cooperatives, associations, foundations, registered societies) is usually concluded as insurance to the benefit of third parties. The Company (policyholder) insures its organ members (Executive Board members, Managing Directors, Supervisory Board members, Advisory Board members) against the risk of personal liability in connection with actions of the Company's bodies.
EBITDA	Earnings before interest, tax and depreciations on intangible and tangible assets
EBITDA MARGIN	Relative share of the EBITDA in turnover
EBIT (EARNINGS BEFORE INTEREST AND TAX)	Earnings before interest and tax; operating result
EBIT MARGIN	Percentage share of the EBIT in turnover
EBT (EARNINGS BEFORE TAX)	Earnings before taxes
EQUITY RATIO	Percentage ratio of stockholders' equity to total capital
RETURN ON STOCKHOLDERS' EQUITY	Earnings after tax as a percentage of reported stockholders' equity
ONE-TIME EFFECTS	One-off effects are expenditures and income that are disclosed separately as they are not attributable to ordinary business activities. These effects are reported separately to enable investors to better understand and assess the asset, financial and earnings position of the RATH Group.

GLOSSARY

FAIR VALUE	The price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date.
FVOCI	Fair value with changes in value through other income
FVTPL	Fair value with changes in value in profit or loss
IASB (INTERNATIONAL ACCOUNTING STANDARDS BOARD)	International board for the definition of accounting standards
IFRIC (INTERNATIONAL FINANCIAL REPORTING (INTERPRETATIONS COMMITTEES)	International committee for the interpretation of accounting standards
IFRS (INTERNATIONAL FINANCIAL REPORTING STANDARDS)	International Accounting Standards (formerly IAS)
NET DEBT	Interest-bearing financial liabilities including liabilities from leases, minus cash and cash equivalents
RIGHT-OF-USE ASSET	Right to use the underlying asset. As a matter of principle, this corresponds to the present value of future lease payments plus directly attributable costs.
PUC (PROJECTED UNIT CREDIT METHOD)	Actuarial valuation method
ROCE (RETURN ON CAPITAL EMPLOYED)	Return on capital employed; quotient of EBIT less taxes and capital employed
CONTRACT LIABILITY	Obligation of the RATH Group to transfer to customer goods or services for which it has received (or will receive) consideration from a customer.
CONTRACT ASSET	Entitlement of the RATH Group to consideration in exchange for goods or services transferred to a customer.
WACC (WEIGHTED AVERAGE COST OF CAPITAL)	Refers to a procedure associated with the discounted cash flow approach of company valuation. The weighted average cost of capital is used to determine the minimum return for investment projects.
WORKING CAPITAL RATIO	Reveals which portion of the current liabilities can be financed by the current assets. Inventory, contract assets and receivables less trade payables as well as contract liabilities are put into perspective to turnover.

IMPRINT

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2024

ANNUAL FINANCIAL STATEMENTS OF

RATH AKTIENGESELLSCHAFT

OUTSTANDING INSIDE
Refractory Solutions

www.rath-group.com

2024 ANNUAL FINANCIAL STATEMENTS

OF RATH AKTIENGESELLSCHAFT

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TYPESETTING AND PRINTING ERRORS RESERVED

MANAGEMENT REPORT

MANAGEMENT REPORT FOR THE BUSINESS YEAR 2024

Business and General Conditions
Rath Aktiengesellschaft (hereinafter referred to as "RATH AG") is a company listed on the Vienna Stock Exchange in official trading ("Standard Market Auction"). It acts as the holding company of the RATH Group and essentially provides central control of the reporting of its individual subsidiaries as well as the strategic development of our product portfolio, our application solutions, and our sales markets.

Furthermore, the financing of the entire RATH Group is the responsibility of RATH Aktiengesellschaft. There are no branch offices or permanent establishments. RATH AG funds the RATH Group through structured financing from promissory note bonds.

BUSINESS PERFORMANCE

Sales development and profitability
The stated sales revenues amounting to k€ 5,445 (previous year: k€ 3,553) mainly result from license fee settlements.

The personnel expenses amounting to k€ 1,609 (previous year: k€ 1,660) decreased by k€ 51. Due to the weak performance in 2024, the company and the Group's management (Supervisory Board/Executive Board/Head of-s) have agreed on significantly reduced bonus payments; the Executive Board itself will not receive a bonus for 2024, which is why the reduction in personnel expenses relates to 2023.

The other operating expenses amounted to k€ 3,951 (previous year: k€ 4,129). They mainly include expenses for services provided by Group subsidiaries amounting to k€ 854 (previous year: k€ 1,362), marketing expenses of k€ 1,095 (previous year: k€ 985), consulting expenses of k€ 579 (previous year: k€ 460), expenses for rent and leasing k€ 284 (previous year: k€ 255), and expenses for insurance and contributions in the amount of k€ 370 (previous year: k€ 243).

The operating result (see P&L account 6. Subtotal of N°s 1 to 5) is k€ 260 (previous year: k€ -2,152).

In the business year, dividend income in the amount of k€ 200 (previous year: k€ 4,000) from subsidiaries to the Company was reported. Interest income from loans to affiliated companies amounted to k€ 1,594 (previous year: k€ 790).

The company closes the books at an annual surplus amounting to k€ 35 (previous year: annual surplus k€ 1,379).

Assets and financial position
The balance sheet total of RATH AG decreases to k€ 77,054 (previous year: k€ 84,427). One of the main reasons for this is the repayment of the expiring promissory note loan in September 2024, as well as the

MANAGEMENT REPORT

acquisition of an interest in the associated company in India, RATH Avanee Private Ltd. and the disbursement in 2024, which were settled from cash.

Fixed assets in the field of tangible assets (property, plant and equipment) decreased by k€ 76 (previous year: k€ 98). The equity ratio amounts to 37.45 % (previous year: 36 %).

The operating cash flow, determined in accordance with AFRAC Statement 36 "Statement of Cash Flows (Austrian Commercial Code)" (June 2020), amounts to k€ -699 for the business year (previous year: k€ -1,502) and results from the increase in working capital on the one hand and the poorer result compared to the previous year on the other. Cash flow from investment activities amounted to k€ -5,613 (previous year: k€ 2,511) and resulted primarily from the acquisition of an interest in an associated company in India (k€ -3,393), the payment of a loan to Rath Inc. in the amount of k€ 6,335, a payment of a loan to Rath GmbH in the amount of k€ 2,700, and the repayment of loans by Aug. Rath jun. GmbH and Rath Inc., USA in the amount of k€ 5,002.

The cash flow from investing activities amounts to k€ -2,830 (previous year: k€ -3,331) and results from the disbursement in the amount of k€ 1,500 (previous year: k€ 1,950), the raising of a loan in the amount of k€ 2,700, as well as current interest payments and repayments. In the previous year, a dividend to the amount of € 1.00 per share from the net profit, or a total of k€ 1,500, was disbursed and the remaining amount carried forward. In order to secure liquidity, no dividend proposal will be made to the Annual General Meeting for the 2024 business year due to the result and the forecasts for 2025.

In the past year, the share price changed from € 27.20 on December 31, 2023, to € 25 on December 31, 2024. The year-end market capitalization therefore amounts to k€ 37,500 (previous year: k€ 40,800).

OUTLOOK REPORT

As the Company is a holding company, its performance relies solely on the revenues of its subsidiaries and their billable services. The International Monetary Fund (IMF) forecasts global economic growth of 3.3 % for 2025, which is below the historical average. Inflation will fall to 4.2 % worldwide, but remain an uncertainty factor in some economies. Political uncertainties, geopolitical tensions and protectionist measures could slow down the upturn. The IMF analysis emphasizes that a coordinated monetary policy and multilateral cooperation are crucial for stabilizing the global economy in 2025.

We anticipate a sideways movement in turnover and a slight improvement in our profitability in 2025.

RISK REPORT

The internal control system (ICS) is secured via a holistic quality management. There, signature regulations are defined on the basis of a dual-control principle as well as separation of critical functions in the Company. The risk management system ensures that risks are regularly analyzed and assessed. This is

MANAGEMENT REPORT

the only way to be sure that they can be detected at an early stage, and countermeasures can be implemented quickly should a risk arise. Special risks can arise due to the financing functions of the holding company. For that reason, exchange rates and the development of interest rates are being continually monitored. No other financial instruments are used for hedging purposes.

RESEARCH REPORT

The RATH Group is organized by a central Research and Development department with the priority areas Innovation, Development, Process Optimization, and Materials Science. Intensive and sustainable research and development are important components of our strategy as a premium supplier. Topics and projects in the area of research, technology and innovation are of the highest priority and supporting pillars for our company success, and therefore crucial for a sustainable competitive advantage and growth.

In 2024, the following projects were successfully implemented:

- Construction work on the ALTRA-FLEX production line continued at the Mönchengladbach plant, with commissioning planned for 2025
- Improvement of the ALTRA product line and optimization of further processing in module production
- Further development of precast concrete products for use in the glass-making industry
- Increased use of recycled raw materials in many product lines
- Development of further products for use in the highly stressed area of the chlorinator for titanium oxide production
- Development of low-iron lightweight refractories and insulating fire bricks for specialty applications

IMPORTANT CHARACTERISTICS OF THE INTERNAL CONTROL SYSTEM

The internal control system (ICS) defines all processes for securing economic efficiency and correctness of the accounting. It reduces the error rate of transactions, protects assets from losses by damages and fraud, and ensures conformity of business procedures regarding the Articles of Association and current legislation. The control environment of the accounting process is marked by a clear structural and process organization, with persons assigned uniquely to the individual functions (e.g. in Financial Accounting and Controlling).

The employees involved in the accounting process fulfill the professional requirements. SAP is used in accounting. The rules of procedure refer, among other things, to the mandatory compliance with terms of the management handbook and define a list of business cases that require approval by the Company's management. The RATH AG Management Handbook contains, among other things, the information and regulations necessary for the accounting process, such as the reporting guidelines, accounting and valuation rules or IT guidelines. A standardized monthly management reporting system includes all individual companies consolidated in the RATH Group. The Supervisory Board of RATH AG regularly discusses information regarding the internal control system during its meetings. The Audit Committee is tasked with continuously monitoring and evaluating the effectiveness of the ICS and ensuring that the

MANAGEMENT REPORT

system complies with changing legal requirements and internal corporate objectives. Management regularly reviews the effectiveness of the ICS and makes adjustments where necessary to ensure long-term efficiency and compliance.

As part of a review in the business year 2024, a weakness in the process organization was identified and corrected in a subsidiary; the correction was made during the preparation of the annual report. Moreover, optimization potentials were identified in parts of the accounting-related control system. The company is currently working on the superordinate goal of continuous improvement and further development of the internal control system in line with sustainable quality standards.

CORPORATE SOCIAL RESPONSIBILITY

The Supervisory Board and Management of the RATH Group attach high value to sustainable corporate governance. Thus, strategic decision-making as well as operational leadership are influenced equally by ecological, economic and social factors.

The most important cross-company strategies for sustainability include RATH's brand and product development strategies, innovation and production procedures to optimize the economy and ecology during the production process as well as in the product. In addition, the resource-conserving use of energy and water is a key issue at RATH.

Reporting of important basic data of the Group companies was continued in the business year 2024.
Our colleagues are the most important asset for a further positive, sustainable development of our company's success. Open, appreciative dealings with colleagues of all sectors beyond function levels are the foundation of our company. During the business year 2024, RATH AG had an average of 6 (previous year: 6) employees on the payroll.

The proportion of women in the RATH AG workforce amounts to around 40 % (previous year: 50 %), the proportion in the Supervisory Board to 20 % (previous year: 20 %).

INFORMATION ACCORDING TO § 243A OF THE AUSTRIAN COMMERCIAL CODE (UGB)

Capital composition is explained in more detail in the Notes. There are no restrictions in the Articles of Association regarding the exercise of voting rights in RATH AG. The Company is unaware of any restrictions on the transfer of voting rights.

AS OF DECEMBER 31, 2024	STOCKHOLDER STRUCTURE ‹
66,7 %	**RATH Holding GmbH**
18,8 %	**Rath family members**
14,5 %	**Widely held stock**

MANAGEMENT REPORT

RATH AG does not operate an employee stock options scheme. There are no regulations deviating from the statutory stipulations with regard to the appointment and dismissal of members of the Executive Board and of the Supervisory Board, changes to the Company's Articles of Association, and the powers of the members of the Executive Board, in particular their ability to issue or redeem shares. The Company does not hold any treasury shares as of the balance sheet date, as of the previous year's balance sheet date.

There are no existing agreements that become effective in the event of a change in control. In the event of a public takeover bid, there are no provisions for compensation.

VIENNA, APRIL 29, 2025

THE EXECUTIVE BOARD

Andreas Pfneisz
Member of the Executive Board

DI Ingo Gruber
Member of the Executive Board

ANNUAL FINANCIAL STATEMENT

RATH AG 2024

BALANCE SHEET

ASSETS	DECEMBER 31, 2024 €	DECEMBER 31, 2023 K€
A. Fixed assets		
I. Intangible assets		
Industrial property rights and similar rights, and licenses derived therefrom	165,000	195
II. Tangible assets (property, plant and equipment)		
Other assets, company and business equipment	76,086	98
III. Financial assets		
1. Interest in affiliated companies	30,647,492	26,028
2. Loans to affiliated companies	22,398,075	29,320
3. Interest in associated companies	3,392,844	0
. Investment securities	473,772	483
	56,912,183	**55,830**
	57,153,269	**56,124**
B. Current assets		
I. Receivables and other assets		
1. Receivables from affiliated companies of which from dividends € 0; previous year: k€ 7,500 of which with a remaining term > 1 year € 0; previous year: k€ 0	19,031,642	18,099
2. Other receivables and assets of which with a remaining term > 1 year € 0; previous year: k€ 0	58,604	180
	19,090,246	**18,279**
II. Cash balance, bank balances	255,664	9,398
	19,345,910	**27,677**
C. Accruals and deferrals		
Other accruals and deferrals	60,722	182
D. Deferred tax assets		
Deferred tax assets	493,695	445
	77,053,596	**84,427**

BALANCE SHEET

LIABILITIES AND EQUITY	DECEMBER 31, 2024 €	DECEMBER 31, 2023 K€
A. Stockholders' Equity		
I. Called-up, paid, subscribed authorized capital	10,905,000	10,905
II. Capital reserves		
Fixed	1,118,067	1,118
III. Retained earnings		
Other reserves (available savings)	2,972,839	2,973
IV. Net profit of which profit carried forward € 13 858 998; previous year: k€ 13,979	13,893,924	15,359
	28,889,830	**30,355**
B. Accruals and provisions		
1. Accruals and provisions for severance payments	34,904	32
2. Accruals and provisions for pensions	1,240,107	1,304
3. Accruals and provisions for taxes	204,733	15
4. Other accruals and provisions	804,467	746
	2,284,211	**2,097**
C. Liabilities		
1. Liabilities towards banks of which with a remaining term < 1 year € 2,000,000; previous year: k€ 0 of which with a remaining term > 1 year € 2,700,000; previous year: k€ 0	4,700,000	0
2. Promissory note bonds of which with a remaining term < 1 year € 892,813; previous year: k€ 4,954 of which with a remaining term > 1 year € 40,000,000; previous year: k€ 40,000	40,892,813	44,954
3. Trade payables of which with a remaining term < 1 year € 106,768; previous year: k€ 213 of which with a remaining term > 1 year € 0; previous year: k€ 0	106,768	213
4. Liabilities to affiliated companies of which with a remaining term < 1 year € 37,049; previous year: k€ 6,745 of which with a remaining term > 1 year € 0; previous year: k€ 0	37,049	6,746
5. Other liabilities of which from taxes € 124,159; previous year: k€ 3 of which in the context of social security € 15,078; previous year: k€ 14 of which with a remaining term < 1 year € 142,925; previous year: k€ 63 of which with a remaining term > 1 year € 0; previous year: k€ 0	142,925	63
total, of which with a remaining term < 1 year € 3,179,556; previous year: k€ 11,974 total, of which with a remaining term > 1 year € 42,700,000; previous year: k€ 40,000		
	45,879,555	**51,976**
	77,053,596	**84,427**

P&L ACCOUNT

	2024 €	2023 €
1. Sales revenue	5,444,952	3,553
2. Miscellaneous other operating income		
a) Income from the reversal of accruals and provisions	15,318	0
b) Miscellaneous	416,426	165
	431,745	165
3. Personnel expenses		
a) Salaries	-1,208,931	-1,155
b) Social expenses	-400,347	-505
of which expenses for old-age pensions € -75,555; previous year: k€ -236		
of which expenses for severance payments and benefits to internal employee pension funds € -149,683; previous year: k€ -82		
of which expenses for statutory social contributions as well as taxes and statutory deductions that are dependent on salary payment € -174,809; previous year: k€ -187		
	-1,609,277	**-1,660**
4. Depreciations and amortization of intangible and tangible fixed assets	-55,941	-81
5. Other operating expenses	-3,951,419	-4,129
of which taxes not falling under N°s 15 € -16,337; previous year: k€ -21		
6. Subtotal of items 1 to 5	**260,060**	**-2,152**
7. Income from investments	200,000	4,000
of which from affiliated companies € 200,000; previous year: k€ 4,000		
8. Earnings from other securities and loans held as financial assets	1,603,511	799
of which from affiliated companies € 1,603,511; previous year: k€ 790		
9. Other interest and similar income	9,144	203
10. Income from the write-up of financial assets	0	18
11. Expenses from financial assets	-9,131	0
thereof amortization – € 9,131; previous year: k€ 0		
thereof expenses from affiliated companies € 0; previous year: k€ 0		
12. Interest and similar expenses	-2,028,597	-1,904
13. Subtotal of N°s 7 to 12	**-225,073**	**3,116**
14. Earnings before taxes	**34,987**	**964**
15. Taxes on income and earnings	-61	415
of which from deferred taxes € 48,911; previous year: k€ 129		
of which from group taxation € 0; previous year: k€ 242		
16. Earnings after taxes = annual deficit/annual surplus	**34,926**	**1,379**
17. Profit carried forward from the previous year	13,858,998	13,980
18. Net profit	**13,893,924**	**15,359**

NOTES

A. ACCOUNTING AND VALUATION PRINCIPLES

1. GENERAL PRINCIPLES

The valid version of the annual financial statement was created taking into account the Austrian Commercial Code (UGB) and the principles of proper bookkeeping as well as the general standard of presenting a maximally faithful image of the asset, financial and earnings position of the Company. The Company is to be classified as a large corporation pursuant to § 221 of the Austrian Commercial Code (UGB).

The principle of completeness was adhered to during creation of these annual financial statements. The P&L account was prepared according to the total cost method. The accounting and valuation methods applied before have been retained.

As the parent company of the Group, RATH Aktiengesellschaft ("RATH AG"), headquartered in Vienna, prepares the consolidated financial statement for the smallest and largest group of companies published at the Vienna Commercial Register Court under the number FN 83203 h. The legal relationships with the affiliated companies as of the balance sheet date are shown in Supplement 2 to the Notes.

For the valuation of individual assets and liabilities, the principle of individual assessment and a continuation of the Company were assumed. Thus, the prudence principle was complied with by reporting only revenues realized on the reporting date. All foreseeable risks and imminent losses were taken into consideration.

Estimates are based on a prudent assessment. If and insofar as statistically ascertainable experience from similar circumstances exists, the Company has taken this into account in its estimates.

2. FIXED ASSETS

a) Intangible assets

Intangible assets acquired are assessed at purchase cost less scheduled depreciations. The scheduled depreciation is applied using the straight-line method. The following useful life is used as a basis for the scheduled depreciation:

› INTANGIBLE ASSETS	YEARS
Software and licenses	3-4

Acquisitions in the first half of the financial year are depreciated at the full annual rate; additions in the second half at one-half the annual rate. Low-value assets (individual acquisition value of up to € 1,000 (previous year: € 1,000) are capitalized in the year of addition and immediately depreciated. Unscheduled depreciations take place if the impairments are expected to be permanent. As in the previous year, no unscheduled depreciations took place in the business year.

NOTES

b) Tangible assets (property, plant and equipment)

Property, plant and equipment are assessed at purchase cost less scheduled linear depreciations. The scheduled depreciations are performed on the basis of the following depreciation rates:

YEARS	TANGIBLE ASSETS ‹
3-10	**Other assets, company and business equipment**

Acquisitions in the first half of the financial year are depreciated at the full annual rate; additions in the second half at one-half the annual rate. Low-value assets (individual acquisition value of up to € 1,000 (previous year: € 1,000) are capitalized in the year of addition and immediately depreciated. Unscheduled depreciations take place if the impairments are expected to be permanent. As in the previous year, no unscheduled depreciations took place in the business year.

Investment grants are presented using the gross method.

c) Financial assets

The financial assets of RATH AG include the interest in affiliated companies and the share in RATH Avanee Private Ltd. newly acquired in the 2024 reporting year. This 33 % stake is recognized as a non-current financial asset at cost in accordance with the provisions of the Austrian Commercial Code (UGB). Interest in affiliated companies is as a matter of principle valued at acquisition cost, whereby impairment is taken into account through depreciation if there is a sustained reduction in value. In the business year, there was a reclassification in the course of the US merger between RATH LLC and RATH Inc. in the amount of k€ 4,620; the carrying amount of the investment was increased by this amount, and the loan was concomitantly reduced by the same amount.

If there are indications of a permanent significant decrease in fair value, the investments are valued.

If and insofar as the carrying amounts of the shares are not sufficiently covered by the pro rata stockholders' equity of the subsidiaries, a valuation is carried out on the basis of discounted net cash surpluses. Here, estimates must be made under uncertainty, especially with regard to future cash surpluses. A future change in the macroeconomic, industry or company situation may lead to a reduction or increase in planned cash surpluses and thus to impairment losses or appreciations in value.

The valuations are based on a net present value-oriented method based on the expected development, in which the weighted average cost of capital (WACC) is used. These are equivalent to the weighted average return on equity and borrowed capital. The weighting of return on equity and borrowed capital is based on the capital structure of the respective investment. Against the backdrop of the current volatile financial market environment, the development of the cost of capital represents an uncertainty to be monitored on an ongoing basis.

NOTES

Loans and investment securities are reported at purchase cost, reduced by depreciations to reflect impairment where applicable. Unscheduled depreciations take place if the impairments are expected to be permanent. In the business year, unscheduled depreciations in the amount of € -9,131 were recognized (previous year: k€ 0).

Loans denominated in foreign currencies are recognized at the lower of cost or the foreign exchange buying rate at the balance sheet date.

Unscheduled depreciations take place if the value at the reporting date is lower than their carrying amount is. In the business year, unscheduled depreciations were made on investments to the amount of € 0 (previous year: k€ 0).

d) Write-ups to fixed assets

Write-ups to the fixed assets is made when the reasons for the unscheduled depreciation have ceased to apply. The appreciation is made to a maximum of the net carrying amount resulting from consideration of the normal depreciations that would have had to be carried out in the meantime.

There was no income from the write-up of financial assets in the business year (previous year: k€ 18).

3. CASH BALANCE, BANK BALANCES

Bank balances denominated in foreign currency are reported at the exchange rate on the balance sheet date.

4. RECEIVABLES AND OTHER ASSETS

Receivables and other assets are assessed at nominal value unless, in case of foreseeable individual risks, the lower applicable value is recognized. Receivables denominated in foreign currencies are recognized at the lower of cost or the foreign exchange buying rate at the balance sheet date.

5. PREPAID EXPENSES AND DEFERRED CHARGES

Accruals include expenses prior to the reporting date if they represent expenses for a specific period after that date.

6. DEFERRED TAX ASSETS

Deferred tax assets are recognized for differences between the carrying amounts of assets, provisions, liabilities and prepaid expenses and deferred charges under corporate law and the tax base of assets, accruals and provisions, liabilities and prepaid expenses, which are expected to be reduced in subsequent financial years. Deferred taxes are measured using the tax rate of 23 % for differences utilized in the current business year (previous year: 23 %). The valuation is carried out consideration of discounting.

NOTES

In addition, deferred tax assets are recognized for existing fiscal loss carry-forwards to the extent that sufficient deferred fiscal liabilities are available or there are convincing substantial indications that sufficient taxable earnings will be available in future to utilize these loss carry-forwards. In addition to appropriate tax planning, the consistently positive results of past periods are also used as substantial indications.

Deferred tax assets and deferred tax liabilities were netted, since it was legally possible to offset actual tax refund claims against actual tax liabilities.

7. ACCRUALS AND PROVISIONS

a) Accruals and provisions for pensions

Accruals and provisions for pensions are calculated by application of AFRAC Statement 27 "Provisions for pensions, severance payments, anniversary bonuses and comparable non-current obligations under the Austrian Commercial Code" (June 2022) using actuarial principles in accordance with the projected unit credit method, using the biometric tables AVÖ 2018-P and an interest rate of 3.08 % (previous year: 3.37 %) and with a retirement age according to AVÖ-2018-P. The calculation was based on a salary trend of 3.0 % (previous year: 3.0 %) and a fluctuation of 0 % (previous year: 0 %). The accumulation period begins at the time when the employee's work performance first gives rise to benefits under the plan and continues until the date of full vesting.

The discount rate used is a key date interest rate. The key date interest rate is the interest rate at which a company with a high credit rating can obtain debt capital on the reporting date that is essentially equivalent to the average remaining term of the obligations. The interest expenditures relating to pension provisions and the effects of a change in the interest rate are reported under personnel expenses.

The change in the provision recognized in the amount of € 1,240,107 (previous year: k€ 1,304) results from an allocation in the amount of € 75,555 (previous year: € 235) and a utilization in the amount of € 139,438 (previous year: k€ 139).

b) Accruals and provisions for entitlements to severance payments

Provisions for severance payments are calculated by application of AFRAC Statement 27 "Provisions for pensions, severance payments, anniversary bonuses and comparable long-term obligations under the provisions of the Austrian Commercial Code" (June 2022) in accordance with generally accepted actuarial principles using the projected unit credit method based on the AVÖ 2018-P biometric mortality tables with an interest rate of 3.37 % (previous year: 3.49 %). The retirement age is set at the ASVG (Austrian General Social Security Act) retirement age in accordance with the transitional provisions of the Budget Accompanying Act of 2003. The calculation was based on a salary trend of 3.0 % (previous year: 3.0 %) and, as in the previous year, no fluctuation was assumed. The accumulation period begins at the time when the employee's work performance first gives rise to benefits under the plan and continues until the date of full vesting.

NOTES

The discount rate used is a key date interest rate. The key date interest rate is the interest rate at which a company with a high credit rating can obtain debt capital on the reporting date that is essentially equivalent to the average remaining term of the obligations. The interest expenditures relating to severance provisions and the effects of a change in the interest rate are reported under the relevant personnel expenses. The change amounting to € 2,592 (previous year: k€ 9) is therefore included in the salary expenditures. As in the previous year, there were no disbursements in the business year.

c) Accruals and provisions for anniversaries

The calculation of provisions for anniversary bonuses is based on the same methodology as for entitlements to severance payments, with an interest rate of 3.45 % (previous year: 3.44 %) and a retirement age in accordance with the ASVG with the transitional provisions of the Budget Accompanying Act of 2003. The calculation was based on a salary trend of 3.0 % (previous year: 3.0 %) and a fluctuation of 5 % (previous year: 5 %). As in the previous year, there were no disbursements in the business year.

d) Miscellaneous other accruals and provisions

All foreseeable risks and uncertain liabilities were taken into account according to the prudence principle to the amount of miscellaneous other accruals and provisions that are required according to reasonable entrepreneurial judgment. The other accruals and provisions were formed to the amount of the settlement, which was estimated as best as possible.

8. LIABILITIES

Liabilities are recognized at the settlement amount, taking into account the principle of prudence.

9. CURRENCY CONVERSION

As in the previous year, the foreign-currency liabilities will be assessed at the rate applying on the day of the transaction or the lower currency buying rate on the balance sheet date. As in the previous year, the foreign-currency obligations are assessed with the rate applying on the day of the transaction or the higher currency selling rate on the balance sheet date.

B. NOTES ON THE BALANCE SHEET AND P&L ACCOUNT OF RATH AG

NOTES ON THE BALANCE SHEET

1. Fixed assets

The development of fixed assets is shown on the Summary of Fixed Assets (Supplement 1 to the Notes).

Of the loans, an amount of € 2,367,918 (previous year: k€ 2,240) is due within the next year.
Since the current business year, the company's financial assets have included a new interest in an associated company in the amount of € 3,392,844.

NOTES

2. Receivables and other assets

Other receivables do not comprise any substantial income affecting payment only after the balance sheet date. Receivables from affiliated companies largely include receivables from Group allocation and settlement of licenses in the amount of € 17,929,984 (previous year: k€ 16,601) and receivables from dividend distributions in the amount of € 0 (previous year: k€ 7,500 from a simultaneous disbursement from RATH GmbH, Germany). In addition, receivables from tax contributions in the amount of 242,180 € (previous year: k€ 242) are reported, which include outstanding receivables from 2023 that will be settled in the course of the business year 2025. Legal and economic relationships with affiliated companies in accordance with § 238 (1) 20 of the Austrian Commercial Code (UGB) are not disclosed as they would cause a significant disadvantage to the company or an affiliated company.

3. Financial assets

RATH AG holds a 33 % interest in an associated company based in India. The interest is recognized at cost in accordance with the Austrian Commercial Code (UGB). In the business year 2024, the pro rata earnings contribution from the valuation amounted to € 7,711.

The key financial information of the joint venture is presented below on a 100 % basis, broken down into balance sheet and earnings figures for the business year 2024:

FINANCIAL ASSETS ‹

DECEMBER 31, 2024 *IN €*	**Balance Sheet**
4,664,598	Current assets
6,559,810	Long-term financial assets
11,224,408	Total assets
10,161,170	Stockholders' equity
1,063,238	Debt capital
11,224,408	Total liabilities and equity
	P&L account
446,169	Sales revenue
-337,470	Expenses for purchased services and materials
-85,333	Other operating expenses
23,366	Earnings before taxes
0	Taxes
23,366	Earnings after tax

4. Deferred tax assets

Deferred taxes are formed pursuant to § 198 (9) and (10) of the Austrian Commercial Code (UGB) in accordance with the balance sheet-oriented concept and without deduction of accrued interest on the basis of the current corporate income tax rate of 23 % (previous year: 23 %) for the year 2024. The deferred tax assets amounting to € 493,695 (previous year: k€ 445) as of the balance sheet date were formed for temporary differences between the valuations under fiscal and company law for the following items

NOTES

› DEFERRED TAX ASSETS ‹

	DECEMBER 31, 2024 IN €	DECEMBER 31, 2023 IN K€
Non-current personnel provisions	321,817	350
Cost of procuring money	116,554	159
Amount of total differences	438,371	510
Loss carryforwards Group	1,708,139	1,424
Resulting deferred tax assets as of 31. 12.	493,695	445

5. Stockholders' equity

As in the previous year, the called-up and paid authorized capital amounts to € 10,905,000 and is composed of 1,500,000 no-par shares.

No dividend distribution is planned for the current business year.

The net profit is not subject to a distribution ban pursuant to § 235 (2) of the Austrian Commercial Code, as the reserves that can be released at any time exceed the amount of capitalized deferred tax assets.

6. Other accruals and provisions

Other accruals and provisions consisted of the following:

› ACCRUALS AND PROVISIONS

	2024 IN €	2023 IN K€
Premiums	29,083	371
Unused leave	16,587	2
Legal and consultancy costs	92,820	73
Anniversary bonuses	27,088	46
Supervisory Board remunerations	98,000	100
Other personnel costs	448,554	57
Miscellaneous	92,335	97
	804,467	**746**

7. Liabilities

As in the previous year, the item "Other liabilities" does not comprise any significant expenditures affecting payment only after the reporting date.

Total liabilities with a term of more than five years amounted to € 0 as of the balance sheet date (previous year: k€ 18,500). In the business year 2024, the ratio of consolidated net debt to consolidated EBITDA was above 3.5 x, meaning that a step-up margin of + 0.5 % p.a. will be due from the next interest period in September 2025.

As in the previous year, there are no liabilities for which collateral has been provided.

NOTES

Liabilities to affiliated companies include current settlements with Group companies. Current financial liabilities amounted to € 0 in this business year (previous year: k€ 6,335).

8 Liability relationships and obligations from using tangible assets (property, plant and equipment) not listed in the balance sheet

a) Contingencies

As in the previous year, the company issued a letter of comfort to Unicredit Bank Austria AG for Chamottewaren- und Thonöfenfabrik Aug. RATH jun. GmbH, Krummnußbaum, to the amount of € 1,000,000.

There are also contingent liabilities in the amount of € 19,211.

b) Obligations from the use of tangible assets (property, plant and equipment) not listed in the balance sheet

OF THE FOLLOWING BUSINESS YEAR *IN €*	OF THE FOLLOWING FIVE BUSINESS YEARS *IN €*	OFF-BALANCE-SHEET TANGIBLE ASSETS ‹
€ 170,796; previous year: k€ 121)	€ 246,567; previous year: k€ 229)	**Obligations from rentals and leases**

NOTES ON THE P&L ACCOUNT

1. Sales revenue

The sales revenue consists of Group contribution and license fee settlements. The safeguard clause pursuant to § 240 of the Austrian Commercial Code (UGB) was invoked.

2. Other operating income

The miscellaneous other operating income is composed as follows:

DECEMBER 31, 2023 *IN K€*	DECEMBER 31, 2024 *IN €*	OTHER OPERATING INCOME ‹
162	412,790	Foreign currency income
3	3,636	Miscellaneous
165	**416,426**	

The foreign currency income is based on realized income from transactions in US$ with affiliated companies.

3. Personnel expenses

In the business year 2024, we had an average of 6 (previous year: 6) employees on the payroll. The expenditures for severance payments include benefits to internal employee pension funds amounting to € 20,174.46 (previous year: k€ 17).

NOTES

4. Other operating expenses

The miscellaneous other operating expenses are composed as follows:

› MISCELLANEOUS OTHER OPERATING EXPENSES

	2024 IN €	2023 IN K€
Expenses passed on by affiliated companies	853,823	1,362
Marketing	1,094,561	985
Legal counseling and other consulting	579,357	460
Rental and leasing	284,386	255
Insurances	370,423	243
Foreign exchange losses	249,395	183
Travel expenses	175,734	177
Supervisory Board remuneration	98,000	100
Vehicle costs	66,119	88
Out-of-pocket costs for monetary transactions	38,358	40
Occupancy costs	17,210	16
Energy costs	8,286	13
Skill enhancement	14,717	11
Miscellaneous	84,713	174
	3,935,082	**4,107**

The expenses for the annual auditor are listed in the consolidated financial statement.

5. Income tax

In 2005, a tax allocation agreement was signed in accordance with § 9 VIII of the Corporate Income Tax Act 1988 (KStG) (group parent RATH AG – group members Chamottewaren- und Thonöfenfabrik Aug. RATH jun. GmbH, Krummnußbaum, and RATH Business Services GmbH, Vienna, since 2016) for the purpose of group taxation.

The group parent debits or (in the event of a loss) credits the group members with the amounts of corporate income tax they have incurred, calculated according to the debit method, via tax contributions. In the case of a positive fiscal result, the tax contribution is calculated by application of a fiscal rate of 23 % or 11.5 %, depending on whether the positive fiscal result of the group members is covered by the combined positive result of the group parent. That part of the attributed negative income of the group member which causes or increases a negative combined result is kept evident by the group parent. In accordance with AFRAC Statement 30 "Deferred taxes in the annual and consolidated financial statements" (September 2023), a provision is made for future tax charges.

NOTES

The tax expenditure (–) or tax income (+), respectively, for the business year results from the following:

TAX EXPENDITURE 2024 ‹

2023 IN K€	2024 IN €	
43	-64,465	Current corporate income tax
242	0	Corporate income tax from group allocation
0	15,492	Tax credit previous year
130	48,911	Deferred tax income
415	**-61**	

C. ORGANS OF THE COMPANY

Mr. Andreas Pfneiszl, born in 1969, has been a member of the Executive Board since June 10, 2013 (initial appointment) and is responsible for Finance, Strategy, IR, Sales/Marketing, HR/IT, and Legal. The management contract is in force until December 31, 2027.

DI Ingo Gruber, born in 1962, has been a member of the Executive Board since October 1, 2019, and is responsible for Production, Research & Development, SCM, Purchasing, and Quality Management. The management contract is in force until December 31, 2025.

Mag. Alexandra Rester, born in 1971, was a member of the Executive Board since June 1, 2023, with responsibility for Finance, Investor Relations, Compliance, and Treasury. The Executive Board contract was terminated prematurely in September 2024. Mr. Andreas Pfneiszl has taken over the corresponding agendas since September 2024.

In the following, the total remuneration of the Executive Board is shown with its respective fixed and variable shares:

EXECUTIVE BOARD REMUNERATIONS ‹

FIXED K€	OF WHICH AFFILIATED COMPANY	VARIABLE K€	OTHER REMUNERATIONS	TOTAL 2024	
282	62	0	15	297	Andreas Pfneiszl
282	62	0	10	292	DI Ingo Gruber
493	0	0	10	503	Mag. Alexandra Rester
				1,092	

FIXED K€	OF WHICH AFFILIATED COMPANY	VARIABLE K€	OTHER REMUNERATIONS	TOTAL 2023	
275	62	145	13	433	Andreas Pfneiszl
275	62	145	10	430	DI Ingo Gruber
129	0	37	6	172	Mag. Alexandra Rester
				1,035	

NOTES

The fixed total remuneration of Mag. Alexandra Rester comprises contractually agreed variable and fixed salary components for 2025 in the amount of € 264,637 in accordance with the termination agreement.

Upon termination of their function and provided that their employment is terminated at the same time, members of the Executive Board are entitled to a severance payment as defined in § 23 of the Angestelltengesetz (Austrian Salaried Employees Act), unless the termination is due to a justified dismissal. In this regard, it should be noted that the old severance payment claims were frozen as of December 31, 2002; the claims will change only as a result of salary adjustments and amount to € 34,904 as of December 31, 2024 (previous year: k€ 32).

All members of the Executive Board are entitled to a severance payment of half a month's salary per year of service upon termination of the Executive Board function and termination of the employment contract. Here, € 148,554 (previous year: k€ 57) are included in other provisions.

Pension payments were made to former executive bodies to the amount of € 139,438 (previous year: k€ 140). No advances or loans were granted to members of the Company's executive bodies.

COMPOSITION OF THE SUPERVISORY BOARD

The Supervisory Board currently consists of five members elected by the Annual General Meeting, who are characterized by strong managerial and legal expertise, personal qualifications and long-standing experience. All the members are Austrian citizens.

› MEMBERS OF THE SUPERVISORY BOARD

	YEAR OF BIRTH	INITIAL APPOINTMENT	END OF CURRENT TERM OF OFFICE
Mag. Stefan Ehrlich-Adám (Chairman), independent	1964	25.06.2013	in 2028
CPA Mag. Philipp Rath (Vice Chairman), dependent	1966	17.07.2003	in 2028
Mag. Dieter Hermann, independent	1966	25.06.2013	in 2028
Dipl. Ing. Dr. Matthias Rath, independent	1968	02.06.2023	in 2028
Mag. Dr. Ulla Reisch, independent	1968	28.05.2018	in 2028

NOTES

The Supervisory Board remuneration (including attendance fees) for the business year 2024, subject to the approval of the Annual General Meeting, amounts to a total of € 98,000 (previous year: k€ 100) distributed among the Members of the Supervisory Board as follows:

REMUNERATION (INCL. ATTENDANCE FEES)	MEMBERS OF THE SUPERVISORY BOARD ‹
22,200	**Mag. Stefan Ehrlich-Adám** (Chairman)
20,700	**CPA Mag. Mag. Philipp Rath** (Vice Chairman)
18,900	**Mag. Dieter Hermann**
18,100	**Mag. Dr. Ulla Reisch**
18,100	**Dipl. Ing. Dr. Matthias Rath**

The remunerations for Members of the Supervisory Board consist of fixed and attendance-dependent components. The fixed components consist of a total amount. In addition, the participation of members is remunerated at a flat rate per meeting.

D. EVENTS AFTER THE BALANCE SHEET DATE

To secure the company's liquidity in view of the challenges expected in the coming business year, a loan of M€ 5 was taken out with an Austrian bank after the balance sheet date. The measure serves to strengthen the Group's financial flexibility as a precautionary measure.

THE MANAGEMENT DIRECTORS

VIENNA, APRIL 29, 2025

Andreas Pfneisz
Member of the Executive Board

DI Ingo Gruber
Member of the Executive Board

SUPPLEMENT 1: SUMMARY OF FIXED ASSETS

	ACQUISITION AND MANUFACTURING COSTS				
	AS OF JANUARY 01, 2024 €	ADDITIONS €	DISPOSALS €	REPOSTINGS €	AS OF DECEMBER 31, 2024 €
I. Intangible assets					
Industrial property rights and similar rights, and licenses derived therefrom	1,020,839	0	0	0	1,020,839
	1,020,839	**0**	**0**	**0**	**1,020,839**
II. Tangible assets (property, plant and equipment)					
1. Other assets, company and business equipment*	1,139,424	3,880	0	0	1,143,304
	1,139,424	**3,880**	**0**	**0**	**1,143,304**
III. Financial assets					
1. Interest in affiliated companies	30,880,403	0	0	4,619,791	35,500,194
2. Loans to affiliated companies	29,657,755	2,700,000	-5,002,104	-4,619,791	22,735,860
3. Interest in associated companies	0	3,392,844	0	0	3,392,844
4. Investment securities	596,526	0	0	0	596,526
	61,134,684	**6,092,844**	**-5,002,104**	**0**	**62,225,424**
	63,294,946	**6,096,724**	**-5,002,104**	**0**	**64,389,566**
* of which low-value assets in accordance with § 13 of the Austrian Income Tax Act (EStG)		0			

SUPPLEMENT 1: SUMMARY OF FIXED ASSETS

CUMULATED DEPRECIATIONS			NET CARRYING AMOUNTS	
AS OF JANUARY 01, 2024 €	ADDITIONS €	AS OF DECEMBER 31, 2024 €	BOOK VALUE DECEMBER 31, 2023 €	BOOK VALUE DECEMBER 31, 2024 €
-825,839	-30,000	-855,839	195,000	165,000
-825,839	**-30,000**	**-855,839**	**195,000**	**165,000**
-1,041,277	-25,941	-1,067,218	98,147	76,086
-1,041,277	**-25,941**	**-1,067,218**	**98,147**	**76,086**
-4,852,701	0	-4,852,701	26,027,702	30,647,492
-337,785	0	-337,785	29,319,970	22,398,075
0	0	0	0	3,392,844
-113,624	-9,131	-122,755	482,902	473,771
-5,304,110	**-9,131**	**-5,313,241**	**55,830,574**	**56,912,182**
-7,171,226	**-65,072**	**-7,236,298**	**56,123,721**	**57,153,269**
	0			

SUPPLEMENT 2: INVESTMENTS

COMPANY NAME AND HEADQUARTERS	SHARE %	STOCKHOLDERS' EQUITY AS DECEMBER 31, 2024* €	ANNUAL RESULT 2024* €
RATH GMBH, MEISSEN, GERMANY	100.00 %	23,392,204	-3,620,153
PREVIOUS YEAR	100.00 %	27,012,357	5,736,340
RATH HUNGARIA KFT., BUDAPEST, HUNGARY	100.00 %	5,067,801	-554,179
PREVIOUS YEAR	100.00 %	6,012,823	3,421,964
RATH INC., NEWARK, DE, USA	100.00 %	1,355,493	-1,895,843
PREVIOUS YEAR	100.00 %	3,574,668	1,028,363
CHAMOTTEWAREN- UND THONÖFENFABRIK AUG. RATH JUN. GMBH, KRUMMNUSSBAUM, AUSTRIA	99.98 %	17,622,634	-336,984
PREVIOUS YEAR	99.98 %	17,959,618	2,388,427
RATH ŽÁROTECHNIKA SPOL. S R.O, DVŮR KRÁLOVÉ NAD LABEM, CZECH REPUBLIC	100.00 %	726,776	110,602
PREVIOUS YEAR	100.00 %	876,214	151,461
RATH POLSKA SP. Z O.O., DĄBROWA GÓRNICZA, POLAND	100.00 %	137,349	-105,941
PREVIOUS YEAR	100.00 %	239,518	-14,158
RATH UKRAJINA TOW, DNIPRO, UKRAINE	100.00 %	-8,187	-34,259
PREVIOUS YEAR	100.00 %	-41,065	111,865
RATH GROUP S. DE R.L. DE C.V., GUADALUPE, MEXICO	100.00 %	406,869	1,144,117
PREVIOUS YEAR	100.00 %	501,628	494,530
RATH BUSINESS SERVICES GMBH, VIENNA, AUSTRIA	100.00 %	247,787	17,874
PREVIOUS YEAR	100.00 %	229,913	-68,875
RATH AVANEE PRIVATE LTD.	33.00 %	10,161,170	23,366
PREVIOUS YEAR	-	0	0

* according to preliminary local financial statement

AUDITOR'S CERTIFICATE

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Report on the Annual Financial Statements

AUDIT OPINION

We have audited the annual financial statement of Rath Aktiengesellschaft, Vienna, consisting of the balance sheet as per December 31, 2024, the P&L account for the business year ending on this reporting date, and the Notes.

According to our assessment, the annexed annual financial statement corresponds to the legal provisions and give a maximally true and fair view of the assets and the financial position of the Company as per December 31, 2024, as well as of the profitability of the Company for the business year ending on this reporting date, in agreement with the provisions of Austrian corporate law.

BASIS FOR THE AUDIT OPINION

We conducted our audit in accordance with EU Regulation N° 537/2014 (hereinafter EU-Reg) and generally accepted Austrian standards for the auditing of financial statement. These principles require application of the International Standards on Auditing (ISA). According to these provisions and standards, our responsibilities are described further in the section of our Auditor’s Certificate entitled “Responsibilities of the annual auditor for the auditing of the annual financial statements.” We are independent of the Company, in agreement with the provisions of Austrian corporate and professional law, and we have fulfilled our other professional obligations in agreement with these requirements. We believe that the documentary audit evidence we obtained for auditing up to the date of the auditor’s certificate is sufficient and appropriate to serve as a basis for our Audit Opinion at this date.

PARTICULARLY IMPORTANT AUDITING MATTERS

Particularly important auditing matters are circumstances that were most important for our audit of the annual financial statement from the financial year according to our best judgment. These circumstances were considered in connection with our audit of the annual financial statement as a whole and during the formation of our Audit Opinion, and we do not provide a separate Audit Opinion on these circumstances.

We have structured our presentation of these particularly important auditing matters as follows:

- Facts
- Audit procedure and findings
- Reference to further information

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RECOVERABILITY OF INTEREST IN AFFILIATED COMPANIES AND LOANS TO AFFILIATED COMPANIES

- Facts

The shares in affiliated companies to the amount of € 30,647,492 (previous year: k€ 26,028) and loans to affiliated companies totaling € 22,398,075 (previous year: k€ 29,320) represent 69 % (previous year: 66 %) of the balance sheet total of Rath Aktiengesellschaft, Vienna, as of December 31, 2024.

Pursuant to § 204 (2) of the Austrian Commercial Code (UGB), shares in affiliated companies and loans to affiliated companies are to be written down on an unscheduled basis to the lower value to be attributed on the reporting date in the event of an expected permanent impairment, whereby a depreciation may also be made if the reduction in value is not expected to be permanent. An appreciation in value pursuant to § 208 (1) of the Austrian Commercial Code (UGB) must be carried out if, in the case of shares in affiliated companies or loans to affiliated companies that have been written down on an unscheduled basis, it becomes apparent in a later business year that the reasons for the unscheduled depreciation no longer exist. The appreciation is to be made to the extent of the increase in value.

The Executive Board carries out an impairment test for shares in affiliated companies and loans to affiliated companies if there are, or cease to be, indications of permanent impairment. If and insofar as the carrying amount of the shares in affiliated companies is not sufficiently covered by the prorated stockholders' equity, or for the purpose of determining write-ups, a valuation is carried out on the basis of a discounted cash flow method. The determination of the fair value of the financial assets incorporates various valuation-relevant assumptions with regard to the future cash flows expected by the legal representatives ("free cash flows", such as assumptions on the development of sales and profitability, as well as the growth rate for the perpetual annuity), which are associated with considerable estimation uncertainties and discretion. The capitalization interest rate (WACC) to be used to determine the fair value is a significant input parameter and is also to be classified as highly discretionary.

Due to these estimation uncertainties, there is a risk for the financial statements that the shares in affiliated companies or the loans to affiliated companies are not recoverable. The recoverability of shares in affiliated companies and loans to affiliated companies is therefore considered to be a key audit matter.

- Audit procedure and findings

We assessed the impairment tests performed by the Executive Board on shares in affiliated companies and loans to affiliated companies to determine whether they appropriately identified a potential need for impairment or write-ups.

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To test the Company's recoverability assessment, we assessed in particular the valuation model itself and dealt with the key value drivers of the fair values.

The expected future cash flows were derived from the budget adopted by the Supervisory Board, as well as from the multi-year plan acknowledged by the Supervisory Board, whereby the management made individual adjustments to the expected results at the level of the cash-generating units and thus also in total at Group level. These changes were brought to the attention of the Supervisory Board.

With the involvement of our internal valuation specialists, we examined whether the selected valuation method complies with recognized valuation principles and assessed the parameters used by the company (planned cash flows, growth rates and discount rates) to determine whether they are plausible and appropriate. We have prepared our own sensitivity analyses for the purpose of testing a possible need for impairment, in which the assumptions made by management were varied in the expected cash flows.

The valuation model used by the company is suitable for testing the recoverability of shares in affiliated companies and loans to affiliated companies. The assumptions and valuation parameters underlying the determination of the fair value and the associated disclosures are plausible.

- Reference to further information

For further information, please refer to the Notes to the financial statement of Rath Aktiengesellschaft, Vienna, section A. Accounting and Valuation Principles, 2. Fixed assets, c) financial assets and d) write-ups to fixed assets as well as B. Notes to the Balance Sheet and P&L Account of Rath Aktiengesellschaft, Vienna, Notes to the Balance Sheet, 1. Fixed assets.

FURTHER INFORMATION

The legal representatives are responsible for the further information. The further information comprises all the information in the annual report, excluding the annual financial statement, the management report and the Auditor's Certificate.

Our Audit Opinion on the annual financial statement does not cover such other information, and we do not express any form of assurance conclusion thereon.

In the context of our auditing of the annual financial statement, we have a responsibility to read this other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statement or our knowledge obtained in the audit or otherwise appears to be misstated.

If, based on our work performed on the other information obtained before the date of this Auditor's Certificate, we conclude that there has been a material misstatement of such other information, we are required to report that fact. We have nothing to report in this respect.

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RESPONSIBILITIES OF THE LEGAL REPRESENTATIVES AND THE AUDIT COMMITTEE FOR THE ANNUAL FINANCIAL STATEMENT

The legal representatives are responsible for the creation of the annual financial statement and for making sure that this provides a maximally faithful representation of the Company's asset, financial and earnings position in agreement with the provisions of Austrian corporate law. Furthermore, the legal representatives are responsible for the internal controls that they deem necessary to enable preparation of annual financial statement free of significant – fraudulent or accidental – misrepresentations.

During the creation of the annual financial statement, the legal representatives are responsible for assessing the capability of the Company to continue their company activities, to specify circumstances in connection with the continuation of their company activities – if and insofar as relevant – and to apply the accounting principle of the continuation of company activities; unless the legal representatives intend to either liquidate the Company or to cease its activities, or do not have any realistic alternatives to this.

The Audit Committee is responsible for monitoring the accounting process of the Company.

RESPONSIBILITIES OF THE ANNUAL AUDITOR FOR THE AUDITING OF THE ANNUAL FINANCIAL STATEMENTS

Our goals are to obtain sufficient certainty as to whether the annual financial statement as a whole is free of significant – fraudulent or accidental – misrepresentations, and to provide an Auditor's Certificate that contains our Audit Opinion. Sufficient certainty is a high level of certainty, but not a guarantee that an audit executed in agreement with the EU-Reg and the Austrian principles of proper auditing, which mandate application of the ISA, will always discover a significant misrepresentation if such exists. Misrepresentations may result from fraudulent acts or mistakes and are to be considered significant if it can be expected that they – individually or altogether – will influence the economic decisions of users made on the basis of these annual financial statement.

As a part of an audit in agreement with the EU-Reg and the Austrian principles of proper auditing, which mandate application of the ISA, we exercise discretion according to our best judgment during the entire audit and maintain a critical approach.

Furthermore:

- We identify and assess risks of significant – fraudulent or accidental – misrepresentations in the statement, plan auditing measures as a response to these risks, execute them and obtain documentary audit evidence that is sufficient and suitable to serve as a basis for our Audit Opinion. The risk that significant misrepresentations resulting from fraudulent actions not being discovered is greater than a

AUDITOR'S CERTIFICATE

risk of misrepresentations resulting from mistakes, because fraudulent actions may comprise collusive collaborations, falsifications, intended incompleteness, misleading representations or the bypassing of internal controls.

- We gain an understanding of the internal control system relevant for the audit in order to plan auditing measures that are appropriate under the specified circumstances, however not with the goal of submitting an Audit Opinion of the effectiveness of the Company's internal control system.
- We assess the appropriateness of the accounting methods applied by the legal representatives as well as the plausibility of the estimated values in the accounting presented by the legal representatives and related information.
- We draw conclusions about the appropriateness of the application of the accounting principles for the continuation of operations by the legal representatives as well as on the basis of the obtained documentary audit evidence as to whether there is a significant discrepancy in connection with events or circumstances that may cause significant doubt in the ability of the Company to continue its operations. If we come to the conclusion that a significant uncertainty exists, we are obligated to point in our Auditor's Certificate to the relevant information in the annual financial statements or, if this is inappropriate, to modify our Audit Opinion. We draw our conclusion on the basis of the documentary audit evidence that we have obtained up to the date of our Auditor's Certificate. Future events or circumstances may nevertheless result in the Company ceasing to continue its operations.
- We evaluate the entire representation, the structure and the content of the annual financial statements, including the specifications, as well as if the financial statements represents the business transactions and events in a manner that creates a maximally faithful image.

We talk to the Audit Committee about the planned scope and the planned time needed for the audit, as well as about important findings, including any important deficiencies in the internal control system that we detect during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, 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 address threats or safeguards applied.

On the basis of the issues that we discuss with the Audit Committee, we determine which issues were most important for the audit of the annual consolidated financial statement for the business year and are therefore particularly important auditing matters. We describe these issues in our Auditor's Certificate unless laws or other legal provisions rule out publication of the issues, or we determine in extremely rare cases that an issue should not be included in our Auditor's Certificate because it is reasonably expected that the negative consequences of such a notification would outweigh their advantages for the public interest.

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Further legal and other statutory requirements

REPORT ON THE MANAGEMENT REPORT

Due to the provisions of Austrian corporate law, the management report must be examined to check that it is in agreement with the annual financial statement and was issued according to the applicable legal requirements. The legal representatives are responsible for the preparation of the management report in agreement with the provisions of Austrian corporate law.

We have executed our audit in agreement with the professional principles for the auditing of the management report.

Audit Opinion
According to our assessment, the management report was created in compliance with the applicable legal requirements, comprises correct information according to § 243a of the Austrian Commercial Code (UGB), and is in agreement with the annual financial statements.

Statement
In light of the knowledge and understanding about the Company and its environment gained during the auditing of the annual financial statement, we did not find any significant misrepresentations in the annual report.

ADDITIONAL INFORMATION UNDER ARTICLE 10 OF THE EU-REG

We were elected as annual auditors by the Annual General Meeting on May 13, 2024. We were commissioned by the Supervisory Board on September 23, 2024. We have been annual auditors without interruption since the business year 2019.

We declare that the Audit Opinion in Section "Report on the annual financial statement" is consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU-Reg.

We declare that we have not performed any prohibited non-auditing services (Article 5 (1) of the EU-Reg), and that we have maintained our independence from the audited company in the performance of the audit.

FINANCIAL AUDITOR RESPONSIBLE FOR THE ORDER

The auditor responsible for the final audit is Dipl.-BW (FH) Marius Richter.Vienna

VIENNA, APRIL 29, 2025

PwC Wirtschaftsprüfung GmbH
Dipl.-BW (FH) Marius Richter
Certified Public Accountant

Publication or disclosure of these annual financial statements with our Auditor's Certificate is permissible only with our approval. This Auditor's Certificate is valid only for the complete annual financial statements in the German language, including the management report. To any deviating versions, the regulations of § 281 (2) of the Austrian Commercial Code (UGB) apply.

STATEMENT BY THE LEGAL REPRESENTATIVES IN ACCORDANCE WITH § 124 (1) 3 OF THE AUSTRIAN STOCK EXCHANGE ACT

STATEMENT BY THE LEGAL REPRESENTATIVES IN ACCORDANCE WITH § 124 (1) 3 OF THE AUSTRIAN STOCK EXCHANGE ACT

We confirm to the best of our knowledge that the consolidated financial statement as of December 31, 2024 established according to the International Financial Reporting Standards (IFRS) in the European Union (EU) provides a maximally faithful representation of the Group's asset, financial and earnings position, and that the consolidated annual report as of December 31, 2024 presents the business performance, the operating results and the situation of the Group so as to give a maximally precise representation as possible of the Group's assets, financial and earnings position, and that the consolidated annual report describes the main risks and uncertainties faced by the Group.

We confirm to the best of our knowledge that the parent company's annual financial statement as of December 31, 2024, established according to the Austrian Commercial Code (UGB), provides a maximally faithful representation of the company's asset, financial and earnings position, and that the management report as of December 31, 2024 presents the business performance, the operating results and the situation of the company so as to give a maximally precise representation as possible of the asset, financial and earnings position, and that the management report describes the main risks and uncertainties faced by the company.

The results of the business year ending on December 31, 2024, are not necessarily indicative of the development of future results.

VIENNA, APRIL 29, 2025

THE EXECUTIVE BOARD

Andreas Pfneisz
Member of the Executive Board

DI Ingo Gruber
Member of the Executive Board