



ANNUAL REPORT

of H&R GmbH & Co. KGaA

2025

Our Mission Statement

The entrepreneur-led Hansen & Rosenthal Group combines more than 100 years of German entrepreneurial spirit with a sense for global developments and international success. The Group has almost 50 subsidiaries and is involved in the development, production and marketing of chemical-pharmaceutical specialty products on a worldwide basis. These products are based on fossil, renewable, synthetic and recycled hydrocarbons, and are mainly used in varied applications that go far beyond the primarily energy-related use of traditional refinery products. Our specialty products offer tailor-made solutions for customers in economically important sectors, such as the automotive, cosmetics, pharmaceutical, construction and food industries.



Our Business Model

**RIGHT FROM THE START OF OUR PROCESSES, WE
FOCUS ON THE END RESULT:**

**WITH OUR SPECIALTY PRODUCT MARKETING WE
TAKE A CLOSE LOOK AT WHAT OUR CUSTOMERS
NEED FROM US.**

**OUR CUSTOMERS RECEIVE CUSTOMIZED SPE-
CIALTY PRODUCTS FROM US THAT HAVE BEEN
TAILOR-MADE TO THEIR REQUIREMENTS AT OUR
PRODUCTION AND PROCESSING SITES.**

OUR PRODUCTS

We produce high-quality chemical-pharmaceutical specialty products, transform our business model to make our operations more sustainable, and work to ensure that we can continue to reliably provide our customers with the products they need.

Our feedstock base is to become more diverse through the increased use of renewable, synthetic and recycled materials.



COSMETIC & PHARMACEUTICAL SPECIALTIES

In recent years, this H&R specialty business has successfully developed emulsifiers and bases for the cold processing of ointments, creams and lotions, among other things. Tailored advice and recommended formulations give many pharmacies and pharmaceutical/cosmetic manufacturers security in formulating premium products.



CABLE FILLERS

H&R is the world's leading provider of cable compounds for the energy and telecommunications sector. We offer unique application solutions for manufacturers, operators and installers of cables through an international network of manufacturing sites.



PETROLEUM JELLIES & WHITE OILS

Turning crude oil first into base oil, and ultimately into cosmetics, is a long road. In between these two extremes lies a highly complex chemical process which H&R is continuously improving and enhancing. We use this multi-stage hydrogenation process to produce white oils. They are as clear as water and are used in a variety of products, such as cosmetics.



WAXES & EMULSIONS

The H&R Group is focused on waxes. Based on our integrated raw material portfolio, we develop, produce and sell waxes and formulated waxes for specific industrial applications.



PROCESS OILS

More than a fifth of a car's fuel consumption stems from the rolling resistance of its tires. Reducing this figure is therefore nothing else than a practical example of climate protection. It has been scientifically proven that environmentally friendly plasticizers make a key contribution to improving the operating characteristics of state-of-the-art tires.



MINERAL OIL TRADE & INDUSTRY

Modern, high-performance engines need top-quality motor oil in order to withstand the demands of daily use. H&R motor oils satisfy the requirements of the newest generation of engines and were manufactured for use by major manufacturers. They keep the engine clean, provide reliable protection against sludge build-up and reduce excessive wear and tear.



CONSTRUCTION INDUSTRY

Special water-based H&R waxes and oil emulsions made from natural waxes are used in industrial sectors such as paints and varnishes, paper and packaging, chemicals and blenders, construction industry and insulation materials, as well as in engineered woods.



PLASTICS

Full service – a claim we also live up to in the plastics product segment. Here, we precisely tailor the properties of the material to the level of stress the end product will be subjected to on a daily basis. This also applies to our lightweight precision gears, which are also used in dental drills.

OUR KEY FIGURES

Overall, market and general conditions caused the company to fall short of the previous year's figures for revenue and EBITDA.

Special depreciation charges in the Refining segment also weighed on earnings and led to a significant loss per share.

SALES 2025

1,242.2
MILLION EUROS

EBITDA 2025

83.8
MILLION EUROS

EMPLOYEES 2025

1,714

T. 01 THE H&R GROUP IN FIGURES

IN € MILLION	2025	2024*	Change (absolute)
Sales revenue	1,242.2	1,338.2	-96.0
of which Chemical and Pharmaceutical Raw Materials Refining	766.2	817.1	-50.9
of which Chemical and Pharmaceutical Raw Materials Sales	456.5	492.6	-36.1
of which Plastics	35.4	48.0	-12.6
Reconciliation	-16.0	-19.4	3.4
Operating income (EBITDA)	83.8	94.7	-10.9
of which Chemical and Pharmaceutical Raw Materials Refining	57.1	54.0	3.1
of which Chemical and Pharmaceutical Raw Materials Sales	36.5	41.6	-5.1
of which Plastics	-5.5	3.0	-8.5
Reconciliation	-4.3	-3.8	-0.5
EBIT	-14.4	31.9	-46.3
Earnings before income tax	-24.4	20.3	-44.7
Consolidated net income	-36.7	12.6	-49.3
Consolidated income attributable to shareholders	-38.8	10.4	-49.2
Consolidated income per share (undiluted, in €)	-1.04	0.28	-1.32
Cash flow from operating activities	92.1	70.2	21.9
Equity ratio (in %)	45.4	45.5	-0.1
Employees as of December (absolute)	1,714	1,705	9

*previous year amounts restated, refer to Note (5)

CONTENT

02	OUR MISSIONS STATEMENT	04	OUR PRODUCTS
03	OUR BUSINESS MODEL	06	OUR KEY FIGURES
<hr/>			
08	TO THE SHAREHOLDERS	73	CONSOLIDATED FINANCIAL STATEMENTS
08	Letter from the Executive Board	74	Consolidated Statement of Financial Position of H&R GmbH & Co. KGaA
12	Company Representative Bodies	76	Consolidated Income Statement of H&R GmbH & Co. KGaA
14	Supervisory Board Report	77	Consolidated Statement of Comprehensive Income of H&R GmbH & Co. KGaA
28	H&R in the Capital Market	78	Consolidated Statement of Changes in Group Equity of H&R GmbH & Co. KGaA
31	COMBINED MANAGEMENT AND GROUP MANAGEMENT REPORT OF H&R GMBH & CO. KGAA	80	Consolidated Cash Flow Statement of H&R GmbH & Co. KGaA
32	Group Fundamentals	81	Notes of H&R GmbH & Co. KGaA
40	Report on Economic Position	138	Independent Auditor's Report
50	Net Assets, Financial Position and Results of Operations of H&R KGaA	144	Attestation by the Legal Representatives
52	Other Legally Required Disclosures	145	FURTHER INFORMATION
56	Report on the Internal Control and Risk Management System and on the Main Opportunities and Risks	146	Six-year Overview H&R Group Key Figures (IFRS)
67	Forecast Report	147	Financial Calendar
		148	Contact, Legal Details, Disclaimer

Dear Shareholders,

The 2025 financial year has shown us that Germany's industrial sovereignty can no longer be taken for granted. As a company in the specialty chemicals sector, we have found our market and have repeatedly asserted ourselves successfully in recent years in the face of global and economic upheavals. We have succeeded in this primarily because, as a producer, we are an essential part of the supply and value chains of our customer industries.

The public debate nevertheless underestimates the fact that our specialty products are not created in a vacuum. The current weakness of German chemical production is not an isolated industry problem, but a threat to the entire business location. If the production of chemical and pharmaceutical raw materials moves abroad due to uncompetitive energy prices and increasingly complex regulations, we will lose more than just factories. Without a strong local basic chemicals industry, there will be a shortage of direct precursors for almost all industries:

- There would be no high-purity excipients for pharmaceutical specialties.
- The automotive industry would come to a standstill without plastics and lubricants.
- The energy transition would remain incomplete without special polymers for wind turbines and batteries.

The collapse of this base would make Germany extremely dependent on global supply chains and arbitrary geopolitical decisions. We manufacture in this country under safety and environmental standards that are unique worldwide—an advantage that we would recklessly jeopardize through deindustrialization.

We are concerned to see that the gap between regulatory requirements in Europe and the economic reality of global competition, particularly with the US and Asia, is widening. My job as CEO is to strengthen our company's resilience in this difficult environment and to drive forward the transformation of our operating model. This will require significant investment, including in projects that primarily serve to meet regulatory requirements and do not generate any return on investment. We need to invest in opening up new markets and embrace new technologies. At the same time, we must remain a reliable partner to our customers and live up to the high standards expected of H&R.

The current market dynamics and challenging conditions naturally affect our earnings profile and thus also the scope for our dividend policy.

Against this backdrop, the purchase offer made by our majority shareholder provided a stable exit option, which was taken up by just under 10 percent of our shareholders. We would like to thank these investors for their many years of support and their contribution to what is now a stronger, more focused shareholder structure.

This consolidation gives us the agility we need to consistently drive forward the transformation of our two German production sites. Our commitment to Germany as a business location is inextricably linked to the need for industrial policy decisions that ensure that the chemical industry can continue to serve as a reliable foundation for our prosperity.

But now let's take a look back at the past fiscal year: 2025 was characterized above all by a generally subdued mood for the company. After an initially optimistic start to the year, renewed upheavals in transatlantic trade and alliance policy caused increasing uncertainty in our customer industries. At the federal level, there was a lack of clear impetus to strengthen the economy after the federal elections, which supported a merely subdued demand and price situation until well into the summer. Significant improvements only came in the second half of the year, with a relatively strong final quarter of 2025 ensuring that we exceeded our minimum expectations for 2025 of EUR 77.0 million. Overall, we achieved an operating result of EUR 83.8 million, which is around EUR 11.0 million less than in the previous year.

Unfortunately, this difference increases significantly at the other income statement levels: In the past fiscal year, we identified a need for unscheduled write-downs as part of our interim impairment tests and implemented these consistently. This balance sheet adjustment takes into account the changed economic conditions, considering both our own situation and the mood in our customer industries, and ensures that our balance sheet transparently reflects the actual economic reality.



This effect has a significant negative impact on our current net income and leads to a significant loss in consolidated net income attributable to shareholders. Consequently, we have decided not to propose the distribution of a so-called minimum dividend to the Annual General Meeting this year. Instead, we intend to carry forward the HGB result exclusively to new account and strengthen our reserves. This will create a solid and adjusted basis for the coming years: The reduction in book values will lower the future depreciation burden in the long term, which will strengthen our operating profitability and increase the scope for targeted investments. We are now looking ahead with a strengthened balance sheet structure in order to achieve our corporate goals on a solid foundation.

Our actions in the coming years will be largely shaped by the consistent implementation of our transformation. To this end, we refocused our strategic goals and revised our action plan in the past fiscal year. The conversion of our operating model to sustainable raw materials and products is the decisive lever in this regard, not only to secure our own future viability, but also to support our customers as a reliable partner in achieving their own sustainability goals.

We invite you to join us on this journey throughout the current year.

All the best,

Executive Board of H&R GmbH & Co. KGaA



Niels H. Hansen
Sole Managing Director

Salzbergen, March 2026

Company Representative Bodies

The representative bodies of H&R KGaA are comprised of people who combine entrepreneurial thinking with professional skills. They complement each other with their specific skills and diverse expertise, which they use to achieve our shared corporate objectives.

The Executive Board

As the general partner with full personal liability, H&R Komplementär GmbH is responsible for managing H&R KGaA. It conducts business and runs the company. In the 2025 financial year, the Executive Board comprised:

Niels H. Hansen

Sole Managing Director

The Supervisory Board

The Supervisory Board of H&R KGaA is responsible for the supervision of the Executive Board. In financial year 2025, the Supervisory Board of H&R KGaA comprised the members listed below. The Chairman of the Supervisory Board of H&R KGaA is Dr. Joachim Girg.

Chairman of the Supervisory Board

Dr. Joachim Girg

Master of Business Administration, Managing Director of H&R Beteiligung GmbH

Members of the Supervisory Board

Peter Brömse

Chartered Engineer, Management consultant in Operational Excellence

Roland Chmiel

Deputy chairman, Certified Public/Chartered Accountant

Sabine U. Dietrich (until May)

Chartered Engineer, Member of the Supervisory Board of Commerzbank AG, Member of the Supervisory Board of MVV Energie AG

Kyra Hansen (from February)

Businesswoman

Sven Hansen (until February)

Entrepreneur

Michaela Pulkert (from May)

Master of Business Administration

Dr. Rolf Schwedhelm

Tax attorney and partner in the law firm Streck Mack Schwedhelm

Patrick Ewels

Continuing education coordinator, Works Council chairman of H&R ChemPharm GmbH

Thomas Merting

Chemical technician, Works Council

Dominik Franz

Process technician, Works Council chairman of GAUDLITZ GmbH and GAUDLITZ Plastic Technologies GmbH & Co. KG, Group Works Council H&R KGaA

The Advisory Board

The Advisory Board of H&R KGaA consists of experts who contribute their expertise in the areas of finance and economics, industrial management and refinery technology on an advisory basis.

Eckbert von Bohlen und Halbach

Managing Director of Bohlen Industrie GmbH

Dr. Erwin Grandinger (until October)

Entrepreneur

Dr. Gerhard Hinterhäuser

Entrepreneur

Dr. Bernd Pfaffenbach

Secretary of State in the German Federal Ministry of Economics and Technology, retired

Michaela Pulkert (until May)

Master of Business Administration

Dr. Mazdak Rafaty

Entrepreneur

Wilhelm Scholten

Managing Director of Ölfabrik Wilhelm Scholten GmbH

Dr. Torsten Sevecke

State Councilor for the Hamburg Ministry of Economy, Transport and Innovation, retired

Dr.-Ing. Peter J. Seifried (until December)

Chemical engineer, independent consultant

Dr. Gertrud Rosa Traud

Chief economist of Helaba Landesbank Hessen-Thüringen



Supervisory Board Report

Dear shareholders, dear readers, and dear friends of our company

In fiscal year 2025, H&R GmbH & Co. KGaA once again had to demonstrate its adaptability and resilience in a rapidly changing market environment marked by growing uncertainties. While previous years were predominantly shaped by the COVID-19 pandemic, the war in Ukraine, and the resulting restructuring of our raw material supply chain, as well as issues related to sustainable production, our company faced new challenges in 2025.

These developments began as early as the start of the year, on January 20, during the inauguration of the 47th President of the United States. With repeated threats of tariffs and their implementation, as well as further national protectionist measures and the threatened annexation of Greenland, geopolitics gained significant momentum due to Trump's erratic

foreign policy. At the same time, China continued to provide significant subsidies to its domestic industry. Ongoing armed conflicts in Ukraine and Gaza, as well as the 12-day Israeli-Iranian war against Iran's nuclear program that began on June 13, contributed to a tightening of the business environment.

In terms of domestic and economic policy, high expectations were placed on the new federal government under Chancellor Merz, which emerged from the early federal election on February 23. Many of these have not yet been met. Last year, Germany was once again unable to increase its economic output.

Against this backdrop, the figures for H&R GmbH & Co. KGaA in 2025 are as follows:

- I. With an EBITDA of EUR 83.8 million (previous year: EUR 94.7 million), H&R GmbH & Co. KGaA reported an operating result in line with its most recently communicated earnings forecast. Nevertheless, EBITDA decreased by approximately EUR 11.0 million compared to the two previous years. Earnings before taxes (EBT) fell significantly to EUR -24.4 million (2024: EUR 31.9 million) as a result of special write-downs.
- II. In 2025, the International Sales Segment once again proved to be a stable source of earnings and thus the most important pillar of our company in terms of profitability (EBT of EUR 24.4 million; -5.5%). Individual locations, such as Fushun in China, were further developed according to plan. Selective weaker results at some locations were more than offset by above-average contributions elsewhere.
- III. Following relatively strong years in 2022/23, GAUDLITZ GmbH saw its downward trend from 2024 intensify further. EBT of EUR -9.4 million clearly reflects the crisis-ridden developments in the automotive industry and the loss of a major contract. The relocation of production from the Coburg site to the Czech Republic was completed in 2025.
- IV. In the area of transformation, the strategy has been adapted to current developments. The three pillars - ESG management, CO₂ reduction, and the development of renewable products - do not initially offer any immediate potential for profit, given the significant resources and capital they require. Before renewable products gain a foothold in the market, H&R must continue to serve national and international markets with conventional fossil-fuel-based products in parallel.

A closer analysis of the annual results reveals that the following factors deserve special mention. They have changed only marginally compared to the previous year and have, if anything, tended to worsen!

The already strained macroeconomic situation of previous years continued into 2025. Key customer industries for our company - notably the automotive industry and its suppliers, the construction sector, and the chemical industry - continued to grapple with the economic downturn in the past fiscal year. The business models of entire sectors in which Germany has held a leading position in the global market for

decades are now under scrutiny. While at the beginning of the decade the focus of the European economy was on the rapid implementation of the “Green Deal,” the pendulum has slowly swung in the opposite direction over the past year and a half, without completely losing sight of the original goal. GAUDLITZ GmbH, based in Coburg, felt this most acutely in its financial results. The cancellation of a major project in the field of electromobility significantly exacerbated this trend. Thanks to its international orientation, our company’s core business coped significantly better with the economic conditions, although the earnings situation in the refining sector was unsatisfactory in the past year.

Bureaucratic obstacles in Germany and within the European Union repeatedly undermine the traditional strengths of German small and medium-sized enterprises. Entrepreneurial courage, innovative strength, a willingness to take risks, and agility often falter due to slow-moving regional and national authorities or a constant stream of new requirements. The reduction in bureaucracy promised for decades has not materialized; rather, the number of people employed in the public sector - whether as civil servants or salaried employees - continues to rise.

Non-value-adding investments in the area of transformation - that is, adapting the operating model of our process plants to future requirements - and expenses for ESG (Environmental, Social, and Corporate Governance), here primarily in meeting safety and environmental protection requirements, continue to have a significant impact on the Group’s earnings for shareholders. In light of further pending investments in both areas, this trend will not change in the short or medium term. However, the investments necessary to achieve our transformation goals require sustainable and stable earnings.

Following the loss of Russian supplies due to the war in Ukraine, the feedstock supply for our domestic refineries has been placed on a new, stable footing through alternative supply chains. The downside of this is a significantly higher price level. Competitors from neighboring EU countries continue to import and process “cheap” Russian oil. Non-EU countries also process such feedstocks and supply the finished products to the European market. This continues to represent a clear competitive disadvantage for H&R GmbH & Co. KGaA.

Key Focal Points of Supervisory Board Work

The Supervisory Board continued to perform the supervisory and advisory duties incumbent upon it under the law, the Articles of Association, and the Rules of Procedure with care and diligence in the 2025 fiscal year. Both bodies cooperated well and closely. Management regularly and promptly informed the Chairman of the Supervisory Board of all matters of material significance. In addition, the Chairman of the Supervisory Board was invited to regular management and strategy meetings and attended them whenever possible. Even outside of meetings, the Supervisory Board and management remained in close contact to ensure a constant exchange of information and opinions. In November 2025, the Chairman of the Supervisory Board accompanied our company's Managing Director to the H&R locations in China and Thailand and also visited the new plant in Lumut, Malaysia.

The work of the Supervisory Board in 2025 was primarily influenced by the following **five key points**:

Unsurprisingly for a company with two industrial production sites in Germany - and regardless of business performance - **safety** was the top priority here. The health and well-being of our employees and partners are our highest priority. A zero-accident record is therefore one of the main topics discussed by the committee. However, the topic of safety extends beyond the aforementioned record. Process and plant safety are also of great importance for the smooth operation of our production. The same applies to IT security in our globally connected world.

The second core topic concerns the **adaptation of the operating model** of our process plants toward sustainable production. H&R GmbH & Co. KGaA has set ambitious goals for the future and launched projects and investments aimed at climate-friendly, ideally CO₂-neutral production. The rapidly changing operating conditions in some areas require swift reactions and adjustments to business operations. Due to the current uncertainties, medium- and long-term plans should currently be viewed only as guidelines. On the path to our goals, the pendulum will certainly swing back and forth even more frequently.

The implementation of national and international **investment projects** was another key topic at the Supervisory Board's plenary meetings during the past fiscal year, as was a more in-depth examination of

the **performance of GAUDLITZ GmbH**, which suffered from the significantly deteriorated market conditions in the automotive industry.

During the summer months, the letter of intent published by H&R Holding GmbH on May 16, 2025, regarding the submission of a **share purchase offer** to the shareholders of H&R GmbH & Co. KGaA took up a significant portion of the committee's work. The resulting obligations on the part of the Supervisory Board were addressed and intensively discussed with external advisors. Under the leadership of the Legal Committee, a joint statement by the Supervisory Board and the general partner was drafted following the publication of the offer. Furthermore, the procedural steps of the transaction were closely monitored.

Against this backdrop, the Supervisory Board and Management have thoroughly reviewed the possibility of a dividend payment to shareholders, focusing primarily on the legal requirements set forth in Section 254 of the German Stock Corporation Act (AktG). Despite the negative earnings trend in the 2025 fiscal year, the retained earnings of H&R GmbH & Co. KGaA would theoretically allow for the distribution of a so-called minimum dividend.

There are three main reasons why we are not making use of this option:

- I. As this report by the Supervisory Board was being finalized, a new military conflict broke out between Israel and the United States on one side and Iran on the other. One consequence of the first 14 days of the war was a sharp rise in oil prices, at times exceeding US\$100 per barrel, accompanied by significant volatility. In addition to this cost explosion, the current closure of the Strait of Hormuz is increasingly hampering H&R's indirect supply of raw materials.
- II. The challenging economic situation in Germany and Europe continues to have a significant impact on key customer groups of our company. The economic conditions facing GAUDLITZ GmbH, as well as our chemical and pharmaceutical production facilities, are therefore likely to worsen rather than improve. For example, automotive manufacturers in this country are reporting significant profit declines and announcing major job cuts in the coming years.

III. The transformation of the operating model for our processing facilities and compliance with ESG requirements will require significant capital investment over the next few years without creating new, additional sources of earnings.

In making our decision, we focused primarily on the viability and resilience of H&R GmbH & Co. KGaA in terms of preserving its assets and maintaining its relative competitive position against other companies.

Objectives and Composition of the Supervisory Board

The Supervisory Board of H&R GmbH & Co. KGaA currently consists of nine members, six of whom are shareholder representatives and three of whom are employee representatives (known as the “One-third co-determination” Act).

Under the KGaA legal form, the Supervisory Board’s responsibilities focus primarily on oversight functions and an advisory role. Unlike in an AG, the Supervisory Board of a KGaA has no statutory co-determination rights regarding, for example, major investment projects or the formulation of strategy, nor does it have any authority over personnel matters vis-à-vis the managing directors. In the case of H&R GmbH & Co. KGaA, these functions are performed by an advisory board of the general partner. In this respect, the recommendations of the German Corporate Governance Code in its current version dated April 28, 2022, apply only to a limited extent to the legal form of a KGaA.

The Supervisory Board considers professional qualifications, integrity, commitment, professionalism, and personal competence to be essential prerequisites for serving on the Supervisory Board. The Supervisory Board must therefore be composed in such a way as to ensure that the body is capable of providing qualified oversight and advice to management. Social and environmental factors influence the company’s success and its operations. The members of the Supervisory Board take this into account in their advisory and supervisory activities, as well as the specific characteristics of a family-run, capital market-oriented, international company. Members of the Supervisory Board should therefore possess knowledge of the operation of process plants for the manufacture of specialty chemical and pharmaceutical products, the refining industry, or related markets relevant to H&R.

We periodically review the objectives and composition of the Supervisory Board and, if necessary, adjust or clarify them. This was last done at the meeting on March 25, 2026. The professional competencies of the individual Supervisory Board members are set forth in the figure “Competency Profiles.”

At least two-thirds of the members of the Supervisory Board shall be independent within the meaning of Section C.II. of the German Corporate Governance Code in its current version, whereby it is assumed that the fact of serving as an employee representative or having an employment relationship with the H&R Group does not in itself call into question the independence of the employee representatives. No more than two former members of the KGaA’s management board should serve on the Supervisory Board. As a rule, members of the Supervisory Board should not be older than 70 years of age. Exceptions may be made in justified individual cases. To ensure the independence of Supervisory Board members, the duration of service on the Supervisory Board should not exceed three terms.

In principle, members are selected based on professional and personal criteria; diversity considerations such as gender, background, or worldview are an integral part of an unbiased appointment process. In accordance with Section 96(2) of the German Stock Corporation Act (AktG), the Supervisory Board shall consist of at least 20% women and at least 20% men. Since February 2025, we have met the quota we set for ourselves. Meeting these participation quotas is generally viewed as a shared responsibility of shareholder and employee representatives.

All members of the Supervisory Board are generally responsible for undertaking the continuing education required for their duties and receive appropriate support from the company in doing so. Newly appointed Supervisory Board members are given the opportunity, as needed, to receive a thorough introduction to specific topics as part of a comprehensive onboarding process. Each member undertakes to devote the time necessary to properly fulfill their duties. This includes at least five regular meetings per year, as well as additional meetings during special sessions.

T. 02 **SUPERVISORY BOARD COMMITTEES OF H&R GMBH & CO. KGAA AND THEIR COMPOSITION AT THE END OF 2025**

COMMITTEE	MEMBERS
Audit Committee	CPA Roland Chmiel (chairman)
	Michaela Pulkert
	Dr. Joachim Girg
	Dr. jur. Rolf Schwedhelm
Refinery Technology and Strategy Committee	Peter Brömse (chairman)
	Michaela Pulkert
	Kyra Hansen
	Dr. Joachim Girg
Nomination Committee	Kyra Hansen (chairwoman)
	Dr. Joachim Girg
	Dr. jur. Rolf Schwedhelm
Committee for Related Party Transactions and Other Legal Issues	Dr. jur. Rolf Schwedhelm (chairman)
	Michaela Pulkert
	Dr. Joachim Girg
	CPA Roland Chmiel

Topics Discussed by the Full Supervisory Board

In 2025, a total of six scheduled in-person Supervisory Board meetings were held; five of these took place at the company's headquarters in Hamburg and one at our location in Salzbergen in the Emsland region. The Supervisory Board held three unscheduled meetings via videoconference, on April 8, July 10, and August 1. While the last two meetings dealt with the drafting and approval of the Supervisory Board's statement regarding the share purchase offer by H&R Holding GmbH, the meeting in April had become necessary due to new requirements issued at short notice regarding the accounting and reporting of the climate protection agreement concluded in October 2024. The attendance rate of the board members at all nine meetings was 95%.

It is standard practice to conduct each regular Supervisory Board meeting according to a specific agenda: In addition to approving the minutes of the previous meeting, the Chair of the Supervisory Board reports on his or her meetings with management and other matters relevant to the board that have arisen since

the last meeting. The four committee chairs provide updates on meetings that have taken place in the interim.

In 2025, five key topics were addressed at nearly all meetings. To minimize repetition in the following list of meeting topics, these will be briefly mentioned in advance:

- I. Safety and safety records of our locations
- II. Adapting the operating model of our process plants to support sustainable production; current measures and their effects
- III. Implementation of national and international investment projects
- IV. Safety and safety records of our locations
- V. Current developments in the GAUDLITZ Group in a significantly deteriorated market environment
- VI. Current developments on the sales side in our core sectors of the chemicals, automotive and rubber industries

Following two extensive restructuring measures and the positive effects they generated in previous years, GAUDLITZ felt the full brunt of the negative trends in the German automotive industry during the 2025 fiscal year. Compounding the situation was the cancellation of a major project with a globally active Japanese electronics conglomerate for a German premium manufacturer in the e-mobility sector.

Unless one of the five points mentioned was an explicit agenda item or a focus of the meeting, they are not discussed in further detail in the following list.

The first meeting of the past fiscal year was scheduled for **January 29, 2025**. Key items on the agenda included the status of the 2024 financial statement preparation, the company's economic situation, and an outlook for the first half of 2025. The committee engaged in in-depth discussions regarding the competitive environment facing our refineries, developments in the sales market, opportunities for price optimization, and the situation in the plastics division. Furthermore, the board dealt intensively with organizational and structural issues. These included, above all, the results of the self-assessment and the results of the tender for the audit of the 2025 annual financial statements and subsequent years. Upon the

recommendation of the Audit Committee, the Supervisory Board resolved to propose to the 2025 Annual General Meeting the election of Forvis Mazars GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft – Steuerberatungsgesellschaft, Hamburg, as the new auditor. At the end of the meeting, the board members, without the management, reviewed the work of the past year, discussed potential for improvement, and identified possible special topics for the meetings in 2025.

The main agenda items for the second Supervisory Board meeting held on **March 26, 2025**, in the presence of the auditor, were scheduled to include a detailed discussion and approval of the 2024 annual financial statements. In the run-up to the meeting, the Audit Committee (PAS) convened for a scheduled financial statement meeting on March 13, 2025. At that meeting, the auditor presented his audit findings, which contained no special qualifications. At that time, the issuance of an unqualified audit opinion was not in question. In the 14 days between the Audit Committee meeting and March 26, unforeseen complexities arose regarding the valuation and accounting treatment of the climate protection agreement concluded in October 2024. Due to additional calculations required and the corresponding necessary considerations, the original deadline for discussing and approving the documents for the 2024 annual financial statements could no longer be met. They were therefore postponed, along with the resolutions regarding the agenda and the convening of the Annual General Meeting, to a special meeting of the Supervisory Board on April 8, 2025..

On the recommendation of the Nomination Committee, the Supervisory Board unanimously resolved to propose Ms. Michaela Pulkert, who holds a degree in business administration (FH), to the Annual General Meeting for election to the Supervisory Board as the successor to Ms. Sabine Dietrich. In connection with the nomination, the full Supervisory Board held in-depth discussions regarding the composition of the Supervisory Board of H&R GmbH & Co. KGaA. Following Mr. Sven Hansen's resignation on January 30, 2025, Ms. Kyra Hansen assumed his position on the Supervisory Board effective January 31, 2025. Ms. Hansen was elected by the shareholders at the 2022 Annual General Meeting specifically for this purpose as his successor. As of the end of January 2025, H&R GmbH & Co. KGaA thus fulfills all

of the goals it set for itself regarding the composition of the Supervisory Board.

At the special meeting on **April 8, 2025**, following a thorough review, the individual audit reports for the 2024 financial statements were finally discussed with the auditors. Upon the recommendation of the Audit Committee, the Supervisory Board unanimously resolved, following a thorough review, to approve and submit to the 2025 Annual General Meeting the annual financial statements, consolidated financial statements, and the combined management and group management reports of H&R GmbH & Co. KGaA for the 2024 fiscal year; the 2024 Dependency Report; the separate 2024 Non-Financial Group Report; and the 2024 Remuneration Report.

Furthermore, the proposal for the appropriation of profits, including a dividend payment of EUR 0.10 per share, was approved and submitted to the 2025 Annual General Meeting for approval. The resolution already adopted at the January meeting, based on a recommendation from the Audit Committee, to recommend Forvis Mazard to the 2025 Annual General Meeting as our company's new auditor was confirmed. All of the aforementioned resolutions were passed unanimously. In addition, the Supervisory Board's report was approved in form and content and released the following day as part of the 2024 Annual Report. Finally, the members of the Supervisory Board addressed the agenda and convening of the 2025 Annual General Meeting. Following a thorough discussion, the board unanimously resolved, based on the agenda items discussed, to convene the 2025 Annual General Meeting for May 27, 2025.

On **May 26, 2025**, the day before the Annual General Meeting, the third regular meeting of the full Supervisory Board took place. As usual, during the first part of the meeting, management reported on the current status of the preparatory work and the expected agenda for the Annual General Meeting. This was followed by a review of the International Strategy Meeting held in April in Lumut, Malaysia, and the strategy defined there for the further development of H&R's international business. Reports from the Audit Committee on the Group's risk situation and data protection in 2024 were also presented at the meeting, as was the progress of the ICS documentation project for the international subsidiaries.

The main focus of the meeting was the letter of intent published on May 16, 2025, regarding the submission of a share subscription offer by H&R Holding GmbH. The resulting obligations on the part of the Supervisory Board were addressed and discussed in detail with external advisors. Finally, the full Supervisory Board resolved to proceed as follows:

- I. Preparation of a draft joint statement by the Supervisory Board and the general partner, with the involvement of legal counsel
- II. Preparation of a fairness opinion with the involvement of a reputable auditing firm
- III. Delegation of the preparation process to the LEGAL committee
- IV. Authorization of the Chairman of the Supervisory Board to answer shareholders' questions at the upcoming Annual General Meeting in the context of the tender offer

The results of the preparation of the joint statement and the fairness opinion were presented and discussed at the second special meeting held on **July 10, 2025**. The meeting was chaired by the Chairman of the Legal Committee. Due to his close ties to the bidder, the Chairman of the Supervisory Board did not participate in the drafting of the statement. After a thorough review, the Legal Committee found no grounds to question the propriety of the tender offer. All formalities of the offer have been complied with, and the offer price is deemed appropriate. According to the bidder, no structural measures are planned that would have a negative impact on the target company, its employees, locations, or other stakeholders and shareholders. At its meeting on July 8, the Legal Committee thoroughly weighed the pros and cons of the offer before concluding that it should recommend accepting the offer in the interest of the company's future viability. The discussion of the pros and cons continues in the full Supervisory Board meeting, with Ms. Hansen and Dr. Girg abstaining from voting on this matter as well as on the final resolution. The resolution reads: "The Supervisory Board approves the adoption of the submitted statement regarding the acquisition offer by H&R Holding GmbH and, consequently, its mandatory disclosure today pursuant to Sections 27(3), sentence 1, and 14(3), sentence 1, of the WpÜG, with seven (7) votes in favor and two (2) abstentions." The Group Works Council has not issued its own statement.

Due to updates to the acquisition offer by H&R Holding GmbH - specifically, the waiver of the condition precedent requiring a minimum acceptance threshold of 85% as of June 29, 2025 - a further special meeting on August 1, 2025, had become necessary. Following a discussion within the committee regarding the update to the statement, the following resolution was adopted: "The ... Supervisory Board members welcome the bidder's waiver of the offer condition, as the elimination of the minimum acceptance threshold increases transaction certainty for shareholders, and resolve to approve the submitted amendment with six (6) votes in favor and one abstention (due to proximity to the bidder). As with the statement on July 10, 2025, the Group Works Council again refrains from issuing its own statement.

The fourth regular meeting of the full Supervisory Board took place on **August 27, 2025**, at the H&R Ölwerke Schindler facilities in the Port of Hamburg. Two key topics dominated the agenda: a site visit to the refinery followed by a discussion with management, and an update on the year to date and upcoming measures at Coburg-based GAUDLITZ GmbH. During the site visit, in addition to a tour of current investment projects at the location, there was an in-depth discussion regarding strategic workforce planning. Based on a presentation of systematic processes, the committee conducted an analysis of the current workforce structure (employees by job function, qualification profile, age structure, turnover rate, and sick leave rate). Building on this, short-, medium-, and long-term personnel development measures were decided upon.

Regarding the second key focus area, GAUDLITZ GmbH, the results for the first half of the year show an unsatisfactory earnings situation. Furthermore, forecasts for the second half of the year do not indicate any improvement in earnings. The current market shakeout in the plastics/automotive sector, as well as the loss of a major contract from a Japanese conglomerate with a German automobile manufacturer, are the causes of this earnings situation. GAUDLITZ GmbH was contractually bound to the Asian company as a development and production partner. Looking back at recent years, it must be noted that two restructuring measures yielded only short-term success. No significant long-term improvement could be achieved in the unsatisfactory situation of the plastics division. Following a discussion of planned measures to improve earnings, the

preparation of an Independent Business Review (IBR) was recommended.

The fifth regular meeting of the Supervisory Board, held on **October 8, 2025**, took place at the Salzbergen site in the Emsland region. In conjunction with the August meeting, a site tour was conducted, followed by a discussion with the refinery management. Management reported on the nature and scope of the independent business review that had since been commissioned.

The main focus of the meeting was presentations on the topic of IT. A managing director of H&R Infotech GmbH and other IT experts presented the current IT security situation in general and for the H&R Group in particular. Building on this, recently implemented measures and currently planned measures to combat cybercrime were presented. Finally, the possibilities for the use of AI (artificial intelligence) were discussed in depth.

The sixth and final meeting of the 2025 fiscal year was held on **December 3, 2025**. The main topic was the presentation of the results of the Independent Business Review (IBR) of GAUDLITZ GmbH and a detailed discussion thereof. In the presence of the management of GAUDLITZ GmbH and a representative of the consulting firm conducting the review, the current situation, industry, market, and competition, as well as the operational business performance with a focus on Europe, were presented and discussed in detail. Based on this, stabilization measures were prioritized, and a roadmap with milestones to be achieved and clear timelines was defined. There was agreement that this third restructuring plan must succeed in order to ensure an economic future for GAUDLITZ GmbH, regardless of ownership.

The agenda also included the 2026 budget and the five-year plan. The former had been approved by the company's advisory board prior to the meeting. The updated statement of compliance was discussed in detail and adopted unanimously. The document has been available on the company's website since December 19, 2025.

For the fiscal year coming to a close, updates on process facilities and investment projects were discussed in just as much detail as the transformation (concept/strategy, business model, and current structure). Furthermore, the internal audit activity report,

the adequacy and effectiveness of the ICS documentation (internal control system), and the 2025 sustainability reporting were intensively discussed during the meeting. The meeting concluded with a report from the Chairman of the Supervisory Board on his very positive visits to our Chinese and Thai sites as well as to the new plant in Lumut, Malaysia.

PROFILE REQUIREMENTS WITHIN THE MEANING OF RECOMMENDATION C.1 OF THE GERMAN CORPORATE GOVERNANCE CODE FOR THE SUPERVISORY BOARD

Name	Dr. Joachim Girg	Peter Brömse	Roland Chmiel	Sabine U. Dietrich
Age	61	62	68	65
Function	Chairman of the Supervisory Board; representative of the majority shareholder; financial expert	Independent member of the Supervisory Board	Deputy Chairman; independent financial expert	Deputy Chairman; independent financial expert
Occupation/ professional background	MBA	Chartered engineer	MBA; Certified public/chartered accountant	Chartered engineer
Profile requirements	Family-run SME, capital market operator	x	x	
	Refinery business & petroleum specialty products; plastics		x	x
	Application research & product development			
	Production; marketing; sales/distribution; digitalization		x	x
	Sustainability, especially environmental, social and governance (ESG) elements			x
	Internationality	x	x	
	Accounting & auditing	x		x
	Controlling & risk management	x	x	x
	Financing & capital market	x		
	Law & taxes			x
Boards	Audit Committee; RTS; Nomination Committee, LEGAL Committee	RTS	Audit Committee (chairman); LEGAL Committee	Audit Committee; RTS; LEGAL Committee
On the panel since/elected until/ Departure from the Board	September 2011/ 2027 AGM	May 2024/ 2028 AGM	May 2011/ 2026 AGM	May 2019/ 2025 AGM
Panel activity 2025 (# meetings/participation)	Meetings 9 / 9 Boards 18 / 18	9 / 9 5 / 5	9 / 9 11 / 11	4 / 4 5 / 5
Additional board functions	none	none	none	COMMERZBANK AG, Frankfurt; MVV Energie AG, Mannheim; member of the supervisory board

Patrick Ewels	Dominik Franz	Kyra Hansen	Sven Hansen	Thomas Merfing	Michaela Pulkert	Dr. Rolf Schwedhelm
44	41	25	57	46	60	70
Employee representative; works council chairman of H&R ChemPharm Group, Salzbergen	Employee representative; works council chairman of GAUDLITZ GmbH, Coburg	Member of the Supervisory Board	Entrepreneur (degree in Business Administration)	Employee representative	Independent member of the Supervisory Board since May 2025	Independent member of the Supervisory Board
Continuing education coordinator	Process Technician	Wholesale and Foreign Trade Manager	Wholesale and Foreign Trade Manager	Chemical technician	MBA	Attorney; specialist lawyer (tax law)
		x	x		x	x
x	x		x	x		
			x			
		x	x			
x					x	x
		x			x	
					x	x
					x	
						x
		RTS; Nomination Committee,	RTS; Nomination Committee,		Audit Committee; RTS; LEGAL Committee	Audit Committee; Nomination Committee, LEGAL Committee (chairman)
May 2022/ 2027 AGM	May 2022/ 2027 AGM	February 2025/ 2027 AGM	August 2016/ January 2025	May 2022/ 2027 AGM	May 2025/ 2030 AGM	May 2011 2026 AGM
8 / 9 -	9 / 9 -	6 / 8 5 / 5	1 / 1 2 / 2	9 / 9 -	8 / 8 6 / 6	98 / 9 13 / 14
none	none	none	none	none	none	Deutsche Anwalt Akademie Gesellschaft für Aus- und Fortbildung sowie Serviceleistungen mbH, Berlin; chairman of the supervisory board

Work in the committees of the Supervisory Board

In 2025, a total of 18 committee meetings were held: seven meetings of the Audit Committee, five meetings of the Refining Technology and Strategy (RTS) Committee, four meetings of the Related Party Transactions and Other Legal Matters Committee (LEGAL Committee), and two meetings of the Nominating Committee. As in previous years, there were no absences at any of the committee meetings in 2025. The attendance rate was thus 100% in each case, with 10 participations (14.3%) taking place via videoconference.

Audit Committee

The Audit Committee held seven meetings during the past fiscal year on January 28, March 11, May 26, July 8, August 26, and December 2, 2025, in Hamburg and Salzbergen. In addition, the Committee Chairman met with the three employee representatives on March 25 for a detailed preliminary discussion of the results of the annual financial statement review in advance of the Supervisory Board meeting the following day.

A particularly significant part of the committee's activities in this fiscal year was the review of the annual financial statements and the consolidated management report of H&R GmbH & Co. KGaA and the Group, the non-financial Group report, the dependency report, the compensation report, and the proposal for the appropriation of earnings. These documents for the 2024 fiscal year were discussed in detail at the meeting on March 11, 2025, together with the auditor and management. Subsequently, the Audit Committee submitted its recommendations to the Supervisory Board regarding the approval of the financial statements for the 2024 fiscal year, as well as the proposals to the Annual General Meeting concerning the appropriation of retained earnings as of December 31, 2024, and the election of the auditor for the 2025 fiscal year.

In addition, the Audit Committee focused in particular on awarding the audit engagement to the auditor selected for 2025 - including determining the key audit matters and the audit fee, as well as assessing audit quality. In monitoring the auditor's independence, the Audit Committee has taken appropriate measures to ensure that it is informed in a timely manner of any engagements to be awarded to the auditor or members of its network regarding so-called non-audit services. Such engagements were approved in advance in each case, provided that, after assessing their admissibility and any potential risks

to the auditor's independence, they were deemed unobjectionable.

In addition, the Audit Committee focused in particular on the corporate governance systems (compliance management, internal control system, risk management, and internal audit). Based on reports from management, the Committee confirmed the adequacy and effectiveness of the measures and procedures implemented in these areas. Furthermore, the Audit Committee reviewed the activity reports of the Internal Audit, Compliance Management, and the external Data Protection Officer, the progress of standardizing the ICS documentation, and the quarterly reports on the risk situation. Other items for discussion included the new tender for the annual audit starting in 2025, the sustainability reporting for 2024 and 2025 in accordance with the Corporate Sustainability Reporting Directive (CSRD), including the related materiality analyses, the maturity level of the Group's digitalization, the scheduled external tax audit, and the share subscription offer from H&R Holding GmbH.

To self-assess the efficiency of the Supervisory Board and its activities, the previously used assessment procedure, utilizing a revised detailed questionnaire, was also applied for the year 2025.

In addition to the committee meetings, the committee chair regularly consulted with management, the Chief Financial Officer, and the Internal Audit department for informational and coordination purposes. Furthermore, the Chairman closely oversaw the preparation and audit of the annual financial statements of H&R GmbH & Co. KGaA, the consolidated financial statements, and the annual financial statements of individual Group companies, and held regular discussions with the auditor in this regard.

Refinery technology and strategy

During the 2025 fiscal year, the Committee on Refining Technology and Strategy met five times: on January 28, March 25, August 26, and December 2 in Hamburg, and on October 7 in Salzbergen. No committee member was absent from any of the meetings. The attendance rate was therefore 100%.

Refinery tours and meetings with site management were held at both German production sites in Salzbergen and at the Port of Hamburg (Ölwerke Schindler am Neuhof). In addition to investment projects and transformation topics, discussions regarding regional and overarching personnel strategy were the primary special topics addressed at the respective meetings.

Other topics covered at the committee meetings included:

- Regular review of refinery safety performance, including discussion of reportable events and incidents with high risk potential in the areas of personal safety and process safety, as well as their impact on refinery performance (availability and potential financial implications)
- Regular monitoring of compliance at refinery sites with legal and regulatory requirements and guidelines
- Regular review of the progress of key projects and challenges
- Discussion and review of the 2025 refinery annual plan (planning assumptions, availability, capacity utilization, costs, projects, results)
- Regular discussions on the current economic performance of refinery operations and the strategic direction to be derived from them
- Updates on the refineries' transformation activities and projects

Committee for related party transactions and other legal issues

The Committee held four regular meetings during the 2025 fiscal year. The meetings took place in person on January 28, March 25, July 8, and December 2 in Hamburg.

During the meetings, the Committee routinely addressed the determination of samples in accordance with the process description for the implemented internal procedure for assessing the requirements of Section 111a (2) sentence 1 of the German Stock Corporation Act (AktG) and the detailed review of these samples. For this purpose, management submitted extensive documentation in each instance, which was reviewed by the Committee. In addition, members of management as well as employees from individual departments involved in these transactions participated in the Committee's meetings and were available for discussions and questions from the Committee members. No grounds for objecting to the transactions arose in this context.

The Committee remained in ongoing discussions with management to optimize the processes for reviewing business transactions and to increase their efficiency. As part of the review of the documents and contracts submitted by management, as well as the information and explanations provided in this regard, the committee made suggestions regarding the

documentation and transparency of individual business processes, which were implemented by management.

Another key focus of the meetings was the review of legislation and legislative proposals relevant to the business activities of H&R GmbH & Co. KGaA and its subsidiaries. These included, among others, the NIS2 Implementation Act, the reform of the Supply Chain Act, and the Whistleblower Protection Act.

At its meeting on July 8, the committee intensively reviewed the Supervisory Board's statement regarding the acquisition offer made by H&R Holding GmbH to the shareholders of H&R KGaA and prepared it for the Supervisory Board. Outside of a meeting, on July 30, the Committee reviewed the draft of the supplementary statement on the takeover offer, which was subsequently adopted by the Supervisory Board on August 1.

Nomination Committee

The Nomination Committee met twice in Hamburg during the 2025 fiscal year, on January 29 and December 3. All committee members were present at both meetings.

At the end of 2024, Ms. Sabine Dietrich informed the Chairman of the Supervisory Board that she would not be standing for re-election in May 2025. Following an intensive search among the advisory board and consultants as well as within our company's network, and after several internal discussions and consultations, the committee members agreed at the meeting on January 29 to invite Ms. Michaela Pulkert as the likely successor candidate. Following the meeting, the committee members unanimously resolved to propose Ms. Michaela Pulkert to the Supervisory Board at the meeting on March 26 for election to the Supervisory Board at the Annual General Meeting on May 27. Ms. Pulkert was elected to the Supervisory Board for a five-year term by a large majority of shareholders at the 2025 Annual General Meeting. Since then, she has also taken over Ms. Dietrich's committee duties.

At the 2026 Annual General Meeting in May of this year, the third terms of office of the two long-standing and esteemed Supervisory Board members Roland Chmiel and Dr. Rolf Schwedhelm will come to an end. Both gentlemen were first elected to the Supervisory Board of the then H&R WASAG AG at the 2011 Annual General Meeting. Since then, Mr. Chmiel has served as Chairman of the Audit Committee and is an independent financial expert for our company. Dr. Schwedhelm chairs the Legal Committee. Having reached or exceeded various internal thresholds and in order to comply with independence

criteria and governance requirements, neither of the two gentlemen is available for reelection.

The Nomination Committee first addressed the situation in depth at its meeting on December 3, 2025, and discussed various potential candidates for both vacant positions. On January 19, 2026, the Nominating Committee met again to discuss the succession of Dr. Schwedhelm. Following a thorough discussion and evaluation of potential candidates, the committee unanimously decided to propose Dr. Michaela Balke, a lawyer and partner at the law firm Schilling Zutt Anschutz in Mannheim, to the full Supervisory Board at its meeting on January 28, 2026, and to have Dr. Balke elected by the shareholders at the Annual General Meeting on May 27, 2026, for a five-year term on the Supervisory Board. The full Supervisory Board unanimously approved this recommendation.

On February 17, 2026, the Nomination Committee met again and, following the same procedure, proposed that Ms. Cornelia von Oertzen, a certified public accountant and tax advisor and partner at Grant Thornton AG in Hamburg, be elected to the Supervisory Board at the 2026 Annual General Meeting. Here, too, the full Supervisory Board unanimously followed the recommendation at its meeting on March 25, 2026. Both women have been familiar with our company for several years. Ms. von Oertzen last audited the 2021 fiscal year of H&R GmbH & Co. KGaA as the responsible auditor. Dr. Balke advises national and international clients in the areas of corporate law, compliance, M&A, and ESG. In addition, she has extensive experience with family-owned companies. For H&R, she drafted, among other things, the rules of procedure for the Executive Board and, starting in 2016, for the management, the Supervisory Board, and its committees.

Audit of the annual and consolidated financial statements, non-financial group report and dependent company report

Forvis Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Hamburg, audited the annual financial statements and the consolidated financial statements as well as the combined management report for H&R GmbH & Co. KGaA and the Group for the financial year 2025 and issued an unqualified audit opinion in each case.

The annual financial statements of H&R GmbH & Co. KGaA and the combined management report for H&R GmbH & Co. KGaA and the Group were prepared in accordance with German commercial law. The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the additional commercial law provisions

applicable pursuant to Section 315a (1) of the German Commercial Code (HGB). The auditor conducted the audit in accordance with Section 317 HGB, observing the German standards for the proper conduct of audits established by the Institute of Public Auditors in Germany (IDW). The aforementioned documents were distributed by management to the Supervisory Board in a timely manner. The annual financial statements, the consolidated financial statements, and the combined management report were presented by the auditor and discussed in detail at the Audit Committee meeting on March 11, 2025.

Draft versions of the audit reports from Forvis Mazars were made available to all members of the Supervisory Board and were discussed in detail at the Supervisory Board's financial statements meeting on March 25, 2026, in the presence of the auditor. The auditor reported on particularly significant audit matters, the key findings of the audit, and confirmed that there were no material weaknesses in the internal control and risk management systems related to the financial reporting process. The auditor also addressed significant business transactions and accounting policies. The Chairman of the Audit Committee reported in detail on the Audit Committee's review of the annual and consolidated financial statements during the plenary session.

Based on the results of the audit by the Audit Committee and our own audit, there were no objections to the annual and consolidated financial statements or the combined management report; we approved the results of the audit by the auditor. In accordance with the recommendations of the Audit Committee, we approved the annual financial statements and the consolidated financial statements, including the combined management report and Group management report. The Annual General Meeting decides on the adoption of the annual financial statements in accordance with Section 286 AktG.

In light of the current global political situation, the Supervisory Board considers the Management Board's proposal for the appropriation of retained earnings to be appropriate and endorses it.

The Management Board has prepared a separate sustainability statement for the Group for the 2025 fiscal year, using the European Sustainability Reporting Standards (ESRS) as a framework. The sustainability statement also meets the requirements of Sections 315b and c in conjunction with 289c-e of the German Commercial Code (HGB) and Article 8 of the EU Taxonomy Regulation for the non-financial consolidated statement. H&R GmbH & Co. KGaA remains obligated to prepare this statement, as the Corporate Sustainability Reporting Directive (CSRD) has not yet been transposed into German

law. The Supervisory Board commissioned a voluntary limited assurance review of the sustainability statement in accordance with ISAE 3000, which was also performed by Forvis Mazars and completed concurrently with the audit of the annual and consolidated financial statements for the 2025 fiscal year. Based on the audit performed, Forvis Mazars has determined that there is no reason to believe that the non-financial consolidated report does not comply in all material respects with the aforementioned requirements. At the meetings of the Audit Committee on March 11 and the Supervisory Board on March 25, 2026, Forvis Mazars provided a detailed explanation of the nature, scope, and results of the audit. Both bodies reviewed the non-financial group report in accordance with their statutory duties, verifying the correctness and appropriateness of the reporting without raising any objections, and the report was therefore approved by the Supervisory Board.

The report on relationships with affiliated companies (dependent company report) prepared by the management in accordance with Section 312 AktG was also audited by the auditor. The auditor informed the Supervisory Board of the audit results and issued the following audit opinion:

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

1. the actual disclosures in the report are correct,
2. the consideration paid by the company for the legal transactions listed in the report was not unreasonably high."

Based on the auditor's report, the Supervisory Board examined the dependent company report, in particular with regard to its completeness. Following its examination, the Supervisory Board concurs with the auditor's opinion and the final declaration of the Management Board contained in the dependent company report and raises no objections.

Remuneration Report

The Management Board and Supervisory Board jointly prepared the remuneration report for the 2025 financial year in accordance with the provisions of Section 162 AktG and adopted it by the Supervisory Board at its meeting on March 25, 2026. The remuneration report was formally reviewed by the auditor to ensure that the legally required disclosures were made. This did not give rise to any objections

Personnel changes on the Supervisory Board

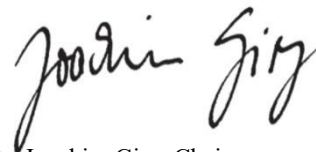
There have been personnel changes on the Supervisory Board of H&R GmbH & Co. KGaA over the past year. On January 30, Mr. Sven Hansen resigned from his position on the Supervisory Board of H&R

GmbH & Co. KGaA. In anticipation of this, Ms. Kyra Hansen had already been elected by the shareholders as his successor at the 2022 Annual General Meeting. The 2025 Annual General Meeting elected Ms. Michaela Pulkert to the board for a five-year term. Ms. Pulkert succeeds Ms. Dietrich, who was not available for reelection upon the expiration of her term. The Supervisory Board thanks Ms. Dietrich and Mr. Hansen for their many years of dedicated service on the full Supervisory Board and in various committees, and wishes them both all the best for the future.

The Supervisory Board would like to thank all employees, the Executive Board, and the Managing Director for their tireless dedication, personal contributions, and constructive cooperation for the benefit of our company during these challenging times.

Stay with us.

For the Supervisory Board



Dr. Joachim Girg, Chairman

H&R in the Capital Market

Capital Markets and Share Price Performance

No recovery in German economic growth

If one had to sum up the year 2025, the word “unpredictability” would be most appropriate. It was a year in which the financial markets finally abandoned the models of classical economics and their link to fundamental data. Instead, developments were primarily determined by social media dynamics and geopolitical upheavals.

Rarely has the currency risk between the euro and the dollar been as pronounced as it was in the twelve months of 2025. Since US stocks form the backbone of many portfolios, the sharp depreciation of the US dollar left a noticeable mark on the performance of many European investors. In this environment, diversification once again came to the fore. Investors increasingly sought stability through broader diversification, with sectors such as the defense industry gaining in importance for portfolio structure alongside European companies.

For the capital markets, the most significant moment of the year came on April 2, when the US administration under Donald Trump announced the introduction of comprehensive trade tariffs. This move triggered a period of high volatility and significant price corrections on global stock markets. For much of the year, US tariff and trade policy remained a determining factor for the European and, above all, the German economy, leading to enormous uncertainty among companies.

Many companies responded with massive restructuring measures, including job cuts.

However, this uncertainty was hardly reflected in share prices. Although gold was once again valued as a safe haven this year and generated the highest returns of all asset classes, share prices and the leading index, the DAX, also remained at a high level. The major German blue chips, which today conduct a significant portion of their business outside Europe, remained largely unaffected by the fundamental difficulties in terms of their share price valuation. On the other hand, sectors that had already been catching up in recent years, such as AI and

innovative defense companies, benefited disproportionately.

H&R share price influenced by takeover bid

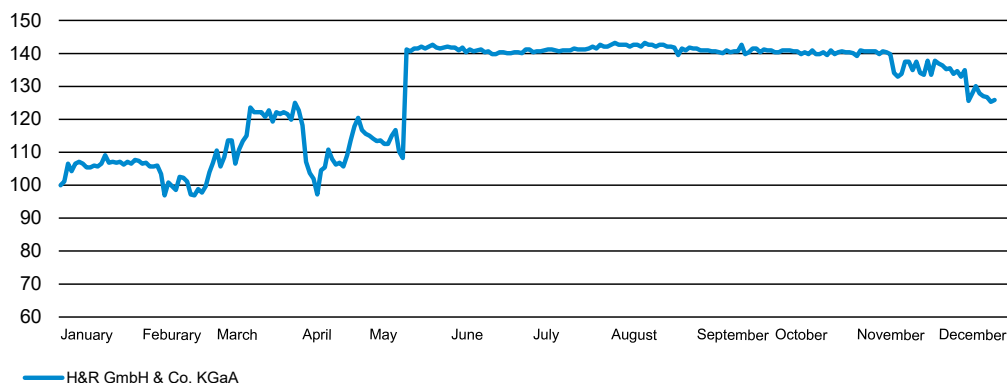
H&R KGaA shares started the year cautiously at €3.52, but were initially unable to maintain even this level: in mid-February, the share price hit a low of €3.41. There were slight recoveries around the date of publication of the 2025 annual report, before the announcement of a takeover bid by the majority shareholder at €5.00 raised the price to exactly this level immediately before the annual general meeting and largely fixed it there. On June 30, 2025, following approval by the German Federal Financial Supervisory Authority (BaFin), the bidder officially published the offer document for its acquisition offer and submitted a cash offer of EUR 5.00 per H&R KGaA share to all shareholders of H&R KGaA.

On August 28, 2025, the bidder published the result of its offer after the expiry of the acceptance period. As part of the acquisition offer, the bidder secured 7.92% of the H&R KGaA shares. A further 2.21% of H&R KGaA shares were acquired outside the acquisition offer on the stock exchange at the same time or by the time the offer was settled on September 4, 2025. At the close of the offer, 77.65% of all H&R KGaA shares were attributed to H&R Holding GmbH.

Following completion of the acquisition offer, the bidder intends to consider implementing a delisting offer or a squeeze-out, provided this is economically and operationally expedient at the respective point in time. In anticipation of further measures, the share price declined slightly again by the end of the year, but remained above the €4.00 mark.

G. 01 **PERFORMANCE OF THE H&R SHARE**

(INDEX 3.1.2024=100)



T. 03 **BASIC DATA ON THE H&R SHARE**

ISIN/WKN	DE000A2E4T77/A2E4T7
Abbreviation	2HRA
Type	Non-par bearer share
Listings	Official Market in Frankfurt (Prime Standard), Hamburg and Düsseldorf, freely traded in Stuttgart and Munich
Indices	Prime Standard All Share, Classic All Share, Prime Chemicals and Prime IG Specialty Chemicals, DAXPlus Family Index
Designated sponsor	Odco Seydler Bank AG; Baader Bank AG

Number of Shares, Market Capitalization and Trading Volume

The number of shares issued by our company totaled 37,221,746 as of December 31, 2025.

As a Prime Standard company, H&R KGaA complies with the relevant disclosure and transparency standards. The share price is available via trading systems and the financial press.

Around 3.6 million H&R shares were traded on Xetra in 2025. This represents a significant increase on the previous year, when around 1.5 million shares were traded. The resulting trading volume amounted to around €17.1 million based on daily volumes and closing prices (previous year: €11.8 million).

T. 04 **KEY SHARE DATA/XETRA CLOSING PRICES**

	2025	2024*	2023	2022	2021
Number of shares on 31/12	37,221,746	37,221,746	37,221,746	37,221,746	37,221,746
Earnings per share	€ -1.04	€ 0.29	€ 0.28	€ 1.15	€ 1.35
Highest price for the year	€ 5.04	€ 5.12	€ 6.42	€ 7.58	€ 10.25
Lowest price for the year	€ 3.41	€ 3.27	€ 4.32	€ 5.30	€ 5.31
Price on 31/12	€ 4.29	€ 3.39	€ 4.68	€ 6.02	€ 7.02
Market capitalization on 31/12	€ 159.7 million	€ 126.2 Mio	€ 174.2 Mio	€ 224.1 Mio	€ 261.3 Mio
Average daily trading volume	€ 71 thousand	T€ 47	T€ 53	T€ 113	T€ 270

*previous year amounts re-stated, refer to Note (5)

Shareholder Structure

Mr. Nils Hansen has announced in an official voting rights notification dated September 30, 2025 that, following the completion of the contribution agreement and the acquisition offer by H&R Holding GmbH, his voting rights will due to the contribution of shares in H&R GmbH & Co. H&R Internationale Beteiligung GmbH, Nils Hansen, SRS-Schmierstoff Vertrieb GmbH, Ölfabrik Wilhelm Scholten GmbH, and Wilhelm Scholten Beteiligungen GmbH into H&R Beteiligung GmbH, amount to a total of 77.65% of the voting rights in the company. According to an informal voting rights notification dated December 31, 2025, additional shares were acquired between the publication of the aforementioned voting rights notification and the end of the year, so that the share attributable to Mr. Hansen most recently amounted to a total of 78.03% of the voting rights in the company.

According to the official voting rights notification dated September 30, 2025, Mr. Wilhelm Scholten no longer held any voting rights in the company, as the 6.06% previously held by Wilhelm Scholten Beteiligungen GmbH and Ölfabrik Wilhelm Scholten GmbH and its subsidiary and attributable to Mr. Scholten were transferred to H&R Beteiligung GmbH as reported above. The remaining 21.97% of H&R shares were in free float as of December 31, 2025.

T. 05 RESEARCH COVERAGE OF THE H&R SHARE

Kepler Cheuvreux

Baader Bank

DZ Bank

Get in Touch

Interested parties can download our company reports at any time from the Investor Relations section of our website, www.hur.com.

We would also be happy to send you a printed copy on request.

We also keep our target groups informed about current developments at our company through our e-mail newsletter. You can register for these publications at the Investor Relations section of our website.

Should you have any questions or suggestions, please contact us at:

H&R KGaA
Investor Relations
Am Sandtorkai 50
20457 Hamburg
Phone: +49 (0) 40-43218-321
Fax: +49 (0) 40-43218-390
E-mail: investor.relations@hur.com
Website: www.hur.com

Combined Management and Group Management Report of H&R GMBH & CO. KGAA

32

Group Fundamentals

40

Report on Economic Position

50

Net Assets, Financial Position and Results of Operations of H&R KGaA

52

Other Legally Required Disclosures

56

Report on the Internal Control and Risk Management System and on the Main Opportunities and Risks

67

Forecast Report

Group Fundamentals

Preliminary Note

As part of the audit of the consolidated financial statements, the valuation of certain pension provisions for the periods from December 31, 2023, to December 31, 2024, was adjusted. The revaluation of these provisions resulted in changes, which are indicated by (*) in the following text and tables.

Chemical Corporate Structure and Business Model

Sectors and Organizational Structure

The H&R Group organizes its operating activities into two business divisions: Chemical-Pharmaceutical Raw Materials and Precision Plastic Parts. We also have three business segments: ChemPharm Refining, ChemPharm Sales and Plastics.

Our ChemPharm Refining segment includes two production sites in Hamburg and Salzbergen. Our production processes there yield around 800 different products that are used in virtually every aspect of daily life. Our ChemPharm Sales segment is comprised of numerous plants for additional processing as well as our distribution sites worldwide. In the Plastics segment, we manufacture our precision plastic parts at our sites in Germany, the Czech Republic and China. The customers buying our Plastics products include the automotive industry, the medical technology industry and other traditional industrial sectors.

Group's Legal Structure

As the Group's holding company, H&R GmbH & Co. KGaA (hereinafter referred to as H&R) is in charge of the management of our business operations. The number of subsidiaries to be consolidated increased to 49 as of the end of the reporting period due to the establishment of two new companies in Vietnam (December 31, 2024: 47). The list of subsidiaries is included in the notes to the consolidated financial statements under "Consolidated Group and Investments". The ChemPharm Refining segment, which primarily consists of the specialty production sites in Germany, has a functional management structure. Managerial staff within this segment have cross-site responsibility for key functions such as raw materials

purchasing, project management, accounting, and sales/distribution.

In the ChemPharm Sales segment, which does not have any raw materials processing of its own, the responsibility for all functions is held by local managing directors. These report from the sites to a regional managing director, who in turn reports to the Group's Executive Board.

There are two management levels at the Plastics segment: managing directors at the international sites report to the divisional Executive Board, which is also responsible for managing the production plant in Coburg, Germany.

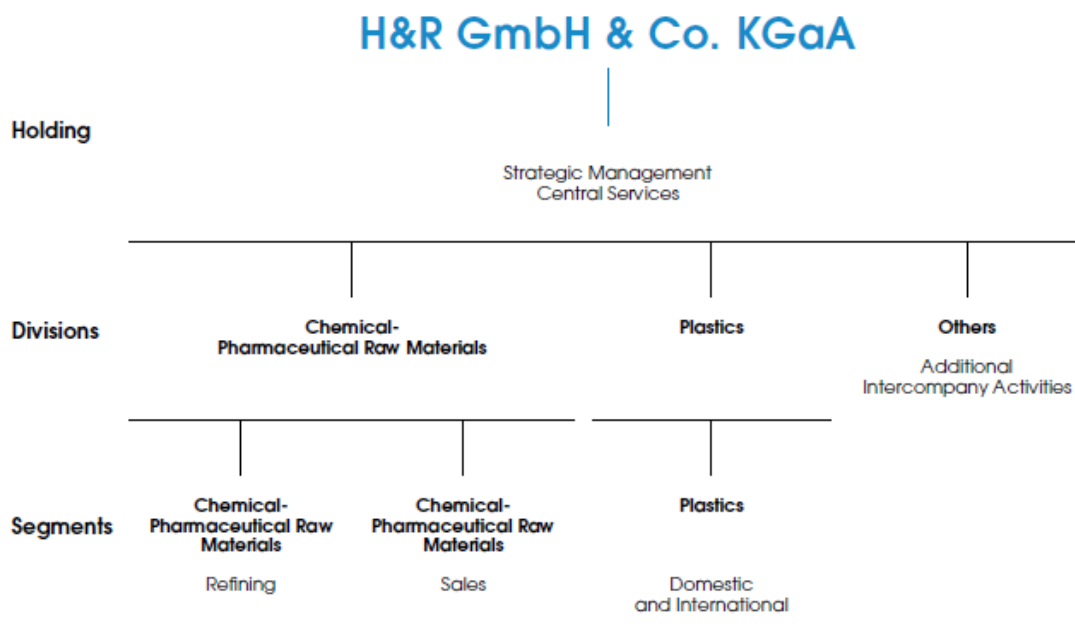
Sites

At year-end 2025, our Group employed 1,714 people worldwide (December 31, 2024: 1,705). The following overview shows the most important sites of our three segments with more than 25 employees:

T. 06 MAIN SITES IN THE H&R GROUP

Continent	Country	City	Division	Employees
Africa	South Africa	Durban	Chem-Pharm	84
Asia	China	Wuxi	Plastics	136
		Ningbo/Daxie	Chem-Pharm	120
		Fushun	Chem-Pharm	110
	Thailand	Bangkok/Sri Racha	Chem-Pharm	77
	Malaysia	Lumut / Port Klang	Chem-Pharm	58
Europa	Germany	Hamburg	Chem-Pharm	322
		Salzbergen	Chem-Pharm	429
		Coburg	Plastics	64
	BeNeLux	Nuth	Chem-Pharm	35
	United Kingdom	Tipton	Chem-Pharm	55
	Czech Republic	Dačice	Plastics	89

G. 02 OVERVIEW OF GROUP STRUCTURE



Main Products, Services and Business Processes

At our domestic production sites in the Chem-Pharm Refining segment, we are currently using hydrocarbon-based raw materials. Bio-based products, synthesized products and recycled base materials are likewise already used as feed-stock in addition to fossil products. Our feed-stocks are used to produce approximately 800 specialty products: process oils, technical and medical white oils, paraffins and wax products. By-products and co-products produced as part of our processes are either processed to produce other high-quality specialty products or are used in bitumen to build roads. Another part is sold on to refineries as feedstock. At special filling facilities, we also mix end products based on well-known end customers' formulations.

In the production plants of the ChemPharm Sales segment, our production focuses on environmentally friendly label-free plasticizers and wax emulsions. Partnerships with local producers around the world allow us to avoid building up our own raw materials processing capacities.

In the Plastics segment, we manufacture precision plastic parts, as well as components and medical consumables.

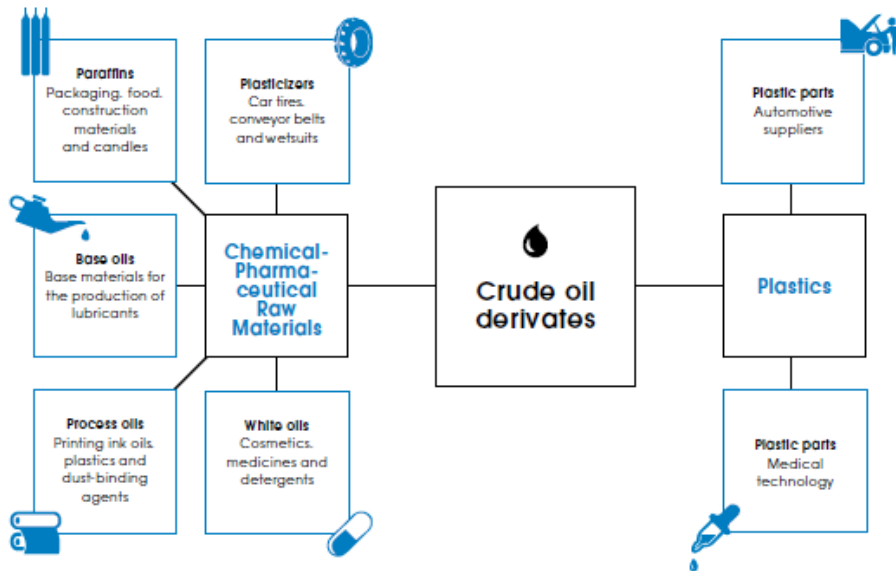
Objectives and Strategy

Key Sales Markets and Competitive Situation

The basis of our production of chemical-pharmaceutical specialty products are hydrocarbons from fossil-based, synthetic or bio-based sources. We mainly source our fossil-based raw materials from fuel refinery operators. Bio-based, synthetic and recycled products originate from our network of partners, from sources available on the market and from our own production. Consistently focusing on the customers' applications, we generate chemical-pharmaceutical specialty products from these. Over the decades, we have developed a solid market presence. Our specialty products include, among others, environmentally friendly label-free plasticizers, which are used in the rubber blends of well-known car tire manufacturers as well as in additional technical rubber products. Our main competitors in this product area are the major oil companies.

Our paraffins are used for a wide variety of applications. With their water-repellent properties, paraffins lend themselves well to applications in the food, packaging and construction industries.

G. 03 HYDROCARBON BASED SPECIALTIES



With regard to white oils, we are sure that we are able to reliably meet high quality standards. Our technical white oils are used in industrial sectors. Our medical white oils are found, among other applications, as components in cosmetic products such as creams and ointments.

We sell the vast majority of our base oils to lubricant manufacturers as raw materials. Using additives, we further process a small quantity of these base oils into ready-made lubricants.

For us, 2025 was marked by an overall stagnant economic situation. High energy and labor costs, excessive regulation, as well as geopolitical uncertainties and protectionist tendencies continued to put pressure on Germany. The German economy, with its strong focus on exports, suffered particularly from the unpredictable U.S. tariff and foreign trade policies. The hoped-for positive effects of the special infrastructure fund were slow to materialize. Consequently, there was little inclination to make major investments or send clear signals toward future technologies and sustainability.

Legal and Economic Factors

Economic Factors

The German economy once again stagnated and can, at best, hope for a recovery in 2026. However, as of the end of 2025, it was highly doubtful that this would actually happen. Based on an economic survey conducted by the German Economic Institute (IW) in October 2025, business expectations for 2026 were actually slightly worse than they had been at the start of the year: A quarter of the companies surveyed by the IW expect higher production or business activity in 2026 than in 2025, but nearly a third anticipate a decline. Production expectations for 2026 are particularly negative in the industrial sector, pointing to another difficult year for industry in Germany.

Legal Factors

In addition to general compliance with laws and regulations, H&R focuses primarily on regulatory approval issues, such as those related to plant operations or chemical regulations. In this area, we are seeing increasing hurdles due to greater complexity, longer and more extensive procedures, and, at the same time, shorter approval timelines.

For 2025 as well, there were aspects to consider stemming from sanctions-related prohibitions that legally restricted trade with Russia, particularly for European market participants.

Global Political Factors

The global political situation in 2025 was also a major contributing factor to the aforementioned developments. It was characterized by increasing fragmentation, protectionist tendencies, ongoing armed conflicts, and a lack of global leadership.

Objectives

Across all its business divisions, H&R pursues the goal of achieving sustainable and financially successful earnings growth. We aim to build on our operational strengths in international business through additional production partnerships and a targeted expansion of our processing and distribution facilities.

In terms of sustainability, we aim to achieve CO₂ neutrality in our production by the end of 2050. To this end, H&R follows the guidelines of the Science Based Targets Initiative (SBTi), a joint initiative of CDP, the UN Global Compact, the World Resources Institute, and the World Wide Fund for Nature, which sets a minimum target of a 4.2% annual reduction in Scope 1 and 2 emissions. The reduction will be implemented in phases, depending on the availability of practical and economically viable technologies. We have set 2022 as the reference year.

We have also set a goal that, by 2030, 70% of our main products should contain an average of 10% renewable feedstocks, provided that the resulting product groups can be marketed in an economically viable and competitive manner. To achieve this goal, we rely on the so-called mass balance approach: fossil feedstocks are replaced by renewable raw materials. In this process, the raw material to be replaced can either be exchanged on a 1:1 basis (substitution) or - if this is not possible - offset by using a renewable raw material elsewhere in the production process (compensation).

Overall, we pursue a comprehensive approach that goes beyond the mere input aspect or the increased use of bio-based or synthesized grades. We also aim to advance this approach toward greater sustainability through the efficient use of water, energy, and heat. Furthermore, we intend to continuously

develop our expertise in this field to successfully continue on the path toward greater sustainability..

Strategy

In line with our focus on further internationalization, we see ourselves as a globally minded company. At the same time, we maintain strong ties to the regions and operate locally on the ground. The most important driver of our business activities is our proximity to the market, which enables us to operate in a user-driven manner with a deep understanding of our customers' specifications and needs. In doing so, we remain technologically innovative by keeping our facilities at the cutting edge and seeking sustainable solutions for our processes and products.

We still regard the selection of our raw materials as the factor with the greatest leverage. In this respect, we have been pursuing a "three-pillar strategy" for several years. It describes the path away from fossil base materials toward more bio-based and synthesized products. The objective is a sustainable supply of raw materials with renewable hydrocarbons, which have the same properties as crude oil, without its fossil-based DNA. Therefore, H&R is not aiming to decarbonize its production processes, but intends to change the source of carbon instead. The traditional fossil-based raw materials are to be replaced with water, green electricity from the wind and sun, biomass and recycled base materials. By technically further developing our production processes and closely coordinating with our customer industries, we want to expand our portfolio of feedstocks that can be used by introducing sustainable grades and generate climate-friendly and market-oriented specialty products at the end of the value chain.

Status of the Realization of the Strategic Objectives in 2025

In 2025, we continued to advance the sustainability goals we had most recently revised the previous year. For the Group, one thing is clear: there are no alternatives when it comes to issues such as sustainability, resource conservation, and the efficient use of raw materials - goals that are important not only for the company but also from a socio-political perspective. For lenders, too, concrete "green" goals are becoming increasingly important as part of financing terms and require consistent action from companies.

On the other hand, the transformation of our own business model is neither an end in itself nor can it

be viewed completely in isolation from overall economic developments. While we as a company look back on years of solid business performance, we must also acknowledge that our transformative decisions require significant investments if we are to remain competitive in the long term. The founding and owner family has repeatedly shouldered this responsibility over the past decades. In 2025, we therefore expanded our own stake, driven by the conviction that a consolidated shareholder structure can play a decisive role in driving the company's transformation forward.

The procurement of sustainable raw materials remained the focus of our efforts in 2025. Our approach to advancing the use of various sustainable raw materials has become significantly more refined, particularly with regard to recycling. As with the processing of traditional petroleum-based raw materials, a large part of H&R's expertise lies in the analysis of available samples. "Intrinsic value" and potential yield are also key priorities for sustainable qualities and form the foundation for future business strategies. In the field of recycling, we have tested nearly 240 different potential feedstocks derived from processed waste oils, plastics, or rubber tires. In the area of synthetic raw waxes, we added another 30 samples.

Ultimately, their suitability will determine the level of funding required and whether project partnerships or our own investments in processing capacity and existing process facilities will achieve our goals.

However, we will only act and invest here if the combination of purchasing terms, available feedstock quantities, and, above all, customer demand suggests sufficiently favorable conditions.

We reported last year on the climate protection agreement concluded with the Federal Ministry for Economic Affairs (BMW) in October 2024 regarding a project to construct and operate a process furnace powered by electricity at the Salzbergen site, and in particular on the critical scrutiny surrounding the decision to proceed with such a project. In close consultation with all parties involved, both on the project side and the funding side, we have agreed that continuing the climate protection agreement makes no sense given the current circumstances and after evaluating the medium-term outlook. We are

currently preparing to terminate the agreement in mutual agreement with the Ministry.

Overall, fewer by-products were incinerated in 2025 as well. Thanks to targeted sales efforts and customers who requested a specific composition of certain by-products, we were able to sell more of these components to other refinery customers. Instead of being incinerated, for example as marine diesel, these so-called cracker feed components were refined into further value-added products. For the year 2025, the proportion of by-products that could be sold for higher-value applications was over 95.8%.

Company Control

Internal Management System

The Group is managed based on the comprehensive reporting of key performance indicators and ratios that look at the areas of profitability, liquidity, the capital structure and operating performance. In addition to this, we monitor both company-specific and macroeconomic early indicators. At the production level, this includes data relating to plant availability, throughput volumes and quality parameters. In sales and distribution, we draw on sales volume statistics, general market data and macroeconomic early indicators for their management. The management system also consists of monthly reports from the divisions, the management of risks and opportunities and our functional management structure, whereby responsibility is assigned for more than one site in important areas such as raw materials purchasing, project management and sales/distribution.

Control Parameters

In recent years, we have shifted the focus of our control instruments to a more intensive examination of short-term performance parameters in response to constant changes in the overall global economic situation. We measure and control profitability, in particular through contributions to income. Manufacturing planning is based on optimizing contribution margins; the segments are controlled using EBITDA and EBT figures.

H&R KGaA's presentation of EBITDA refers to earnings before net interest income, income taxes, other financial income, depreciation and amortization, and impairment of intangible assets and property, plant and equipment.

H&R KGaA calculates EBITDA as follows:

Consolidated income
 +/-
 Income taxes
 +
 Financing expenses
 -
 Financing income
 +
 Depreciation, impairments and amortization of intangible assets and property, plant and equipment =
 EBITDA

Although operating income/EBITDA is not an earnings figure defined by IFRS, but rather an alternative performance indicator, H&R KGaA's Executive Board considers EBITDA to be a major and, indeed, the most significant indicator of Group earnings. EBITDA is the relevant operating income figure for the H&R Group. It represents the income needed to cover the Group's ongoing (maintenance) capital expenditure. This cover is of critical importance for the company's capital-intensive business model.

T. 07 RECONCILIATION OF OPERATING INCOME (EBITDA) TO CONSOLIDATED INCOME (IFRS)

IN € MILLION	2025	2024*
Operating income (EBITDA) of H&R GmbH & Co. KGaA	83.8	94.7
Depreciation and amortization of intangible assets and property, plant and equipment	-98.5	-62.8
Reversal of impairment	0.3	-
Financing income	1.4	0.6
Financing expenses	-11.4	-12.2
Income taxes	-12.3	-7.7
Consolidated income	-36.7	12.6

*previous year amounts restated

We calculate the EBT as income before tax.

The long-term weighted average cost of capital (WACC) performance indicator, which consists of the weighted capital costs of our equity and borrowings, is used in medium-term and long-term planning, for example, for the evaluation of investments and calculation of the holdings' carrying amounts and impairment tests. The profitability ratio return on capital employed (ROCE) is also used in the medium-term and long-term planning. The ROCE compares earnings before interest and taxes to the average committed capital necessary for operations.

Liquidity. Our free cash flow is essentially determined by operating income (EBITDA), the change in net working capital (total of inventories and trade receivables less trade payables) and capital expenditure. Because of our business model, our cash flow is generally quite volatile. This is attributable to changes in our net working capital, in particular when deliveries of raw materials for our specialty refineries occur around the same time as the reporting dates. By constantly monitoring our free cash flow, we can reliably detect any issues requiring action so that we can respond accordingly. This will allow us to ensure the financial stability of the H&R Group in the future, too.

T. 08 CHANGE IN FREE CASH FLOW

IN € MILLION	2025	2024	2023	2022	2021
Cash flow from operating activities	92.1	70.2	119.1	38.0	37.4
Cash flow from investing activities	-56.7	-54.5	-56.3	-72.5	-48.6
Free Cash flow	35.4	15.8	62.8	-34.5	-11.1

The starting point for calculating and reporting cash flow from operating activities in 2025 was a consolidated net loss of € -36.7 million (December 31, 2024: € 12.6 million), which was approximately € -49.4 million lower than in the previous year. Based on this, we generated an improved operating cash flow of €92.1 million (December 31, 2024: €70.2 million) despite significantly higher depreciation and amortization of €-98.5 million and higher income tax expense, while at the same time experiencing lower pressure on our net working capital requirements. Investing activity in the past fiscal year was roughly 4.2% higher than in the prior year and amounted to €-56.7 million. Free cash flow, which returned to positive territory, showed a recovery, improving from €15.8 million to €35.4 million.

Capital Structure. We aim to have a balanced capital structure that provides leeway for the strategic development of the Group while optimizing the cost of capital for our equity and borrowings. Our loan agreements require us to comply with two financial covenants. These relate to our equity base and net debt in relation to operating income (EBITDA).

Another control parameter relating to our capital structure is net gearing, which is the ratio of our net financial debt to equity. In spite of a slight decrease in debt in the course of 2025, this performance indicator fell from 13.4% to 12.1% as a result of the increase in equity.

T. 09 CAPITAL STRUCTURE

	2025	2024*	2023*	2022	2021
Net debt/EBITDA	1.31	1.39	1.46	1.52	1.13
Equity ratio in %	45.4	45.5	50.0	49.0	46.7
Net gearing in %	12.1	13.4	29.1	42.9	39.9

*previous year amounts restated

Operating Performance. We regularly measure our operating business based on sales, on the basis of absolute earnings indicators such as EBITDA, EBIT, and EBT as well as by sales volumes for our chemical-pharmaceutical specialty products. The trend in the crude oil price, which is invoiced in US dollars, always has a direct impact on the cost of materials, which affects H&R KGaA's sales revenue for

reasons related to the business model. On their own, our sales are therefore only of limited use as a performance indicator.

We calculate the key earnings indicators for both the individual segments and the Group. Together with the Group's net debt, they constitute the key metrics used to manage our company.

T. 10 INCOME AND VOLUME TREND

IN € MILLION	2025	2024*	2023	2022	2021
Sales volume of core products in kt ¹⁾	775	797	799	811	869
EBITDA	83.8	94.7	92.7	124.9	132.5
of which REFINING	57.1	54.0	58.1	92.7	103.4
of which SALES	36.5	41.6	31.5	33.4	29.0
of which PLASTICS	- 5.5	3.0	4.7	5.0	3.9
EBIT	- 14.4	31.9	30.3	69.6	81.6
EBT – income before tax	- 24.4	20.3	18.8	62.0	73.4

¹⁾Chemical-Pharmaceutical Raw Materials division; * previous year amounts restated

Research and Development

Focus of Our R&D Activities

One focal point of our research and development (R&D) activities is on boosting the efficiency of our production processes, thereby increasing the value we create. The corresponding research activities are carried out by H&R itself and managed on the divisional level. In addition to traditional laboratories for material testing and improvement for the refinery sites, we also have a department for innovative process technologies. It deals with the implementation of new procedures and processes and integrates important demonstration plants into our process flows. In this way, H&R seeks to provide “proof of concept” for the large-scale industrial use of new and sustainable technologies.

Chemical-Pharmaceutical Raw Materials. Our products, which total around 800, are used as feedstock in almost all areas of life. As a result, there is considerable potential for developing new, and improving existing, products. Our sales/distribution staff and partners are an important source of ideas for product innovation. Thanks to the customer relationships they have developed over a long period of

time, they have an excellent feel for the customers’ changing needs.

We are also researching processes that could increase the yield of specialty products from our raw materials and further improve the level of value creation at our specialty refineries.

Plastics. The use of increasingly sophisticated technologies in vehicles to reduce fuel consumption and carbon emissions is leading to a growing demand for lightweight and simultaneously complex plastic parts. We often develop such parts – which consist of several different materials – in cooperation with our customers. In light of the increasing trend toward electric mobility, we expect the intended range optimization in this sector to lead to the further and accelerated substitution of metal with plastic parts.

R&D Expenses

The importance of our research and development activities is reflected in our consistent spending in this area. At just over €2.5 million, R&D spending was significantly higher than in the previous year. Our R&D ratio, defined as R&D expense divided by sales, was above the previous year, at 0.20%, due to the slight decline in sales.

T. 11 RESEARCH AND DEVELOPMENT COSTS

IN € THOUSAND	2025	2024	2023	2022	2021
Research and development costs	2,533	2,614	2,051	2,030	2,520
of which ChemPharm	2,253	2,462	1,919	1,924	2,031
of which Plastics	280	152	132	106	489
as % of annual sales	0.20	0.19	0.15	0.13	0.21

Report on Economic Position

Trends in the Business Environment

Geopolitical Conditions

Politically, 2025 proved to be a year of profound change and geopolitical turmoil, marked by the United States' disruptive economic and transatlantic policies, ongoing wars in Eastern Europe and the Middle East, and a realignment of German policy following the federal election.

Macroeconomic Conditions

In its economic forecast for winter 2025, the Kiel Institute projected that the German economy would stabilize at a low level and, at best, remain flat. At its core, the overall economic weakness continues to be driven by the crisis in the industrial sector. Job cuts also began there, causing the number of people employed in the manufacturing sector to drop by around 170,000 by winter 2025. While this is offset by an almost equal number of new jobs created in other sectors - primarily those close to the government - these sectors, on average, fall far short of the productivity levels achieved in industry. As a result, the Kiel Institute expects gross domestic product to grow by a minimal 0.1% this year.

In the manufacturing sector in particular, low capacity utilization is likely to be primarily a reflection of reduced competitiveness and to precede a further reduction in production capacity. At the very least, companies currently show no intention of significantly increasing their investments in this country. All in all, the Kiel experts anticipate GDP growth of 1.0% for 2026 (autumn forecast: 1.3%) and 1.3% for 2027 (autumn forecast: 1.2%).

In the eurozone, economic output could increase by 1.4% year-over-year. During the forecast period, the trade and geopolitical situation in particular weighed on economic growth in the eurozone. The imposition

of 15% U.S. tariffs on EU imports (50% tariffs on steel and aluminum) exacerbated the global trade conflict. On the one hand, Chinese overcapacity is flooding the European market; on the other, foreign demand from the U.S. is lacking. Consequently, the outlook for economic activity in the eurozone remains moderate, with growth expected to reach 1.1% next year.

According to the DIW Berlin (German Institute for Economic Research), the global economy has recently proven more robust than expected despite the US's more aggressive trade policy. While higher tariffs acted as a brake, global trade remained dynamic, particularly in Asia. New U.S. agreements with numerous countries reduced uncertainty and improved business sentiment in many places, while fiscal policy measures supported domestic markets. The U.S. economy lost momentum toward the end of the year, the eurozone grew moderately, and China narrowly missed its targets. Experts projected 3.3% growth for the global economy this year, 3.0% for 2026, and 3.2% for 2027.

The euro, which is a key factor in H&R's earnings performance, began the fiscal year at a rate of US\$ 1.03 against the U.S. dollar. After a recovery that was at times strong through late summer, the euro reached its annual high of nearly US\$ 1.19 in September and remained relatively stable in a sideways trend until the end of the year. At year-end, the single currency was trading at US\$ 1.17.

Crude oil prices (all figures refer to daily closing prices for a barrel of North Sea Brent) fluctuated quite sharply over the course of the year. Starting from a price of around US\$ 76 at the beginning of the year, the price initially fell to nearly US\$ 60 by early May 2025. Over the course of the year, Brent traded in the range between US\$ 60 and US\$ 72 before closing the year at just under US\$ 61.

G. 04 EXCHANGE RATES US\$ PRO € 2025

(CLOSING RATES US\$ PRO €)

**Industry-Specific Climate**

The German Chemical Industry Association (VCI e. V.) described the situation in its own sector at the end of the year as, in its own words, a “difficult path.” The economic situation has recently deteriorated noticeably: production, prices, and sales have declined once again. Capacity utilization, at around 70%, remained well below the break-even point. According to the association, the poor situation and the resulting pessimistic outlook are attributable to the operating conditions in Germany, which are weighing on companies due to uncompetitive production costs, high regulatory uncertainty, and slow approval procedures. In addition, according to the VCI, the industry struggled with high energy prices and emissions costs in the 2025 fiscal year.

Overview of Business Development and Performance

In 2025, H&R sold a total of 775,344 metric tons of key products from its Chemical and Pharmaceutical Raw Materials division to external customers (2024: 797,372 metric tons). At €1.24 billion, the Group generated slightly lower revenue than in the previous year (2024: €1.34 billion). At €914.7 million (2024: €1,026.7 million), which was approximately €112.0 million lower than in the previous year. Overall, the Group generated an operating profit (EBITDA) of €83.8 million (2024: €94.7 million*).

Events With a Major Impact on Business Development and Performance

Overall, the Group reported revenue of €1,242.2 million, a decrease of approximately 7.2% compared to the previous year (2024: €1,338.2 million). After a solid start to the year, business initially slowed down by mid-year before recovering in the second half of the year. Momentum was particularly strong in the final phase of the fiscal year, with the fourth quarter contributing the strongest earnings growth during the year. With demand slightly lower than in the previous year, prices remained stable overall but offered little room for improved earnings.

Comparison of Actual Business Development and Performance With the Forecast Made in the Previous Year

H&R KGaA began the 2025 fiscal year expecting performance and results to be fully comparable to those of the previous year. We anticipated higher input material prices compared to 2024 and, consequently, higher sales, and hoped for an operating result (EBITDA) in the range of €85.0 million to €100.0 million, compared to the €94.7 million* achieved in 2024.

Based on a first quarter that made the necessary contribution to this target, we remained optimistic at first. However, developments around the middle of the year in particular certainly gave cause for a reassessment. Economic trends, the competitive landscape, trade barriers, and a global political situation marked by armed conflicts led us to adjust our full-

year forecast to a range of €77.0 million to €90.0 million. The results for the third quarter of 2025 most recently confirmed an EBITDA at the previously communicated lower end of the range.

Revenue ultimately reached €1,242.2 million. The EBITDA reported in the consolidated income statement for the fiscal year, at €83.8 million, exceeded our latest expectations.

However, our figures show significant deviations from the previous year in terms of other results. This is primarily due to a significant increase in depreciation and amortization, which, at €98.3 million, exceeded the prior-year figure by approximately €35.7 million as a result of special depreciation and amortization adjustments made during the year.

Consolidated net income attributable to shareholders, which we did not forecast, amounted to €-38.8 million for 2025 (2024: €10.4 million*).

T. 12 FORECAST FOR FINANCIAL YEAR 2025

Forecast date	Publication of the 2024 annual report	Publication of preliminary half-year figures for 2025	Publication of preliminary figures for Q3/2025	Actual value
Total sales	“€1,300.00 million to €1,500.0 million”	not defined	not defined	€1,242.2 million
Sales in ChemPharm Refining	“≥ €832.0 million”	not defined	not defined	€766.2 million
Sales in ChemPharm Sales	“≥ €429.0 million”	not defined	not defined	€456.5 million
Sales in Plastics	“≥ €39.0 million”	not defined	not defined	€35.4 million
EBITDA at Group level	“between €90.0 million and €110.0 million”	“Range of € 77.0 million to € 90.0 million”	“Entry level of €77.0 million likely”	€83.8 million

In the Chemical and Pharmaceutical Raw Materials division, revenue of €1,222.7 million was below the prior-year level due to price and volume factors (2024: €1,309.7 million), but exceeded the minimum expectations set out in the most recent annual report. The picture is more nuanced, however, when we look at the results for which we also defined a minimum EBITDA target and the segments’ respective percentage shares: Instead of the minimum of €54.4 million in EBITDA for the ChemPharm Refining segment expected in the forecast report at the beginning of the year, our refinery sites collectively achieved a slightly better €57.1 million. The international activities of the ChemPharm Sales segment even contributed €36.5 million to operating earnings. The expectation had been only €28.1 million. The Plastics business unit performed negatively. Given the difficulties in the automotive industry - such as the weak sales of major German automakers resulting from uncertainty regarding electromobility - the segment’s revenue of €35.4 million fell short of our expectations (€39.0 million) and was below the

previous year’s level (2024: €48.0 million). EBITDA was particularly low, amounting to €-5.5 million and thus falling well short of expectations from the beginning of the year (€2.6 million). In the previous year, operating profit had still stood at €3.0 million.

Economic Position of the H&R Group

Assessment of Economic Performance and Overall Statement by the Management Board

Overall, H&R’s business performance during the reporting period was in line with expectations, though it remained somewhat more subdued than management had hoped at the start of 2025. In particular, the middle quarters of the year remained weak overall, meaning that the recovery in the third and fourth quarters of 2025 had to make up for these shortfalls.

Our Group's customer industries also had little to counter the overall trend of subdued economic momentum. Overall, demand and product prices remained volatile, and good margins or price quotations and rising demand rarely occurred simultaneously. On this basis, H&R achieved a solid operating profit of €83.8 million for the year, although this fell short of the previous year's figure.

Note on Presentation of the Influence of Accounting Policies on the Economic Situation

The accounting is based on discretionary decisions and estimates that we have exercised as we consider appropriate, taking into account the company's current economic situation including our assessment of future development.

Results of Operations

In fiscal year 2025, we generated revenue of €1,242.2 million (previous year: €1,338.2 million), which was lower than in the previous year. Revenue from chemical and pharmaceutical business activities (share of revenue in 2025: 97.2%; prior year: 96.4%) declined by -6.2% in the ChemPharm Refining segment, while the ChemPharm Sales segment fell short of the prior-year figure by -7.3%. In the Plastics segment (revenue share in 2025: 2.9%; prior year: 3.6%), the decline in revenue was particularly pronounced at -26.2%.

In terms of operating profit (EBITDA), the Refining segment increased by 5.7%, while the Sales segment declined noticeably by 12.3%. The losses in the Plastics segment pushed its result into the red and prevented any positive contribution to earnings.

Overall, despite far from optimal overall conditions, the company reported a solid, albeit lower than in the previous year, operating profit. In total, consolidated operating earnings (EBITDA) amounted to €83.8 million (previous year: €94.7 million*). The EBITDA margin decreased to 6.7% compared to the previous year, down from 7.1% in fiscal year 2024.

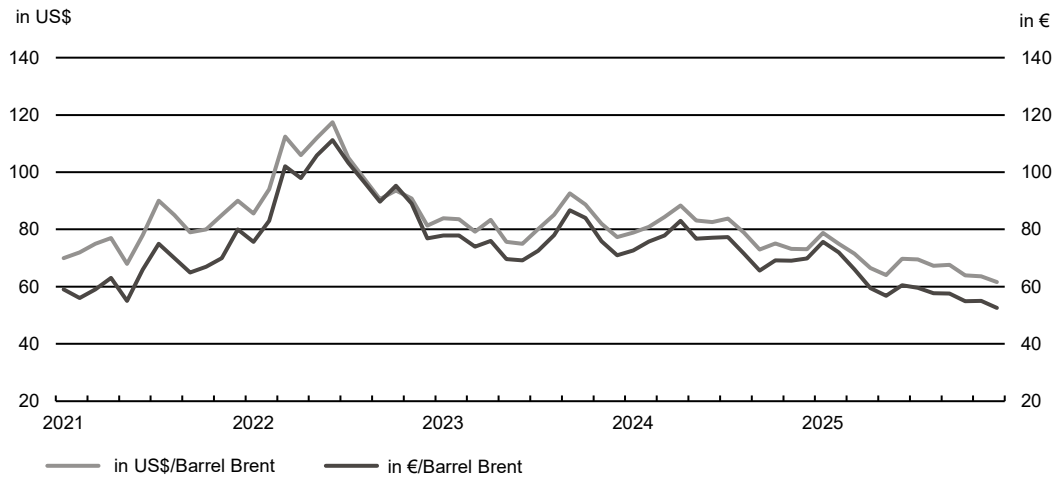
The sharp increase in depreciation and amortization this year had a significant impact on the other income and expense items, as extraordinary depreciation and amortization were added to the already relatively high overall level of depreciation and amortization in the 2025 financial statements - a result of consistent investments in recent years. Given a total net amount of write-downs and write-ups of € -98.3

million (previous year: € -62.8 million), consolidated earnings before interest and taxes (EBIT) for 2025 amounted to only € -14.4 million (previous year: € 31.9 million*). Earnings before taxes (EBT) decreased to € -24.4 million from € 20.3 million* in 2024. Consolidated net income attributable to shareholders stood at € -38.8 million (previous year: € 10.4 million*).

Following earnings per share of €0.28* in the prior-year period, a loss per share of €-1.04 was recorded for 2025.

G. 05 OIL PRICE DEVELOPMENT 2020–2024

(AVERAGE MONTHLY PRICES)

**G. 06 CHANGES IN SALES AND INCOME**

IN € MILLION	2025	2024*	2023	2022	2021
Sales revenue	1,242.2	1,338.2	1,352.3	1,576.0	1,188.4
EBITDA	83.8	94.7	92.7	124.9	132.5
EBIT	-14.4	31.9	30.3	69.6	81.6
Income before tax	-24.4	20.3	18.8	62.0	73.4
Consolidated income attributable to shareholders	-38.8	10.4	10.6	42.7	50.2
Earnings per share	-1.04	0.28	0.28	1.15	1.35

*previous year amounts restated

Trend in Orders

Throughout 2025, order intake for products in our chemical and pharmaceutical business remained subdued: inflation, global tensions, and, above all, the lack of clear economic policy impetus dampened sentiment in our customer industries just as significantly as the overall high costs of raw materials, energy, logistics, and necessary services. Nevertheless, the tonnages of major products sold in both the Refining and Sales segments were on par with the previous year.

In the plastics sector, the crisis facing German automakers was felt across the board. Above all, there was a lack of a clear commitment to e-mobility. Following the restructuring of recent years, GAUDLITZ in the Czech Republic had just repositioned itself specifically for this sector and, instead of seeing business ramp up, experienced a decline in order volumes.

Trends in the Main Items on the Income Statement

Inventories of finished and work-in-progress goods decreased by €-19.0 million during the reporting

period (previous year: €4.4 million). Our cost of materials followed the downward trend in input costs in fiscal year 2025 and decreased by -10.9% or €112.0

million to €914.7 million (previous year: €1,026.7 million).

T. 13 TRENDS IN THE MAIN ITEMS ON THE INCOME STATEMENT

IN € MILLION	2025	2024*	2023	2022	2021
Sales revenue	1,242.2	1,338.2	1,352.3	1,576.0	1,188.4
Changes in inventories	-19.0	4.4	-17.2	36.0	31.1
Other operating income	41.4	37.6	29.9	37.1	29.6
Cost of materials	-914.7	-1,026.7	-1,033.1	-1,274.0	-901.6
Personnel expenses	-109.5	-106.5	-102.8	-99.6	-99.2
Depreciation and amortization	-98.5	-62.8	-62.4	-55.3	-50.9
Other operating expenses	-155.9	-152.1	-135.9	-150.2	-115.6
Operating result	-13.8	32.2	30.7	70.2	81.7
Financial result	-10.6	-11.9	-11.9	-8.2	-8.4
Consolidated income before taxes	-24.4	20.3	18.8	62.0	73.3
Consolidated income before minority interests	-36.7	12.6	10.6	45.4	52.5
Consolidated income attributable to shareholders	-38.8	10.4	10.6	42.7	50.2

*previous year amounts restated

Personnel expenses amounted to €109.5 million, exceeding the prior-year level (prior year: €106.5 million*) by approximately 2.9% due to a slightly higher headcount, but primarily as a result of contractual wage adjustments.

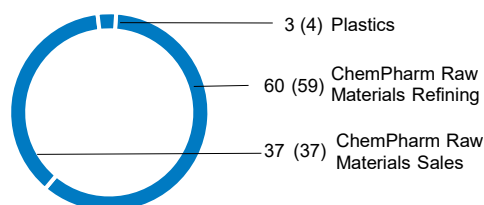
€62.8 million). This was due to impairment tests conducted for H&R Ölwerke Schindler GmbH in the Refining segment, which resulted in an impairment charge of €39.6 million due to lower future earnings expectations.

As in the prior year, there were no write-downs of goodwill. Overall, however, depreciation and amortization rose significantly to €98.5 million (2024:

Other operating expenses were slightly higher: they amounted to €152.1 million in 2024 but rose to €155.9 million in 2025.

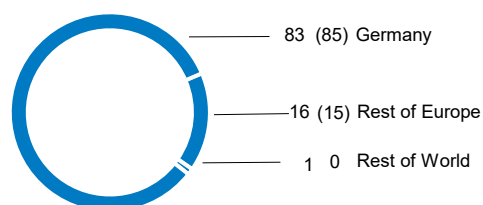
G. 07 SALES BY SEGMENT IN 2025

IN % (PREVIOUS YEAR'S FIGURES)



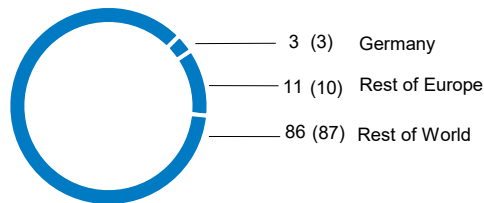
G. 08 SALES BY REGION IN THE CHEMPHARM REFINING SEGMENT IN 2025

IN % (PREVIOUS YEAR'S FIGURES)



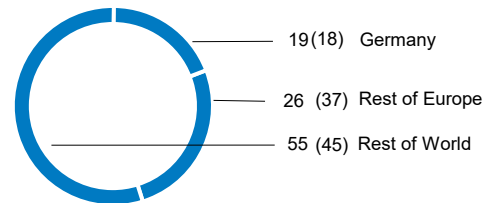
G. 09 SALES BY REGION IN THE CHEMPHARM SALES SEGMENT IN 2025

IN % (PREVIOUS YEAR'S FIGURES)



G. 10 SALES BY REGION IN THE PLASTICS SEGMENT IN 2025

IN % (PREVIOUS YEAR'S FIGURES)



Earnings Trend by Segment

ChemPharm Refining. Sales volumes of core products in our largest business segment fell slightly short of the previous year's figure, at 388,917 tons (a decrease of 1.6%); in 2024, the figure was 395,297 tons.

The main factor behind the lower segment revenue - in addition to price effects resulting from lower raw material costs - was, above all, the somewhat weaker performance in the middle of the year, during which subdued demand held back the segment. Total revenue amounted to €766.2 million (previous year: €817.1 million). The segment's operating profit (EBITDA) remained relatively stable for more than three-quarters of the year and increased once again in the final quarter of 2025. At €57.1 million, up from €54.0 million* in the prior year, growth amounted to approximately 5.8%.

ChemPharm Sales. In the international segment, revenue of €456.5 million fell short of the prior-year

level (2024: €492.6 million). At the same time, we also recorded a noticeable decline in sales volume of 3.9%, from approximately 402,075 tons in the previous year to 386,427 tons in 2025. In terms of earnings, the segment performed stably over long periods of 2025 but experienced a period of weakness, particularly in the second quarter of 2025. Overall, earnings were approximately 12.3% below our prior-year result: Operating profit (EBITDA) closed at €36.5 million, lower than in the previous year (2024: €41.6 million).

Plastics. Our plastics segment generated revenue of €35.4 million, a lower contribution than in the previous year (2024: €48.0 million). After an operating profit (EBITDA) of €3.0 million in the prior year, business came under increasing pressure over the course of the year. As a result, the segment posted a significantly negative EBITDA of €-5.5 million in the reporting period.

T. 14 KEY FIGURES BY SEGMENT (IFRS)

IN € MILLION	2025	2024	2023	2022	2021
Sales revenue					
ChemPharm Refining	766.2	817.1	828.2	1,020.6	745.3
ChemPharm Sales	456.5	492.6	492.7	526.7	412.2
Plastics	35.4	48.0	51.3	49.0	43.8
Reconciliation	-16.0	-19.4	-20.0	-20.3	-12.8
Operating income (EBITDA)					
ChemPharm Refining	57.1	54.0	58.1	92.7	103.4
ChemPharm Sales	36.5	41.6	31.5	33.4	29.0
Plastics	-5.5	3.0	4.7	5.0	3.9
Reconciliation	-4.3	-3.8	-1.6	-6.2	-3.8

*previous year amounts restated

Net Assets and Financial Position

Financial Management Principles and Objectives

We manage our finances centrally. The overriding objectives of this function are as follows:

- To provide the company with sufficient liquidity and to use it efficiently
- To finance net working capital and capital expenditure
- To hedge against financial risks
- To ensure compliance with financing terms
- To optimize our capital structure

We cover our short-term financing needs using a widely syndicated, variable-interest loan currently with a term up to December 8, 2029. In order to ensure that we remain solvent at all times and to make efficient use of the liquidity of our German subsidiaries, the latter is incorporated into the cash pool structures in place at H&R GmbH & Co. KGaA.

We currently cover our long-term financing needs primarily using fixed-interest redeemable loans with interest between 1.5% and 3.3%, which are refinanced by the German development bank KfW.

T. 15 MAIN FINANCING INSTRUMENTS OF THE H&R GROUP

	Original loan amount in € million	Year of issue	Current loan amount in € million	Maturity
Syndicated loan	* bis zu 230,0	2022	65.2	12/08/2029
Redeemable loans	10.0	2017	1.8	6/30/2027
Redeemable loans	19.0	2017	0.6	6/30/2026
Redeemable loans	14.5	2017	3.2	9/30/2027
Redeemable loans	7.0	2019	1.0	3/31/2027
Redeemable loans	13.3	2021	3.3	12/31/2026
Redeemable loans	13.3	2021	3.3	12/31/2026
Redeemable loans	30.0	2021	30.0	12/16/2026
Redeemable loans	25.0	2022	20.3	6/30/2032

*Loan amount from 12/8/2028 to 12/8/2029: €200 million.

As of December 31, 2025, there were firmly agreed but unused credit lines in the amount of €160.9 million.

Analysis of the Cash Flow Statement

Despite a €49.4 million decline in consolidated net income to €-36.7 million, we generated cash flow

from operating activities of €92.1 million during the reporting period (previous year: €70.2 million). This primarily includes depreciation and amortization, which rose to €98.5 million from €62.8 million as a result of impairment charges, as well as reductions in net working capital requirements (due to lower input costs). Cash flow from investing activities increased slightly from €-54.5 million to €-56.7 million. The main item here was €-55.6 million paid out for this year's necessary investments in property, plant, and equipment related to project implementations at our specialty refineries and sites (2024: €-51.8 million). Overall, free cash flow improved to €35.4 million (previous year: €15.8 million).

Financing activities resulted in a total cash outflow of €-23.6 million (previous year: €-25.8 million). In 2025, the financial debt—which had already been steadily reduced in the past—continued to be repaid (€-251.9 million; 2024: €-196.4 million). At the same time, however, the total amount of newly incurred financial liabilities increased to €232.0 million (2024: €180.9 million). Cash and cash equivalents amounted to €71.0 million at the end of the reporting period, compared to €62.5 million at the same time last year.

The company was able to meet its payment obligations at all times in 2025. Total liabilities to financial institutions amounted to €142.6 million as of the balance sheet date.

T. 16 FINANCIAL POSITION

IN € MILLION	2025	2024	2023	2022	2021
Cash flow from operating activities	92.1	70.2	119.1	38.0	37.4
Cash flow from investing activities	-56.7	-54.5	-56.3	-72.4	-48.6
Free cash flow	35.4	15.8	62.8	-34.5	-11.1
Cash flow from financing activities	-23.6	-25.8	-46.9	41.5	2.5
Cash and cash equivalents as of Dec. 31	71.0	62.5	69.4	56.0	48.9

Capital Expenditure

Our investments in property, plant, and equipment amounted to €56.7 million during the reporting period, exceeding the previous year's level (2024: €51.4 million). In the Chemical and Pharmaceutical Raw Materials business segment, we invested a total of €54.0 million in 2025 (previous year: €47.1 million). At €41.5 million, a significant portion of this amount was again allocated to the ChemPharm Refining segment; the funds were used for expansion and replacement investments at the specialty refineries in Hamburg and Salzbergen.

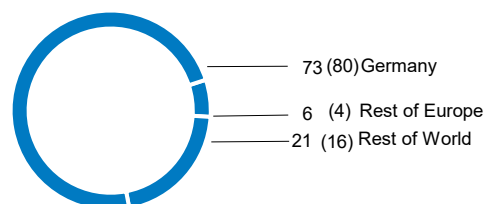
The division's remaining investments of €12.5 million were distributed among our international sites in the ChemPharm Sales segment (2024: €6.7 million).

In the Plastics segment, investments in property, plant, and equipment amounted to €2.7 million (previous year: €4.2 million). The comparatively high investments in the segment In 2024, these costs were once again related to the commissioning of the production facility in the Czech Republic.

As of December 31, 2025, there was a total order commitment for property, plant, and equipment amounting to €15.5 million, the financing of which is secured through existing funds and credit lines.

G. 11 CAPITAL EXPENDITURE BY REGION IN 2025

IN % (VORJAHRESWERTE)



T. 17 CAPITAL EXPENDITURE BY SEGMENT

IN € MILLION	2025	2024	2023	2022	2021
ChemPharm Refining	41.5	40.4	41.0	54.6	32.5
ChemPharm Sales	12.5	6.7	4.1	5.3	13.9
Plastics	2.2	4.2	6.7	5.5	1.6
Reconciliation (other activities)	–	0.1	0.1	0.2	0.2
Group	56.2	51.4	51.9	65.6	48.2

Analysis of the Statement of Financial Position

As of the end of 2025, total assets amounted to €916.2 million (December 31, 2024: €1,017.7 million*). On the asset side, cash and cash equivalents increased to €71.0 million from €62.5 million at the end of the previous year. Trade receivables, on the other hand, were significantly below the prior-year level at €119.1 million as of the reporting date (December 31, 2024: €135.0 million).

Inventories, one of the major items of current assets, decreased by 39.6% to €175.6 million (2024: €215.2 million). Overall, current assets decreased by 11.5% to €398.9 million as of December 31, 2025, down from €450.6 million at the end of the previous year. Their share of total assets was 43.5%.

Non-current assets decreased significantly by 8.8% to €517.3 million in fiscal year 2025 (December 31, 2024: €567.1 million). In particular, property, plant, and equipment decreased to €409.4 million (December 31, 2024: €445.2 million) as a result of special write-downs. Goodwill remained unchanged at €17.0 million. Other intangible assets decreased by €0.9 million from €13.0 million to €12.1 million as of December 31, 2025. Additional changes also resulted from other financial assets, which decreased from €81.1 million to €72.5 million as a result of a lower valuation of the climate protection agreement as a derivative.

In total, non-current assets accounted for 56.5% of total assets.

On the liabilities side of the balance sheet, current liabilities increased by 3.2% from €295.1 million to €304.5 million. Their share of total assets was

33.2%. Liabilities to banks increased significantly from €88.6 million to €123.6 million.

Trade payables amounted to €85.4 million (December 31, 2024: €93.3 million). Liabilities arising from supplier financing agreements also accounted for a significant portion of the changes in current liabilities, totaling €49.7 million (December 31, 2024: €57.0 million).

Non-current debt decreased by 24.5% over the same period to €195.6 million (December 31, 2024: €259.2 million*), corresponding to a change in the proportion of total assets from 25.5% to 21.3%. Long-term liabilities to banks accounted for the majority of the changes. They decreased from €63.2 million to €19.0 million

There were also significant changes in the area of long-term other liabilities (December 31, 2025: €80.7 million; December 31, 2024: €90.1 million) - here, too, the lower recognition of the climate protection agreement as a derivative is reflected.

At the end of the reporting period, H&R KGaA's equity amounted to €416.1 million (December 31, 2024: €463.4 million*). Primarily due to the significantly lower retained earnings, this figure was approximately 10.2% lower than in the previous year. Since both total assets and equity decreased, the equity ratio as of the reporting date remained virtually unchanged at 45.4% (December 31, 2024: 45.5%*). The net gearing ratio (ratio of net financial debt (total of all interest-bearing liabilities, less cash, cash equivalents, and short-term financial assets) to equity) decreased from 13.4% to 12.1%.

Net Assets, Financial Position and Results of Operations of H&R KGaA

T. 18 RESULTS OF OPERATIONS OF H&R GMBH & CO. KGAA UNDER HGB

IN € THOUSAND	2025	2024	Change
Sales revenue	926	925	1
Other operating income	1,609	7,389	-5,780
Personnel expenses	-752	-672	-80
Depreciation and amortization of intangible assets and property, plant and equipment	-66	-69	3
Other operating expenses	-8,769	-10,321	1,552
Income from equity investments	1,664	1,566	98
Income from profit transfer agreements	5,396	20,763	-15,367
Income from lending financial assets	1,553	1,577	-24
Other interest and similar income	7,452	11,202	-3,750
Depreciation and amortization of financial assets and current securities	-3,600	-	-3,600
Interest and similar expenses	-7,365	-8,924	1,559
Income before tax	-1,952	23,436	-25,388
Income taxes	-335	-941	606
Other taxes	-6	-2	-4
Net loss / income	-2,293	22,493	-24,786
Profit or loss carryforward	92,367	73,596	18,771
Distribution of dividend	-3,722	-3,722	-
Distributable profit/accumulated deficit	86,352	92,367	-6,015

We have prepared the annual financial statements of H&R GmbH & Co. KGaA (hereinafter: H&R KGaA) in accordance with the provisions of the German Commercial Code (HGB).

They are published in the Electronic Company Register and are permanently available for download on the Internet at www.hur.com in the Investor Relations section under Publications. For the 2025 fiscal year, we have combined the H&R Group's Group Management Report and the H&R KGaA Management Report.

H&R KGaA's revenue is generated exclusively from services provided to Group companies. At €926 thousand, it remained virtually at the previous year's level. Personnel expenses increased and amounted to €752 thousand (€672 thousand) in the reporting period. Depreciation of property, plant, and equipment declined slightly from €69 thousand to €66

thousand. Other operating expenses, at €8.8 million, were significantly lower than in the prior year (2024: €10.3 million). Profit transfers from the earnings of our subsidiaries decreased significantly, falling from just under €20.8 million to €5.4 million. There were no expenses from the assumption of losses.

The subsidiaries of H&R KGaA use the KGaA's funds to meet their financing needs, which in turn are financed through credit agreements. Other interest and similar income decreased from €11.2 million to €7.5 million due to lower funding requirements. Financing costs in 2025 developed in the same direction: interest and similar expenses decreased to €7.4 million. Unscheduled write-downs on financial assets amounting to €3.6 million were recorded, relating to the stake in GAUDLITZ GmbH.

In total, the pre-tax result amounted to €-2.0 million (previous year: €23.4 million). Tax expense of €0.9

million in the prior-year period was offset by lower expense of €0.3 million. Overall, H&R KGaA reported a net loss of €-2.3 million (2024: net income of €22.5 million).

T. 19 NET ASSETS AND FINANCIAL POSITION OF H&R GMBH & CO. KGAA IN € THOUSAND 2025

IN € THOUSAND	2025	2024	Change
Concessions, industrial property rights and similar rights and assets acquired against payment, as well as licenses to such rights and assets	187	249	-62
Advance payments	–	–	–
Intangible assets	187	249	-62
Other equipment, operating and office equipment	1	5	-4
Property, plant and equipment	1	5	-4
Shares in affiliated companies	231,150	234,550	-3,400
Loans to affiliated companies	47,410	47,768	-358
Holdings	5,068	5,068	–
Financial investments	283,628	287,386	-3,758
Trade receivables	23	29	-6
Receivables due from affiliated companies	148,606	151,801	-3,195
Other assets	2,158	2,652	-494
Receivables and other assets	150,787	154,482	-3,695
Securities	31	31	–
Bank balances	9	44	-35
Net current assets	150,827	154,557	-3,730
Accruals and deferrals	–	–	–
Active difference from offsetting of assets	233	168	65
Assets	434,876	442,365	-7,489
Subscribed capital	95,156	95,156	–
Capital reserve	59,899	59,899	–
Other retained earnings	29,866	29,866	–
Distributable profit/accumulated deficit	86,352	92,367	-6,015
Equity	271,273	277,288	-6,015
Provisions for pensions and similar commitments	1,322	1,386	-64
Tax provisions	512	513	-1
Other provisions	1,384	1,658	-274
Provisions	3,218	3,557	-339
Liabilities to banks	129,741	134,935	-5,194
Trade payables	1,171	347	824
Liabilities to affiliated companies	29,434	26,214	3,220
Other liabilities	39	24	15
Liabilities	160,385	161,520	-1,135
Liabilities and shareholders' equity	434,876	442,365	-7,489

H&R KGaA's total assets decreased to €434.9 million as of December 31, 2025 (December 31, 2024: €442.4 million). Loans to affiliated companies remained virtually unchanged at €47.4 million (previous year: €47.8 million), but were again primarily related to loans for projects this year. In particular, investments were made at the two refinery sites in the maintenance and capacity of existing process units and their value creation.

Significant changes in investments in affiliates resulted from the impairment of GAUDLITZ GmbH and a capital increase at H&R ChemPharm GmbH (€0.2 million). Overall, financial assets totaled €283.6 million, down from the previous year's figure of €287.4 million.

Receivables from affiliated companies decreased overall from €151.8 million to €148.6 million. This was primarily due to significantly lower receivables from cash pooling.

Current assets totaled €150.8 million, compared to €154.6 million in the prior year.

On the liability side of the balance sheet, subscribed capital (2025: €95.2 million) and capital reserves

(2025: €59.9 million) remained unchanged. Other retained earnings also matched the prior-year figure (2025: €29.9 million).

The net loss of €2.3 million incurred during the reporting period is recognized in retained earnings, which consequently decreased to €86.4 million. Equity followed suit and thus stood at €271.3 million as of December 31, 2025, compared to €277.3 million at the end of the prior reporting period. The equity ratio decreased and stood at 62.4% (December 31, 2024: 62.7%).

Provisions for pension obligations declined slightly once again due to interest rate trends. Lower other provisions also had a positive impact on earnings, resulting in total provisions of €3.2 million, which was below the prior-year level (December 31, 2024: €3.6 million).

Liabilities decreased to €160.4 million (December 31, 2024: €161.5 million).

Overall, the management of H&R KGaA looks back on a solid earnings, financial, and asset position for the company, given the challenges faced.

Other Legally Required Disclosures

Disclosures in Accordance With Section 289a, Sentence 1 No. 3 and Section 315a, Sentence 1, No. 3 of the German Commercial Code (HGB)

Item 1: Composition of Subscribed Capital

On the reporting date, subscribed capital totaled €95,155,882.68, divided into 37,221,746 ordinary no-par bearer shares. This corresponds to a notional value of around €2.56 per share. There are no different classes of shares; they are all ordinary shares. Each of these shares entitles the holder to one vote.

Item 2: Restrictions on Voting Rights or the Transfer of Shares

The shares and voting rights held by members of the Supervisory Board and the managing directors of the general partner are subject to a voting restriction

pursuant to Section 136 of the German Stock Corporation Act (AktG) when the Annual General Meeting votes on their discharge. The Company's management is not aware of any other restrictions concerning voting rights or the transfer of shares.

Item 3: Direct or Indirect Interests Exceeding Ten Percent of Voting Rights

Mr. Nils Hansen of Quickborn has announced in an official notice of voting rights as of September 30, 2025, that his share of voting rights, following the conclusion of the tender offer by H&R Holding GmbH, has increased due to the execution of the contribution agreement through the contribution of shares in H&R Holding GmbH, H&R Internationale Beteiligung GmbH, Nils Hansen, SRS-Schmierstoff Vertrieb GmbH, Ölfabrik Wilhelm Scholten GmbH, and Wilhelm Scholten Beteiligungen GmbH into

H&R Beteiligung GmbH, a total of 77.65% of the voting rights in the company.

According to an informal voting rights notification dated December 31, 2025, additional shares were acquired between the publication of the aforementioned voting rights notification and the end of the year, such that the share attributable to Mr. Hansen most recently totaled 78.03% of the voting rights in the company.

According to the official voting rights notification dated September 30, 2025, Mr. Wilhelm Scholten no longer held any voting rights in the company, as the 6.06% previously held through Wilhelm Scholten Beteiligungen GmbH as well as through Ölfabrik Wilhelm Scholten GmbH and its subsidiary and attributable to Mr. Scholten were, as previously reported, transferred to H&R Beteiligung GmbH.

Item 4: Holders of Shares With Special Rights Granting Powers of Control

There are no shares with special rights granting powers of control.

Item 5: Control Over Voting Rights of Shares Held by Employees

The voting rights of employees who hold shares in the company's capital are not controlled.

Item 6: Statutory Regulations and Provisions of the Articles of Association on the Beginning and End of the Legal Position of the General Partner With Full Personal Liability and on Amendments to the Articles of Association

Since the company's legal form was changed to that of a partnership limited by shares on August 1, 2016, the company's management and representation have been the responsibility of its general partner with full personal liability, H&R Komplementär GmbH.

The general partner with full personal liability is defined in the company's Articles of Association; see Section 5, paragraph 1 of the Articles of Association. The general partner with full personal liability shall only leave the company in the cases governed by law or through an amendment to the Articles of Association. If the general partner with full personal liability leaves the company and a new general partner with full personal liability has not been admitted simultaneously, the company shall continue to operate with the limited liability shareholders alone for a

transitional period. In this case, the Supervisory Board must immediately appoint an emergency representative, who shall represent the company until a new general partner with full personal liability has been admitted. In this case, the Supervisory Board shall be entitled to adjust the Articles of Association to reflect the change in the general partner with full personal liability. Amendments to the Articles of Association must always be based on a resolution by the Annual Shareholders' Meeting, the adoption of which shall require a simple majority of the share capital represented during the voting, unless a bigger majority is required by law (compare Section 18, paragraph 2 of the Articles of Association and Sections 133 and 179 AktG). According to Section 285, paragraph 2 AktG, resolutions by the Annual Shareholders' Meeting regarding amendments to the Articles of Association also require the approval of the general partner with full personal liability. According to Section 24 of the Articles of Association, the Supervisory Board may adopt amendments to the Articles of Association that only affect the wording of the Articles of Association without the approval of the Annual Shareholders' Meeting. According to Section 4, paragraph 6 of the Articles of Association, this also applies to respective utilizations of the contingent capital defined in Section 4, paragraphs 1 and 6 of the Articles of Association. Finally, the Supervisory Board is entitled to adjust the Articles of Association to reflect the change in the general partner with full personal liability (see Section 5, paragraph 5 of the Articles of Association).

Item 7: Powers of the General Partner With Full Personal Liability, Particularly Regarding the Option of Issuing or Buying Back Shares

The general partner with full personal liability currently has an option for implementing corporate actions.

Under Section 4, paragraph 5 of the Articles of Association, the general partner with full personal liability is authorized by way of a resolution passed by the Annual Shareholders' Meeting on May 24, 2022 – with the Supervisory Board's approval – to increase the company's share capital up until May 23, 2027, by a maximum of €47,577,000.00 by issuing new, ordinary no-par bearer shares. The issue may be effected in one or more tranches in return for cash and/or contributions in kind (2022 Approved Capital).

The shareholders generally have a subscription right to the new shares. The subscription right can also be granted indirectly using an arrangement in which the new shares are assumed by one or several credit institutions/companies with equivalent status to the latter in accordance with Section 186, paragraph 5, sentence 1 AktG that are then obliged to offer them to the shareholders for subscription (indirect subscription right).

The general partner with full personal liability is authorized, however, to exclude the shareholder subscription rights upon approval of the Supervisory Board,

- a) to the extent necessary to exclude fractional share amounts from the subscription rights;
- b) if the shares are being issued in exchange for contributions-in-kind, in particular for the purpose of acquisitions of companies, parts of companies, equity interests in companies, other assets or in the context of business combinations, or for the purpose of acquiring receivables or other rights;
- c) if the company's shares are being issued in return for cash and the issue price for each share is not significantly lower than the quoted price for shares with what are, essentially, the same features that are already listed on the stock exchange at the time the issue price is set definitively. This authorization only applies, however, subject to the proviso that the new shares issued excluding shareholders' subscription rights in accordance with Section 203, paragraph 1, sentence 1 and paragraph 2, sentence 1 and Section 186, paragraph 3, sentence 4 AktG do not exceed 10% of the company's share capital in total, neither at the time this authorization takes effect nor at the time it is exercised if this value is lower. The following count toward this 10% threshold: (i) new shares issued, excluding shareholders' subscription rights, during the term of this authorization up until the time at which it is utilized on the basis of another authorization from approved capital in accordance with Section 203, paragraph 1, sentence 1 and paragraph 2, sentence 1 and Section 186, paragraph 3, sentence 4 AktG, (ii) those shares that were, or are to be, issued to satisfy conversion or option rights and/or conversion or option obligations and/or tender rights of the issuer under convertible bonds and/or bonds with warrants, profit participation rights and/or participating bonds (or combinations of these

instruments) ("bonds"), insofar as the bonds were issued during the term of this authorization up until the time at which it is utilized pursuant to Section 221, paragraph 4, sentence 2 and Section 186, paragraph 3, sentence 4 AktG, excluding shareholders' subscription rights and (iii) treasury shares sold during the term of this authorization up until the time at which it is utilized pursuant to Section 71, paragraph 1, no. 8, sentence 5, 2nd half-sentence and Section 186, paragraph 3, sentence 4 AktG excluding shareholders' subscription rights. Any reduction is reversed to the extent that authorizations to issue new shares from approved capital, to issue bonds or to sell treasury shares in corresponding application of Section 186, paragraph 3, sentence 4 AktG are granted again by the Annual Shareholders' Meeting once the authorizations that resulted in the reduction have been exercised;

- d) if the shares were issued to satisfy conversion or option rights or conversion or option obligations or tender rights of the issuer under bonds carrying conversion or option rights and/or conversion or option obligations and/or tender rights of the issuer to the company's shares;
- e) insofar as is required to grant subscription rights to holders/creditors of bonds carrying conversion or option rights and/or conversion or option obligations and/or tender rights of the issuer to the company's shares to such an extent as such holders/creditors would be entitled to after having exercised their conversion or option rights and/or following the fulfillment of the conversion or option obligations and/or tendering of shares as a shareholder.

The general partner with full personal liability is authorized, with the approval of the Supervisory Board, to specify details about the capital increase and its implementation, including details regarding the rights accruing to the shares and the terms of issue.

Under Section 4, paragraph 6 of the Articles of Association, a resolution passed by the Annual Shareholders' Meeting on May 29, 2020, authorizes the conditional increase of the company's share capital by a maximum of €19,940,383.37 by issuing up to 7,800,000 new ordinary no-par bearer shares with dividend entitlement from the beginning of the financial year in which they are issued (2020 Contingent Capital). The contingent capital increase serves

to grant shares as issued by the company, companies under its control, or companies in which it has a majority interest to the holders or creditors of warrants or convertible bonds and profit participation rights/participating bonds with option or conversion rights/ conversion obligations. This only occurs insofar as the option or conversion rights relating to the aforementioned warrants and convertible bonds/ profit participation rights or participating bonds with option or conversion rights are exercised or conversion obligations relating to such bonds are fulfilled and insofar as no treasury shares or new shares from the approved capital are used to satisfy rights. The new shares are issued at the conversion/ option price as determined in accordance with the stated authorization.

The general partner with full personal liability is authorized, with the approval of the Supervisory Board, to determine the further details of the process relating to the contingent capital increase. The Supervisory Board is authorized to amend Section 4, paragraphs 1 and 6 of the Articles of Association in accordance with the respective utilization of the contingent capital.

Item 8: Essential Agreements Subject to the Condition of a Change in Control Owing to a Takeover Bid

The banks involved in the syndicated loans and redeemable loans have the right to call in the loans in the event of a change in control.

Item 9: Compensation Agreements to be Concluded With the Members of the Executive Board or With Employees Covering the Eventuality of a Takeover Bid

No such arrangements exist at this time.

Subordinate Status Report

The company exercising direct control is H&R Beteiligung GmbH, a member of the Hansen & Rosenthal Group, with a 78.03 % stake. The management and representation of H&R GmbH & Co. KGaA is the responsibility of H&R Komplementär GmbH. Mr. Nils Hansen holds the majority (51%) of the shares in H&R Komplementär GmbH and thereby is in a position to directly influence the management of the company.

As a result, we produce a subordinate status report in accordance with Section 312 AktG.

In the report for financial year 2024, the Executive Board came to the following conclusion:

“With regard to the transactions listed in the Report on Relationships with Affiliated Companies for the reporting period from January 1, 2025, to December 31, 2025, based on the circumstances that we were aware of at the time such transactions took place, our company received appropriate consideration for every transaction. No relevant measures were implemented or omitted during the reporting period.”

Sustainability Declaration

The Sustainability Declaration will again be subject to an audit in accordance with ISAE 3000 for 2025. We will publish the document under the title “Sustainability Declaration 2025” by April 30, 2026, and make it available for download on the company’s website at www.hur.com/nachhaltigkeit/nachhaltigkeitsberichte.

Statement on Corporate Governance

The Company publishes its Statement on Corporate Governance on its website at www.hur.com/en/investor-relations/corporate-governance.

Remuneration Report

The Remuneration Report for the fiscal year 2025 will be submitted to the 2026 Annual General Meeting on May 27, 2026, for a vote, and will subsequently be made available on the company’s website at www.hur.com/en/investoren/corporate-governance

Events After the Reporting Date

Between December 31, 2025, and the date of this consolidated management report, military hostilities between Iran and the United States and Israel have broken out in the Persian Gulf. At this time, it is not yet clear whether these hostilities or their consequences could have a concrete and material impact on the H&R Group’s earnings, financial position, and net assets. Due to the effects already being felt, at least in the short term, on the availability of crude oil produced in the region and exported from there, as well as the global price effects, we have addressed this issue as a precautionary measure in our forecast report.

Report on the Internal Control and Risk Management System and on the Main Opportunities and Risks

Main Features of the Internal Control and Risk Management System and Opinion on the Adequacy and Effectiveness of These Systems

Risk Policy

H&R KGaA's business policy is aimed at increasing the value of the company over the long term. In order to achieve this, we must seize market opportunities while carefully weighing the associated risks. In addition to risks arising from strategic or operational aspects of business activities, we also consider environmental, social or governance-related events or conditions to be risks if their occurrence could have an actual or potential negative impact on the reputation, net assets, financial position and results of operations of the Group.

The goal of our risk policy is to optimize the relationship between risks and opportunities while avoiding risks that could jeopardize the company's continued existence as a going concern. Systematic risk management is the direct responsibility of the Executive Board. Risks are identified and communicated by the managing directors of the respective local operating units. As far as possible, risks are eliminated or otherwise addressed at a local level.

As a manufacturer of hydrocarbon-based specialty products and plastic parts, we have a particular responsibility to operate our specialty production plants, processing facilities and production sites for plastic parts in a way that protects both people and the environment. All our production sites therefore have officers who actively work to ensure the safety of our employees and our facilities while protecting the environment.

Internal Control and Risk Management

The risks to which H&R KGaA and its subsidiaries are exposed are identified, assessed, quantified (to the extent possible), communicated and, if applicable, limited on the basis of appropriate measures across the entire Group in a uniform manner. We use

various methods to identify risks, such as monitoring industry-specific and macroeconomic risk indicators and analyzing purchasing and sales markets. The assessment is based primarily on estimates by in-house experts – such as the risk managers at the local units – which in turn are based on assumptions about the corresponding risk. All segments are included in the risk management process. Identifying risks is considered to be the responsibility of all employees. This is encouraged by flat hierarchies and a culture that encourages open discussion of potential risks, with local managing directors leading by example. H&R KGaA uses the COSO (Committee of Sponsoring Organizations of the Treadway Commission) model (Enterprise Risk Management — Integrated Framework) to assess risks; this method is one of the standards for internal controls recognized by the American Securities and Exchange Commission (SEC). The risk manager (generally the relevant operations manager) conducts on-site risk assessments on a quarterly basis using a risk check-list/inventory list and an integrated data entry form on which the calculation can be substantiated, if necessary.

Risks are classified according to certain criteria. They are then measured using an approach in which the nominal extent of a potential risk is considered in relation to the probability of its occurrence. All risks measured for an individual company are entered in the "risk inventory" and reported quarterly to the Risk Control department of the parent company, H&R KGaA. The Risk Control department helps the risk managers to establish early-warning indicators that make it possible to react quickly if a risk becomes more acute.

In view of the increasingly stringent requirements for reporting and risk reporting in the area of sustainability, H&R KGaA has assembled a group of globally responsible individuals to form an ESG (Environment, Social, Governance) organization. This organization provides the risk management system and the internal control system with sustainability-related data in the course of systematic assessments. This data makes it possible to refine and expand the risk inventory.

In general, all risks that a subsidiary classifies as relevant are recorded. All other risks are neither recorded nor regulated.

The early-warning indicators are checked regularly to ensure that they are appropriate and up to date. Where possible and economically feasible, measures to reduce or avoid risks are also defined. Every quarter, the Risk Control department sends the Executive Board the consolidated risk inventory, including a detailed breakdown of the value at risk (VaR), which serves as the basis for controlling overall risk. If new risks arise at short notice or a loss event occurs, the Executive Board is notified directly and independently of normal communication channels.

In addition, a monthly performance report is prepared for all the main individual companies and the Group. This report compares sales and earnings figures with the relevant target figures. The Risk Control department analyzes any variances between target and actual figures. These analyses enable the Executive Board to identify undesirable trends at an early stage so that the necessary countermeasures can be implemented immediately.

Another instrument for the early identification of risks are the regular divisional meetings, which are attended by the local managing directors and the Executive Board of H&R KGaA. The interface thus created between the operating and administrative levels ensures that operational risks are captured by and reflected in the accounting process (e.g. in the form of provisions) and communicated internally. At Supervisory Board meetings, changes in the risk inventory and the risk strategy are dealt with on a regular basis as part of the risk management reporting process. If the risk situation changes significantly, the Supervisory Board will also be informed promptly between meetings by the Executive Board.

The functionality and effectiveness of the risk early-warning system are reviewed not only by the Executive Board and the Audit Committee of the Supervisory Board, but also on an annual basis as part of the audit of the financial statements. The results of these audits are taken into consideration as part of the ongoing refinement of our risk management system.

Description of the Main Features of the Internal Control and Risk Management System With Regard to the Group Accounting Process (Sections 289, Paragraph 4 and 315, Paragraph 4 of the German Commercial Code (HGB))

H&R KGaA's accounting guidelines specify uniform accounting and valuation principles for the companies included in the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS).

New accounting regulations are reviewed immediately to determine whether they affect companies in the H&R Group and if necessary are incorporated into our accounting guidelines. The local managing directors are responsible for applying existing regulations at the level of the individual companies. Consolidated financial statements are prepared and drawn up by Group Accounting at H&R KGaA. The employees in this department also serve as contacts to answer questions on accounting matters from the subsidiaries.

To minimize the risk of incorrect accounting even in complex circumstances, H&R KGaA employees involved in the accounting process undergo continuous and extensive training. The relevant departments are adequately staffed, both in terms of numbers and competence. Advice on specific accounting matters is also obtained from external experts as necessary. The internal control system at the H&R Group consists of principles and processes that ensure the effectiveness (i.e. making sure the annual and consolidated financial statements, as well as the combined management report, comply with the relevant standards) and, where appropriate, the efficiency of the controls in the accounting process.

The H&R Group's internal control system consists of a management system and a monitoring system. Important aspects of the measures that have been integrated into our processes with respect to the Group accounting process include both manual controls, such as the dual-review principle, and automated IT controls. After selecting professionally qualified employees, we provide them with regular training. This helps us to ensure that our monitoring system identifies risks promptly and thus let our annual and consolidated financial statements conform to the relevant standards.

The Audit Committee of H&R KGaA's Supervisory Board is integrated into the H&R Group's internal monitoring system through its audit activities, which are independent of operating processes. In accordance with Section 107, paragraph 3 of the German Stock Corporation Act (AktG), this body primarily focuses on monitoring the accounting process, the audit of the financial statements and the effectiveness of the internal control and risk management system.

Access management regulations for the relevant IT systems and a strict dual-review policy in the Accounting department – both at the individual companies and at the Group level – help ensure that the accounting processes are thorough, precise and secure.

The subsidiaries are obliged to report their figures to Group Finance every month in a standardized format in accordance with IFRS accounting regulations. This enables variances between target and actual figures to be identified at an early stage and gives us the opportunity to determine the reasons behind the variances and to take any necessary countermeasures.

To the best of our knowledge and on the basis of the information available to us – resulting from the internal control and risk management system detailed above – as of December 31, 2025, there were no weaknesses in internal controls or matters of significance that would lead the Executive Board to conclude that our company-wide internal control and risk management system was inadequate or ineffective as of December 31, 2025.

The Risk Management System as it Relates to Derivative Financial Instruments

H&R KGaA has very strict rules governing the use of derivative financial instruments. We only use standard market instruments from selected banks with good ratings. As a rule, the transactions are carried out by the Group Treasury department after approval by the Executive Board of H&R Group Finance GmbH and are then monitored on an ongoing basis. They are used to hedge underlying transactions that either exist already or are highly likely to take place in the future (anticipatory hedging). In the 2024 financial year, risks from foreign currency book positions were mostly hedged using micro hedges; macro hedges were also used on a selective basis. The continued existence of risks is monitored by the hedging entity during the hedging period. In

view of the terms of a maximum of six months, the market values and therefore also the counterparty risks remained manageable. Additionally, we have concluded raw materials price swaps that will lead to a stabilization of the profit margin achievable in the co-products area, particularly in the bitumen business, by the end of 2026, as well as an interest rate swap for the purpose of reducing interest rate risk. To ensure the intended effectiveness, raw material price hedges are managed by comparing changes in the planning quantities of the risk positions to the hedging quantities on a monthly basis, as well as following the market value movements of the underlying and hedging transaction. The continued existence of the underlying transaction is also monitored on an ongoing basis for interest rate swaps. Raw material hedges and interest rate swaps are also reflected as hedges for accounting purposes.

Derivative financial instruments are not used for speculative purposes.

Specific Risks

All our relevant risks are classified uniformly throughout the Group. A risk is classified as low, medium or high based on the parameters "Likelihood of occurrence" and "Potential financial impact". The resulting risk classification matrix is shown in the following table:

T. 20 POTENTIAL FINANCIAL IMPACT¹⁾

	Likelihood of occurrence ²⁾		
	unlikely	possible	likely
Existential threat	●	●	●
Significant	●	●	●
Moderate	●	●	●

¹⁾ Moderate: some negative effects on business activity, financial position, results of operations and cash flows, for example if EBITDA falls below €60.0 million in 2026.

Significant: substantial negative effects on business activity, financial position, results of operations and cash flows, for example if EBITDA falls below €60.0 million annually over the next two years.

Existential threat: substantial negative effects on business activity, financial position, results of operations and cash flows owing to which the continued existence of the enterprise would be jeopardized, e. g., with EBITDA permanently below €60.0 million.

²⁾ 1– 33%: unlikely; 34 – 66%: possible; 67– 99%: likely

● Low risk ● Medium risk ● High risk

T. 21 CORPORATE RISKS

	Likelihood of occurrence	Possible financial impact	Risk classification	Risk situation compared to previous year
Macroeconomic and Industry Risks				
Fluctuations in demand and margins	possible	significant	high	unchanged
Raw material supply risks	possible	significant	high	unchanged
Risks related to raw materials composition	likely	significant	high	unchanged
Risks related to consequences from armed conflicts	likely	significant	high	unchanged
Risks from the development of substitute products/general competitive pressure	likely	significant	high	unchanged
Changes in the regulatory, tax and legal environment	likely	significant	high	unchanged
Operating and Corporate Strategy Risks				
Operational risks	possible	moderate	medium	unchanged
Investment risks	likely	significant	high	changed
Product liability risks	unlikely	moderate	low	unchanged
IT risks/cybersecurity	possible	significant	high	unchanged
Financial Risks				
Liquidity risks	unlikely	significant	medium	unchanged
Risks from the breach of covenants	possible	significant	high	unchanged
Currency risks	possible	moderate	medium	unchanged
Interest rate risks	possible	moderate	medium	unchanged
Risk from defaulting customers and banks	unlikely	moderate	low	unchanged

Unless stipulated otherwise below, the description of risks, opportunities and the forecast generally applies equally to the H&R Group and to H&R KGaA. This reflects the fact that, while certain risks may originate with the subsidiaries and not with H&R KGaA, H&R KGaA will have direct exposure as the parent company. Above all, this applies to risks involving operating processes and the immediate business activities of the subsidiaries.

In its capacity as the parent company, H&R KGaA holds equity investments in Group companies at its own original risk. The carrying amounts of these investments are subject to the risk of an impairment in the event of negative changes in the economic situation of these Group companies. This may have a negative impact on H&R KGaA's annual results.

Macroeconomic and Industry Risks

Demand and Margin Fluctuations (Risk Class: High). External influences can cause demand for our products to fluctuate. In addition to global economic weak phases, these influencing factors particularly also include geopolitical tensions that have a significant impact on changes in our sales and income.

As a strategically sensible response to the challenge of reduced demand and margins in the medium term, we continue to strive to accelerate the specialization of our production units, doing our very best to avoid producing combustion products and base oils. At the same time, the Group is addressing the reduced need for fossil-based chemical-pharmaceutical specialty products due to societal demand with the targeted strategic expansion of its product portfolio to include bio-based, synthetic and recycled grades. If we can manage to produce specialty products with a high margin in a targeted manner as part of an enhanced production process, this could translate into a significant improvement in our overall results of operations. There is, however, still a demand and margin risk that the company considers to be "high" in general due to the probability of occurrence and the potentially significant impact.

In the Plastics division, we are – like other component manufacturers for automotive suppliers – dependent on industry trends. This applies, in particular, to components called off on a just-in-time basis, which fluctuate depending on the production figures of the OEMs/automobile manufacturers themselves. In response, we have pressed ahead with our

restructuring of the Plastics division and worked towards stabilizing the segment's earnings situation by strengthening the site in the Czech Republic. However, the economic environment and the crisis in the automotive industry in 2024 once again highlighted the risks, which we consider to be significant.

Risks Related to Raw Materials Procurement (Risk Class: High). In principle, H&R is reliant on the supply of raw materials and therefore bears a risk with regard to these raw materials being sufficiently available. As long as a substantial portion of our raw materials needs to be procured externally, there is a risk in principle that the procurement of these may be impeded by circumstances that are beyond the control of H&R (wars, pandemics, environmental disasters, etc.). Accordingly, we are diversifying our sources with deliveries from renowned oil companies in different parts of the world.

Feedstocks from Russian sources have not been procured since 2022. We generally safeguarded the overall volume requirements with supplies from alternative sources and were also able to pass the fluctuating prices for these raw materials on to the market. The Gaza war could have resulted in similar risk potential. However, in 2024 this had next to no noticeable effect on crude oil prices and therefore on the cost of raw materials. Nonetheless, the situation illustrates that a deterioration has to be classified as "possible". Accordingly, the risks related to raw materials procurement will likewise be classified as "high" until further notice.

The same risks also exist, in principle, in the Plastics segment. Therefore, our strategy for avoiding bottlenecks in the supply of raw materials also aims at always using several suppliers for important raw materials. In view of the current situation in the automotive industry, the risks related to potential supply bottlenecks are less significant than the risks related to the demand problems described above.

Risks Related to Raw Materials Composition (Risk Class: High). We are committed to optimizing the yield of our refineries and aim to achieve as large a proportion of core products as possible while minimizing co-products at the same time. In order to achieve this, we adapt the operating modes used in our production processes to suit the composition of the raw materials. Depending on the raw materials quality available, the product split that we can

achieve can fluctuate, meaning that the proportion of the overall yield attributable to core products varies.

Risks Related to Consequences of Armed Conflicts (Risk Class: High). Armed conflicts could have an impact on global trade routes and the flow of goods. In particular, the situation in the Persian Gulf—and thus access to the Suez Canal—could deteriorate due to political and military tensions, leading to disruptions in trade between Europe and Asia.

The danger of so-called “hybrid warfare” aimed at disrupting or even destroying Western infrastructure should not be underestimated either. German industrial companies were targeted by attacks on data and transport infrastructure in 2024. An escalation of attacks of this nature could further unsettle the affected countries and markets, with corresponding negative economic consequences.

Risks From the Development of Substitute Products and General Competitive Pressure (Risk Class: High). One risk applicable to both ChemPharm divisions is the development of substitutes or alternative production methods for our products. For example, base oils of groups II and III are a higher quality, but are not necessarily any more expensive than our products. Still, it is worth noting that over the last two years predatory competition has not taken place and the demand for our products was at a high level in this area. We nevertheless intend to push ahead with our focus on the further enhancement of the business model, which focuses on avoiding group I base oils and prioritizing a change in the use of raw materials from renewable and synthesized products. In this way, we are aiming to transform our own product portfolio and virtually create our own substitutes for our current products.

The risk arising from market or competitive trends is driven by a large number of unknown factors, not all of which can be influenced. For example, it can be said that, for German companies, operating costs constitute a major competitive disadvantage in comparison to companies elsewhere. Our two production sites belong to an energy-intensive industry and therefore have to offset significantly higher prices for electricity and gas than other market participants in Europe/around the world.

Changes in the Regulatory, Tax and Legal Environment (Risk Class: High). As an operator of industrial plants, we run a business that is governed by

laws and regulations. Our two production sites in Germany, in particular, are required to comply with the requirements of legislation on the environment, chemicals and energy. A potential tightening of these regulations entails the risk of financial burdens caused by higher operating costs and capital expenditure. We limit these risks by remaining involved in political decision-making processes as much as possible – either directly or through membership in various associations. We also identify and monitor the changing requirements with our internal compliance organization.

We keep a close eye on regulatory, tax and legal changes resulting from the societal debate on climate change. We focus here in particular on the European Union’s climate and energy policies and their regulatory impacts, the latter taking the form both of direct EU Regulations and their transposition into national law. We evaluate our corporate strategy on the basis of these legal guidelines and aim to make a contribution to sustainable business development with our future process and product setup. At the same time, we regularly report on our endeavors in our non-financial statement, making reference to the relevant legal frameworks.

Our specialty refinery operations do currently entail emissions and the use of chemicals. The trend in some areas toward tougher legal requirements for the manufacturing sector in Germany and Europe could lead to competitive disadvantages vis-à-vis international and non-European market participants.

Operating and Corporate Strategy Risks

Operational Risks (Risk Class: Medium). H&R KGaA’s subsidiaries produce hydrocarbon-based specialty products and high-precision plastic parts. Operating the plants that produce such products entails both operating risks and the risk of accidents. Technical disruptions or natural disasters can cause harm to people or the environment and result in production downtime.

We counter these risks with a comprehensive safety strategy. Extensive control and safety measures, coordinated by our IT-based measuring stations, enable us to identify operational risks at an early stage and to adopt suitable countermeasures. We also regularly invest in environmental protection and safety and fire protection measures at our specialty refineries.

The certification of our production sites in both the Chemical-Pharmaceutical division and our Plastics Parts contributes significantly to ensuring operational safety. We use the strict ISO standards and IATF rules as a basis for this. If a loss event occurs despite these precautions, the financial consequences are largely covered by insurance, provided that the risk is insurable and such coverage makes sense from a financial and economic standpoint.

Investment Risks (Risk Class: High). In the years ahead, we intend to keep investing in measures for the sustainable added value and competitiveness of our existing production sites. We are collaborating with young and innovative partners, in particular in the area of new technologies for the manufacture and processing of sustainable grades. In principle, however, investment projects with this kind of start-up character may entail cost overruns and delays in construction.

To mitigate the risks associated with the project implementation process, we deploy project teams with in-depth knowledge of our plants to professionally coordinate and strictly monitor such value maintenance measures. We adopt the same approach to projects designed to boost sustainable value creation.

At the same time, it is not only the Group's own performance that determines the success of projects. Our project execution is also dependent on the performance of third parties, such as the suppliers of key components and replacement parts. The performance of service providers and engineering partners can likewise have a bearing on completion and subsequent productivity. And last, but not least, we are reliant on external contractors when it comes to realizing projects on time and within the budget. In spite of due care being taken when selecting external project partners, delays or additional costs cannot be ruled out, especially at times of high capacity utilization coupled with a shortage of skilled workers. In individual cases, if facilities which have already been built cannot definitively or at least not completely fulfill their planned purpose, this can result in special depreciation allowances and value adjustments.

Additional risks related to investment risks could arise in cases where projects are financed with state subsidies and these funds are tied to the achievement of certain interim targets.

As early as 2024, H&R Chemisch-Pharmazeutische Spezialitäten GmbH, a subsidiary of H&R GmbH & Co. KGaA, applied for funding under the Guidelines for the Promotion of Climate-Neutral Production Processes in Industry through Climate Protection Agreements (Funding Guidelines for Climate Protection Agreements ("FRL KSV")) and received a corresponding funding commitment. Based on current information, the company and the ministry will rescind the climate protection agreement

Product Liability Risks (Risk Class: Low). Our hydrocarbon-based specialty products and plastic parts are incorporated directly into our customers' products. Incorrect processes or failure to adhere to specifications can result in our customers incurring damage, giving rise to warranty claims. For this reason, all the products in both our Chemical-Pharmaceutical division and our Plastics division are subject to extensive quality controls. If we are faced with liability claims despite this, we are largely covered by insurance.

IT Risks/Cybersecurity (Risk Class: High). Advancing digitalization offers major opportunities for the Group. Particularly in the last three years, we have adapted our IT structure to the pandemic requirements and enabled the majority of our employees to perform their activities via remote solutions. In principle, the risk exists of not always being able to react to changing conditions quickly and adequately. At the same time, we know that digitalization is generally associated with risks, e. g., in the form of cyberattacks. Under certain circumstances, such attacks can lead to an impairment of the IT systems, which could only be remedied with significant financial and time resources. Therefore, we are continuously working on the security of our digital technologies and systems in order to address cyber risks in the best possible manner, train our employees and avert risks for our customers and business partners, as well as for the company. We also record IT and cybersecurity risks as part of our queries about the Groupwide risk inventory.

Financial Risks

Our subsidiaries receive the funds they use to execute business and production processes from H&R KGaA, which in turn ensures that such funds will be available. As a result, risks that could arise from or for these financing instruments generally originate directly from H&R KGaA itself.

Financial Covenant Breach Risk (Risk Class: High). Compliance with the financial covenants will also be a crucial part of the financing agreements in 2026. If these covenants were to be breached, which is not expected to happen, this could jeopardize the continued existence of the financing arrangements and therefore the Group's financial and economic situation. Due to the possibility of occurrence and the potentially significant financial impact, this is – from an objective standpoint – fundamentally a “high-risk” issue.

Liquidity Risks (Risk Class: Medium). The prices of the raw materials used by our chemical and pharmaceutical segments are strongly correlated with the price of crude oil. Consequently, the prices of our raw materials are subject to fluctuations. The prices of our finished products exhibit similar volatility.

To cover the net working capital requirements (the sum of inventories and trade receivables less trade payables) arising from our production activities, a significant portion of our syndicated loan facility, currently amounting to €230.0 million, is set aside as a risk buffer. At year-end, the syndicated loan was utilized in the form of cash advances totaling €72.9 million and guarantees totaling €5.0 million.

Our Group Treasury department monitors our liquidity status on a daily basis to avoid any cash flow difficulties. The credit lines granted by the banks in the lending consortium are subject to financial covenants relating to our equity base and the ratio of our net debt to operating income (EBITDA). If any of these covenants are breached, the banks are entitled to call in the loan.

Risks from Defaulting Customers and Banks (Risk Class: Low). Our indirect risks from delays in payment and/or defaults on the part of customers or service providers of our subsidiaries are limited by the broadly diversified customer base on the whole, but cannot be ruled out entirely. This is why we have taken out default insurance policies for major customers.

We counter the default risk of banks by only entering into financial transactions with top-rated banks and by spreading larger transactions among several banks.

Currency Risks (Risk Class: Medium). As an international group, we are exposed to various

exchange rate risks. The depreciation of a foreign subsidiary's local currency can diminish the cash flow it generates in relation to the Group currency, the euro. Furthermore, revenues from the sale of products from within the euro area to a country outside the euro area will fall if the foreign currency in question depreciates against the euro.

Some of the most important foreign currencies for us are the US dollar, the Chinese renminbi, the British pound, the Thai baht, the Malaysian ringgit and the South African rand.

We always weigh the costs for hedging foreign currency risks against the financial effects of a potential loss event.

The US dollar/euro exchange rate generally affects our raw material costs, as we purchase our main raw materials in US dollars. Decreases and increases in the value of the US dollar against the euro, while raw material costs in USD remain unchanged, therefore have an impact on our raw material costs in EUR. However, changes in the raw material costs due to exchange rates would generally also be reflected in the selling prices, and the competition would also feel the effects.

Interest Rate Risks (Risk Class: Medium). Changes in market interest rates lead to a change in the fair value of fixed-interest financial instruments and to fluctuations in interest payments for variable-interest financial instruments. We take out fixed-interest loans for investment projects to increase planning certainty for net interest income. The interest rate risks materialized to an extent as a result of the increase in particular of the euro interest rate coupled with higher short-term debt in the context of greater liquidity being tied up in net current assets due to the price of oil. Looking ahead to 2025, we anticipate a reduced financial burden due to a declining interest rate environment, which should lead to lower interest expense.

Additional risks of increased interest expense in other currencies currently exist for our Chinese equity investments due to short-term fixed-interest loans denominated in Chinese renminbi that will have to be refinanced when they mature in 2025 as well as intragroup, hedged loans.

There are also company retirement liabilities in the form of pension commitments. On the one hand, the

actual amount of these commitments is based on an actuarial forecast and, on the other, it is heavily dependent on conditions in the capital markets, in particular the interest rate. Lower interest rates cause pension liabilities to increase and result in a corresponding charge against H&R KGaA's equity.

General Statement by the Management Board on the Risk Situation

Our risk management system and the established planning and control systems are used to assess our risk situation. When all material individual risks are reviewed in aggregate, potential opportunities are not taken into account as offsets. We therefore believe that, based on currently available information, there are no risks that could jeopardize the continued existence of the H&R Group as a going concern.

Company Rating

The creditworthiness of H&R KGaA has not been evaluated by an independent rating agency. Our banking partners review the credit standing of H&R KGaA on an ongoing basis. The Deutsche Bundesbank classified H&R as "eligible" on April 17, 2025.

Report on Opportunities

Opportunities Management

At the H&R Group, the systematic management of opportunities is closely linked to the management of risks. We define opportunities as developments that are expected, but are not guaranteed, meaning that they cannot be quantified in monetary terms either, and could have a positive effect on our net assets, financial position and results of operations over the next twelve to 18 months. Managing strategic opportunities – such as acquisitions, joint ventures or major investments – is the responsibility of the Executive Board.

We use a variety of methods to make the best use of both operating and strategic opportunities. For example, we perform analyses of the market and our competitors that are as precise as possible. We develop scenarios for successful market entry, question the focus of our product portfolio, evaluate the cost drivers as well as the relevant success factors and from this information identify specific market opportunities that are then coordinated by the Management Board in close collaboration with the local

operations managers. At the same time, we try to identify future market trends in a targeted manner by holding discussions with customers. In the Chemical-Pharmaceutical segments, there is an active exchange of ideas on these issues between the production sites, our Research and Development department, and our sales and distribution partner Hansen & Rosenthal, who uses its close customer contacts to identify current and future customer needs and to provide ideas for new products.

Finally, using a system similar to our risk classes, we rate our opportunities by degree of potential financial impact and likelihood of occurrence.

Specific Opportunities

Opportunities Arising From Market and Macroeconomic Trends (Opportunity Class: Medium).

The focus of operators of big refineries on producing fuels and lubricants means that H&R's specialty production sites in the Chemical-Pharmaceutical Raw Materials division could play a more significant role in supplying the market with specialty products such as paraffins, or process oils and white oils. This is especially true if refineries with a similar setup to a Group I base oil production site were to withdraw from the market.

If, at the same time, demand for hydrocarbon-based specialty products increases during this financial year, for example, due to changes in the competitive situation or general market recoveries, our revenue and income could exceed our current expectations.

The possibility of increased demand within society for products with a smaller carbon footprint or even for climate-neutral qualities could afford H&R additional opportunities. In addition to traditional fossil-based feedstocks, our feedstock base is incorporating the "three pillars" of bio-based, synthetic, and recycled feedstocks to an ever greater extent. These alternative materials are becoming viable options for supplying our production sites. The key to unlocking the full potential of the markets for sustainable products lies in overcoming the current "chicken-and-egg" dilemma. Customers express a strong interest in sustainable materials but are often hesitant to pay the high prices required at this early stage. Companies are eager to supply these products but need prices to be at a level that supports a viable business case and justifies the necessary investments. Recycled materials from old tires and end-of-life plastics

offer the most promising solution to bridge this gap at this point in time.

We are also committed to continuing our work with bio-based and synthetic feedstocks to create sustainable products.

As a global company, we are well-placed to roll out our sustainability strategy on an international scale while leveraging the general stability of the Sales segment.

In the Plastics division, demographic trends are increasing the need for us to take a more proactive sales strategy, particularly in the area of medical technology. If this strategy is successful, it will unlock a considerable amount of growth potential. The automotive sector also presents some promising opportunities, particularly if regulators can address uncertainties and manufacturers commit to a clear model strategy and restore stable, long-term partnerships with the broader value chain.

Strategic Opportunities for the Company (Opportunity Class: High). We see significant opportunities in the further development of our operating model: In addition to flexibility in plant control and the ability to actively shape the yield structure, we are focusing above all on the appropriate, diversified use of feedstocks and energy. In fiscal year 2025, the positive effects of using specific feedstocks to transform our operating model were delayed.

This was primarily due to insufficient availability of suitable grades, which were not available at all, or not to the desired extent, or only under unfavorable supply terms at the refineries we had selected as potential suppliers. Regardless, we assess the potential as significant: Based on a modified and expanded feedstock and intermediate product portfolio at our production sites, we aim to achieve market-driven and exclusively specialty-oriented production while also addressing our customer industries' demand for products with a lower carbon footprint.

Accordingly, we are accelerating efforts to test the use of sustainable raw materials - such as those derived from synthetic, bio-based, or recycled sources - and are also factoring in the reduction of our energy consumption and the types of energy sources used. For example, if the Group were to implement relevant measures - such as the electrification of certain process plants - it could achieve significant progress

toward its own climate goals (keyword: "CO₂ Reduction Road Map") and thereby gain a distinct image advantage within the chemical and pharmaceutical raw materials industry. Indirectly, the lower CO₂ footprint of H&R products could prove to be a competitive advantage due to higher demand for such climate-friendly products.

Internationally, we actively track market trends and align emerging regional opportunities with our internationalization strategy. Through our network of subsidiaries, we have key strategic footholds that enable us to penetrate growing markets quickly and precisely.

Economic Performance Opportunities (Opportunity Class: Medium). The operation of specialty production facilities is characterized by high energy intensity. Through investments aimed at reducing conventional CO₂ emissions and lowering energy consumption, H&R KGaA has already achieved important climate goals and saved on energy costs in the past. At the same time, the company has taken advantage of the special compensation schemes available to energy-intensive businesses.

Overall, we view the discussion surrounding climate change and the efforts related to the energy transition not solely as a challenge, but also as an opportunity. This is particularly true if the EU and the German federal government, as the responsible regulators, act in a way that allows high environmental, occupational safety, and energy standards to be met without these standards proving to be an additional competitive disadvantage compared to other countries and regions.

We see great potential in a commitment to increased production of green hydrogen and green CO₂, as well as the products derived from them. Hydrogen and biomethane can also drive our transformation as substitutes for fossil natural gas in the energy supply of our two major production sites.

There are also fundamental opportunities in the form of higher margins during supply shortages of our products, for example due to refinery shutdowns, closures, or capacity reductions among competitors.

In addition to the positive effects resulting from the future changes in raw material usage, we continue to see opportunities for marketing our lower-margin products: Both bitumen and cracker feed for other

types of refineries have sold well over the past two years and generated quite satisfactory margins.

In the plastics sector, GAUDLITZ will continue to drive forward restructuring and, above all, strengthen its sites in the Czech Republic and China. There, we have production capacities that offer advantages in terms of production costs while being close to key sales markets.

Overall, the automotive industry expects a slight increase of 2.0 percent in the German passenger car market by the end of 2025 in the coming fiscal year. At the same time, the VDA, as the industry association for the automotive sector, emphasizes the importance of reliable regulations and statements regarding powertrain technology.

Overall, we see the significantly streamlined structure of GAUDLITZ and its local presence in key markets as a good opportunity for our activities in the plastics segment. The trend toward lighter components has historically enabled greater range and led to lower fuel consumption. These factors are also of great importance for non-combustion propulsion

technology. Greater charging capacity primarily means installing larger batteries, but consequently also means more weight, which must be saved elsewhere.

The importance of medical technology for GAUDLITZ will also continue to grow. Plastics are indispensable in modern medical technology. Manufacturers and users face the challenge of adapting to an increasingly dynamic market environment and meeting new requirements, such as those related to sustainability. At the same time, this also presents opportunities, for example through digitalization, the development of new materials and manufacturing processes, as well as demographic change.

Overall Statement on Opportunities

Assessment of Opportunities by the Management Board. Although the absolute number of reported risks is higher than the number of specific opportunities identified, H&R KGaA sees the opportunities referred to above as direct responses to many of the risks described and believes that the overall situation is generally balanced.

Forecast Report

Future Focus of the Group

Companies and Segments

Statements concerning short-term company performance from January 1 to December 31 of financial year 2026 assume that, based on our current knowledge, the structure of the Group will remain largely unchanged.

How to deal with the trade-off between raw materials prices and market conditions continues to be a crucial challenge for our company. This relates to the classic Chemical-Pharmaceutical Raw Materials division, as well as the business with precision plastic components.

H&R KGaA is positioned so that it can actively take advantage of its flexibility at three different levels of the value chain: in the ChemPharm Refining segment as a producer of chemical-pharmaceutical specialty products in Germany, in further processing of the ChemPharm Sales segment abroad and in global distribution. The Plastics business segment, with sites in Germany and abroad, has a comparable setup. If, in addition to our in-house expertise, we also need external capacity, we can fall back on a network of tried and tested partnerships. Every one of our Group subsidiaries fits into this simple matrix.

Sales Markets

In the Chemical-Pharmaceutical business, Germany will continue to be the main driver of our sales. In view of the maturity of this market, our growth strategy in this region, featuring the enhancement of the production site operating model, is based less on increasing volumes than on improving the efficiency of production processes and manufacturing higher-quality products. Internationally, we are focusing heavily on Asia. China, Singapore, Indonesia, Malaysia and Vietnam are key sales hubs and processing locations for our activities in the region, as is the Indian subcontinent. In the Plastics business, we are guided by our customers and see their production sites in Eastern Europe and China in particular as important customers.

Technologies and Processes

Constantly improving processes to increase efficiency and enhance the output structure is a core element of our corporate strategy. We combine long-standing skills and expertise with the use of new technologies, carving out a role for ourselves less as a traditional lubricant producer than as a manufacturer of high-quality specialty products. In order to satisfy the strongly increasing focus on sustainability in many of our customer industries and much of society, we are transforming our operating model for the German production sites. This will see us rely on a differentiated range of base materials, which is just as decisive for the quantity, composition and quality of our end products and by-products as plant configuration measures are. At the same time, we are expanding our feedstock and by-product portfolios to include hydrocarbon-based grades, which shall be less fossil-based and more sustainable in the future.

Products and Services

In spite of the above-mentioned changes in the operating model, we plan for our production sites to offer an almost identical product portfolio either directly or via our Sales segment – with one significant difference, namely that whatever was previously produced exclusively on a fossil basis will henceforth be created using increasing volumes of feedstocks on a plant, recycled or synthetic basis. Alongside achieving its future sustainability goals, H&R will support its customers with their sustainability approaches in the next few years with a climate-friendly product portfolio.

The Plastics division aims to strengthen its existing business with European customers from the electric mobility sector and position itself with customers in China through a sales initiative in the medical technology and industry sectors.

Expected Performance in Financial Year 2026

Macroeconomic Conditions

General Economic Environment

The German economy stagnated at the turn of the year and, by international standards, lagged significantly behind for another year in a row. Following the ups and downs of the first two quarters, which were largely shaped by reactions to U.S. tariff policies, economic activity has been moving largely sideways in the second half of the year. As a result, the German economy initially remained mired in stagnation. For the remainder of the forecast period, researchers at the Kiel Institute expect gross domestic product to see significant growth again only in the following years, at 1.0% (2026) and 1.3% (2027). However, these rates do not reflect a self-sustaining upswing but are essentially the result of a strongly expansionary fiscal policy.

The eurozone was overall more stable than the German economy. Experts at the Cologne Institute for Economic Research also expect our neighbors to perform better next year. Overall, economic output in the eurozone will increase by 1.1% in 2026.

There are numerous downside risks to the global economy. These include the continued possibility of an escalation of trade and geopolitical conflicts (Ukraine, Gaza, Iran, the Gulf region), potential disruptions to international supply chains - such as in the supply of key raw materials like rare earths - financial market turbulence caused by a revaluation of technology stocks, as well as the political and economic risks surrounding rising government debt (and the associated higher interest burden) and increasing pressure on independent institutions such as central banks.

Our internal planning for fiscal year 2026 is based on a U.S. dollar-to-euro exchange rate of 1.20, which we have assumed for the planning process.

For crude oil prices, we rely on the estimates provided by the economic research departments of major banks. For the 2026 planning year, we assumed a price of US\$70 per barrel for North Sea Brent crude

at the time of planning. This is roughly in line with the annual average price for 2025.

Nevertheless, this budget assumption, which was made during the past fiscal year, is subject to a recently significantly increased level of uncertainty.

With the outbreak of hostilities between the U.S. and Israel on one side and Iran on the other, crude oil prices have risen significantly - at least in the short term. Iran's blockade of the Strait of Hormuz is also leading to significant disruptions in key supply chains, particularly to Asia. At this time, it is unclear whether these disruptions will be temporary or long-lasting.

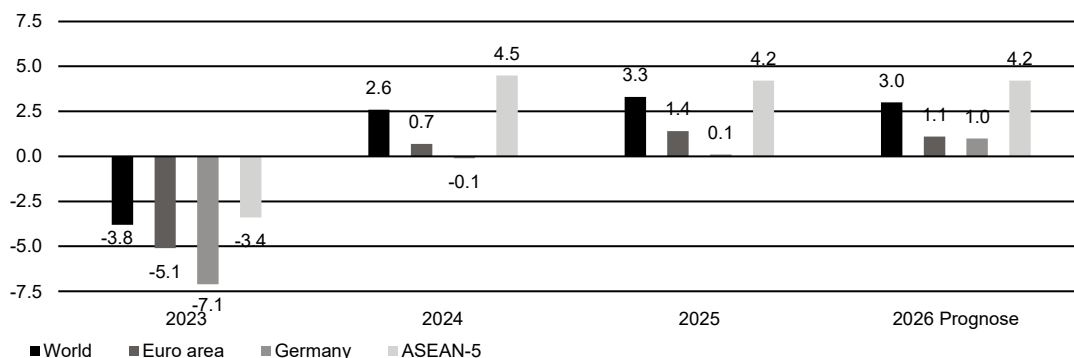
Industry Environment

According to the VCI (German Chemical Industry Association), the chemical industry will continue to face challenges at the start of 2026: Many companies in the sector still view their current business situation negatively. Order intake declined and was below the previous year's level - domestic and foreign demand remained weak. Production also continued its downward trend unabated, producer prices were under pressure, and sales recently fell short of the previous year's level by 7.0%.

At the same time, the association sees hope for an economic recovery. Business expectations have recently brightened slightly; member industries are recording more orders for the first time and are sensing a slight economic recovery. There are also signs of greater confidence in the important export sector: for the first time in nearly a year, export expectations have returned to positive territory.

G. 12 GLOBAL ECONOMIC GROWTH FORECAST

IN %, SOURCES: IFW, DIW, IMF



Company Performance

Sales and Earnings

The following table compares the actual values of the main or key control figures used by the H&R

Group for the past financial year with the original forecast and shows the outlook for financial year 2026. It comprises sales and EBITDA.

T. 22 COMPARISON OF ACTUAL VALUES WITH FORECAST

Key figure	Original forecast FY 2025	Actual FY 2025	Outlook FY 2026
Consolidated sales	€1,200.0 million to €1,500.0 million	€1,242.2 million	€1,300.0 million to €1,500.0 million
of which ChemPharm Refining	62 %	€766.2 million (approx. 60%)	64 %
of which ChemPharm Sales	34 %	€456.5 million (approx. 37%)	33 %
of which Plastics	4 %	€35.4 million (approx. 3%)	3 %
Reconciliation with consolidated sales	n. a.	€-16.0 million	n. a.
Consolidated EBITDA	approx. €90.0 million to €110.0 million	€83.8 million	approx. €85.0 million to €100.0 million
of which ChemPharm Refining	68 %	€57.2 million (approx. 56%)	64 %
of which ChemPharm Sales	27 %	€36.5 million (approx. 44%)	33 %
of which Plastics	5 %	€-5.5 million (0%)	3 %
Reconciliation with consolidated EBITDA	n. a.	€-4.3 million	n. a.

Sales. Our sales revenues are affected considerably by the cost of raw materials for our Chemical-Pharmaceutical division. If our planning assumptions for

crude oil prices and the US dollar/euro exchange rate materialize during the year, we anticipate that prices for raw materials and products will remain constant

and high overall. We also assume we will be able to pass on these costs in the form of higher product prices. All in all, we expect consolidated sales in 2026 to be on a par with 2025. The contribution from our ChemPharm Refining segment will account for a little less than two-thirds of this amount. The ChemPharm Sales business will contribute approximately 33%, a lower percentage than in the previous year. The Plastics division is expected to contribute around 3% to total sales.

Income. Considering the challenges, the H&R Group achieved stable income figures in the last financial year. However, sluggish European demand, major geopolitical uncertainties and only weak signs of a recovery in the German industrial sector took their toll and put a limit on operating income.

For the 2026 fiscal year, we anticipate further challenges in light of current global political events, particularly the situation in the Persian Gulf; however, we expect our own operational performance to be noticeably stronger: Maintenance optimizations and the return to full availability of certain process facilities should drive volume growth, improve yield rates, and boost margins.

The ChemPharm Refining segment could benefit most significantly from this, for which we expect operating results to return to a slightly higher level and account for a larger share of earnings. Contract manufacturing at the Salzbergen site should once again prove to be a stabilizing factor.

The ChemPharm Sales segment has consistently proven its worth in recent years. We are also optimistic about the coming year and expect a further absolute increase in earnings, despite a slightly lower market share.

The Plastics segment was barely able to benefit from its 2024/25 restructuring last year. This trend may continue in 2026; nevertheless, we anticipate improved performance, driven primarily by the location in China. Following a significant drag on earnings this year, the GAUDLITZ Group should once again make a positive contribution to earnings.

Overall, we initially forecast consolidated operating earnings (EBITDA) for 2026 in a range of €85.0 million to €100.0 million, which is above the level of the 2025 fiscal year.

Based on budget assumptions, we estimate that the contribution to consolidated earnings from our activities in the ChemPharm Refining segment will account for approximately 66%. International business is expected to account for approximately 32%. The Plastics business unit is expected to contribute around 2% to the Group's operating earnings (EBITDA).

For the parent company, H&R GmbH & Co. KGaA, we expect the overall earnings, financial, and asset situation to remain stable for the current fiscal year.

Since the company does not engage in any operational activities of its own, its earnings situation is largely determined by dividend income from the subsidiaries as well as net interest income from intra-group financing.

Risks to this forecast arise primarily from a possible increase in the subsidiaries' financing requirements coupled with rising market interest rates, as well as from volatile profit distributions from the operating units.

Liquidity

Net debt remained stable year-over-year. H&R continues to have sufficient liquidity at its disposal, particularly through the broadly syndicated credit facility of currently €230.0 million concluded in fiscal year 2022, to make the investments necessary to maintain profitability and to cover requirements for fluctuations in net working capital, refinancing requirements, and other liquidity needs. We currently view our liquidity as sustainably secured.

Due to our business model, our cash flow generally exhibits high volatility. This is attributable to changes in our net working capital, particularly when raw material deliveries for our specialty refineries occur close to the balance sheet dates. In this respect, statements regarding future cash flow developments are only possible to a limited extent.

Capital Expenditure

We intend to keep our investment levels in line with the previous year in 2026, with a focus on the future viability of our sites. Around 70% of total capital expenditure will be in the ChemPharm Refining segment. Around 26% of capital expenditure will be in the Sales segment and approximately 4% will be focused on investments in the Plastics segment and on other items. As before, the majority of these

investments will be allocated to our two German production sites and distributed as usual between segments.

Financing Measures

The Articles of Association of H&R KGaA provide for authorizations to increase the share capital in return for cash and/or contributions in kind. At present, however, no specific corporate actions are planned.

H&R KGaA has entered into various loan agreements with banks. We meet our short-term financing needs through a broadly syndicated loan with a current volume of €230.0 million. The term is five years, plus two one-year extension options, both of which we have exercised. To ensure ongoing solvency and the efficient use of liquidity at our domestic subsidiaries, these are integrated into cash pooling structures operated by H&R GmbH & Co. KGaA. We currently cover our long-term financing needs primarily through KfW-refinanced amortizing loans.

Compliance with various financial covenants has been agreed upon for the KfW loans and the syndicated loan.

For further information on our key financing instruments, please refer to the section “Principles and Objectives of Financial Management” in the notes to the consolidated financial statements.

Overall Statement by the Executive Board on Future Business Trends

H&R GmbH & Co. KGaA ended the past fiscal year with an operating profit (EBITDA) that was significantly lower than the previous year's level.

Our initial guidance was somewhat more optimistic regarding the maximum achievable figure. Nevertheless, business performance went through a period of weakness, particularly around mid-year, making the mid-year adjustment and reduction of our minimum and total expectations to €77.0 million to €90.0 million the logical consequence.

The result of €83.8 million can be considered fundamentally solid, especially since, with a strong second half of the year and a comparatively robust final quarter, it once again outperformed the lower end of our guidance, which was last adjusted in the fall.

We intend to use this as a foundation for implementing our own transformation, for which we redefined our overarching goals in the past fiscal year and linked them to concrete measures. If the transition of our operating model to sustainable raw materials and products is successful, this would be a major step toward being able to support our customer industries swiftly and reliably in achieving their sustainability goals.

Along the way, we will keep a close eye on market developments and parameters - whether customer demand or global political conditions - while remaining true to the principle that our transformation efforts are neither an end in themselves nor a surefire success. They must be financially sustainable within the Group's core business operations.

Based on what we have achieved, our plans, and the situation at the time of this Management Report's publication, we are therefore initially formulating our expectations for 2026 with a target operating result (EBITDA) in the range of €85.0 million to €100.0 million.

Consolidated Financial Statements

74

Consolidated Statement of Financial Position of H&R GmbH & Co. KGaA

76

Consolidated Income Statement of H&R GmbH & Co. KGaA

77

Consolidated Statement of Comprehensive Income of H&R GmbH & Co. KGaA

78

Consolidated Statement of Changes in Group Equity of H&R GmbH & Co. KGaA

80

Consolidated Cash Flow Statement of H&R GmbH & Co. KGaA

81

Notes to the Consolidated Financial Statements of H&R GmbH & Co. KGaA

81 (1) General Information

81 (2) Effects of New Accounting Standards

83 (3) General Accounting and Measurement Methods

91 (4) Discretionary Decisions and Estimates

96 (6) Scope of Consolidation and Holdings

99 Notes to the Consolidated Statement of Financial Position

114 Notes to the Consolidated Income Statement

120 Additional Notes

138

Independent Auditor's Report

144

Attestation by the Legal Representatives

Consolidated Statement of Financial Position of H&R GmbH & Co. KGaA

as of December 31, 2025

ASSETS				
IN € THOUSAND	Notes	12/31/2025	12/31/2024*	12/31/2023*
Current assets				
Cash and cash equivalents	(7,40)	70,964	62,531	69,443
Trade receivables	(8,40)	119,139	134,999	105,805
Income tax refund claims		3,338	6,040	4,772
Inventories	(9)	175,554	215,191	206,387
Other financial assets	(10,40)	17,452	14,157	9,282
Other assets	(11)	12,438	17,656	11,493
Current assets		398,885	450,574	407,182
Non-current assets				
Property, plant and equipment	(12)	409,427	445,211	444,576
Goodwill	(13)	17,020	17,020	17,020
Other intangible assets	(13)	12,092	12,951	15,533
Shares in holdings valued at equity	(14)	2,497	3,120	3,550
Other financial assets	(10,40)	72,469	81,115	10,260
Other assets	(11)	1,688	2,105	1,866
Deferred tax assets	(36)	2,111	5,571	5,834
Non-current assets		517,304	567,093	498,639
Total assets		916,189	1,017,667	905,821

*previous year amounts adjusted, refer to Note (5)

LIABILITIES AND SHAREHOLDERS' EQUITY

IN € THOUSAND	Notes	12/31/2025	12/31/2024*	12/31/2023*
Current liabilities				
Liabilities to banks	(15,40)	123,571	88,621	77,090
Trade payables	(16,40)	85,399	93,285	103,065
Liabilities from supply chain financing arrangements	(17)	49,669	56,971	–
Income tax liabilities		3,866	4,538	8,511
Contract liabilities	(18)	1,421	3,027	4,004
Other provisions	(19)	16,605	16,061	17,934
Other financial liabilities	(20,40)	14,853	17,196	12,848
Other liabilities	(21)	9,140	15,356	16,715
Current liabilities		304,524	295,055	240,167
Non-current liabilities				
Liabilities to banks	(15,40)	19,043	63,186	80,472
Pension provisions	(22)	57,871	65,591	63,634
Other provisions	(19)	3,028	3,179	2,786
Other financial liabilities	(20,40)	29,484	31,705	33,956
Other liabilities	(21)	80,660	90,067	20,303
Deferred tax liabilities	(36)	5,498	5,487	11,852
Non-current liabilities		195,584	259,215	213,003
Equity				
Subscribed capital	(23)	95,156	95,156	95,156
Capital reserve	(24)	46,427	46,427	46,427
Retained earnings	(25)	239,913	278,585	273,853
Other reserves	(26)	-5,855	1,505	-7,385
Equity of H&R GmbH & Co. KGaA shareholders		375,641	421,673	408,051
Non-controlling interests	(27)	40,440	41,724	44,600
Equity		416,081	463,397	452,651
Total liabilities and shareholders' equity		916,189	1,017,667	905,821

*previous year amounts adjusted, refer to Note (5)

Consolidated Income Statement of H&R GmbH & Co. KGaA

January 1, 2025, to December 31, 2025

IN € THOUSAND	Notes	1/1–12 /31/2025	1/1–12 /31/2024*
Sales revenue	(29)	1,242,186	1,338,240
Changes in inventories of finished and unfinished goods		-19,030	4,389
Other operating income	(30)	41,414	37,605
Cost of materials	(31)	-914,724	-1,026,704
Personnel expenses	(32)	-109,542	-106,453
Depreciation, impairments and amortization of intangible assets and property, plant and equipment	(12,13)	-98,545	-62,826
Reversal of impairment losses on property, plant and equipment	(12,13)	282	–
Other operating expenses	(28,33)	-155,857	-152,101
Operating result		-13,816	32,150
Income from holdings valued at equity	(14)	-623	-244
Financing income	(34,40)	1,434	653
Financing expenses	(34,40)	-11,383	-12,219
Income before tax (EBT)		-24,388	20,340
Income taxes	(36)	-12,335	-7,694
Consolidated income		-36,723	12,646
of which attributable to non-controlling interests		2,082	2,261
of which attributable to shareholders of H&R GmbH & Co. KGaA		-38,805	10,385
Earnings per share (undiluted), €	(37)	-1.04	0.28
Earnings per share (diluted), €	(37)	-1.04	0.28

*previous years amounts adjusted, refer to Note (5)

Consolidated Statement of Comprehensive Income of H&R GmbH & Co. KGaA

January 1, 2025, to December 31, 2025

IN € THOUSAND	Notes	1/1–12 /31/2025	1/1–12 /31/2024*
Consolidated income		-36,723	12,646
of which attributable to non-controlling interests		2,082	2,261
of which attributable to shareholders of H&R GmbH & Co. KGaA		-38,805	10,385
Positions that will not be reclassified into profit or loss			
Remeasurement of defined-benefit pension plans	(10,22)	6,586	-2,412
Deferred taxes	(36)	-2,731	481
Total remeasurement of defined-benefit pension plans		3,855	-1,931
Valuation effects from equity instruments	(40)	-81	1,152
Deferred taxes	(36)	1	-17
Total change in valuation effects from equity instruments		-80	1,135
Total positions that will not be reclassified into profit or loss		3,775	-796
Positions that may subsequently be reclassified into profit or loss			
Changes in the fair value of derivatives held for hedging purposes	(40)	1,477	-2,165
Deferred taxes	(36)	–	655
Total change in the fair value of derivatives held for hedging purposes		1,477	-1,510
Changes in the currency translation adjustment item	(26)	-12,123	10,743
Total positions that may subsequently be reclassified into profit or loss		-10,646	9,233
Other comprehensive income		-6,871	8,437
of which attributable to non-controlling interests		-3,366	1,478
of which attributable to shareholders of H&R GmbH & Co. KGaA		-3,505	6,959
Total comprehensive income		-43,594	21,083
of which attributable to non-controlling interests		-1,284	3,739
of which attributable to shareholders of H&R GmbH & Co. KGaA		-42,310	17,344

*previous year adjusted, refer to Note (5)

Consolidated Statement of Changes in Group Equity of H&R GmbH & Co. KGaA

as of December 31, 2025

IN T€	Subscribed capital (23)	Capital reserve (24)	Retained earnings (25)
1/1/2024	95,156	46,427	278,819
IAS 8 adjustment	–	–	-4,966
1/1/2024 adjusted*	95,156	46,427	273,853
Dividend	–	–	-3,722
Consolidated income*	–	–	10,385
Other comprehensive income*	–	–	-1,931
Total comprehensive income*	–	–	8,454
12/31/2024*	95,156	46,427	278,585
Dividend	–	–	-3,722
Consolidated income	–	–	-38,805
Other comprehensive income	–	–	3,855
Total comprehensive income	–	–	-34,950
12/31/2025	95,156	46,427	239,913

*previous year amounts restated, refer to Note (5)

Other reserves/cumulative other comprehensive income						Total
Valuation ef- fects from equity instruments (26)	Derivative financial instruments (26)	Difference from currency translation adjustment (26)	Equity attributable to shareholders of H&R KGaA	Noncontrolling interests (27)		
767	299	-8,451	413,017	44,600	457,617	
-	-	-	-4,966	-	-4,966	
767	299	-8,451	408,051	44,600	452,651	
-	-	-	-3,722	-6,615	-10,337	
-	-	-	10,385	2,261	12,646	
1,135	-1,510	9,265	6,959	1,478	8,437	
1,135	-1,510	9,265	17,344	3,739	21,083	
1,902	-1,211	814	421,673	41,724	463,397	
-	-	-	-3,722	-	-3,722	
-	-	-	-38,805	2,082	-36,723	
-80	1,477	-8,757	-3,505	-3,366	-6,871	
-80	1,477	-8,757	-42,310	-1,284	-43,594	
1,822	266	-7,943	375,641	40,440	416,081	

Consolidated Cash Flow Statement of H&R GmbH & Co. KGaA

January 1, 2025, to December 31, 2025

IN TE		Notes	2025	2024*
1.	Consolidated income		-36,723	12,646
2.	Income taxes		12,335	7,694
3.	Net interest income		10,950	11,567
4.	+/- Depreciation and amortization/appreciation on fixed assets and intangible assets		98,264	62,826
5.	+/- Increase/decrease in non-current provisions		-3,359	-2,616
6.	+ Interest received		433	652
7.	- Interest paid		-7,737	-9,190
8.	+/- Income tax received/paid		-10,469	-17,490
9.	+/- Other non-cash expenses/income		9,785	314
10.	+/- Increase/decrease in current provisions		867	-2,063
11.	-/+ Gain/loss from the disposal of fixed assets		1,005	2,545
12.	-/+ Changes in net working capital		29,378	10,422
13.	+/- Changes in remaining net assets/other non-cash items		-12,592	-7,063
14.	= Cash flow from operating activities (sum of items 1 to 13)	(39)	92,137	70,244
15.	+ Proceeds from disposals of property, plant and equipment		1,734	373
16.	- Payments for investments in property, plant and equipment		-55,604	-51,847
17.	- Payments for investments in intangible assets		-3,857	-3,167
18.	+ Dividends received from holdings valued at equity		-	186
19.	+ Dividends received from other holdings		1,000	-
20.	= Cash flow from investing activities (sum of items 15 to 19)	(39)	-56,727	-54,455
21.	= Free cash flow (sum of items 14 and 20)		35,410	15,789
22.	- Dividends paid by H&R KGaA		-3,722	-3,722
23.	- Dividend paid to non-controlling interests		-	-6,615
24.	- Payments for settling financial liabilities		-251,894	-196,400
25.	+ Proceeds from taking up financial liabilities		232,049	180,936
26.	= Cash flow from financing activities (sum of items 22 to 25)	(39)	-23,567	-25,801
27.	+ Changes in cash and cash equivalents (sum of items 14, 20 and 26)		11,843	-10,012
28.	+ Cash and cash equivalents at the beginning of the period		62,531	69,443
29.	+/- Change in cash and cash equivalents due to changes in exchange rates		-3,410	3,100
30.	= Cash and cash equivalents at the end of the period		70,964	62,531

*Previous year adjusted, refer to Note (5)

Notes to the Consolidated Financial Statements of H&R GmbH & Co. KGaA

as of December 31, 2025

(1) General Information

H&R GmbH & Co. KGaA (hereinafter referred to as “H&R KGaA”), a listed company headquartered at 48499 Salzbergen (Germany), Neuenkirchener Strasse 8, does business in various specialty chemical and plastics markets via its subsidiaries. The Group’s businesses include the production of chemical-pharmaceutical raw materials as well as the manufacture of injection molded precision plastic parts. It is recorded in the Commercial Register at the Osnabrück Municipal Court under number HRB 210689. H&R KGaA is managed by the Executive Board of H&R Komplementär GmbH. The parent company of H&R KGaA is H&R Komplementär GmbH, while Mr. Nils Hansen is considered the “ultimate controlling party” within the meaning of IAS 24.13.

In accordance with Section 315e of the German Commercial Code (HGB), H&R KGaA, as a listed Group parent company, is required to prepare consolidated financial statements in accordance with international accounting standards and rules. The consolidated financial statements of H&R KGaA were prepared based on the accounting rules of the International Accounting Standards Board (IASB), the application of which was mandatory under EU Regulation No. 1606/2002 as of the reporting date, and according to the additionally applicable requirements of Section 315e, paragraph 1 HGB. The requirements of the Standards (IFRS/IAS) and interpretations (IFRIC/SIC), the application of which was mandatory as of the reporting date, were met without exception.

The consolidated financial statements have been prepared on a going concern basis.

The income statement is prepared in accordance with the total-cost method. The statement of financial position is broken down into current and non-current assets and liabilities. Under this approach, assets and liabilities are shown as current if they are held for trading purposes, are intended for sale within the normal course of the business cycle, or are expected to be sold within twelve months of the reporting date. Pension provisions and deferred tax claims and/or liabilities are in principle treated as being non-current.

The 2025 consolidated financial statements were prepared in euros (€). Unless stated otherwise, all amounts are shown in thousands of euros (in € thousand). Rounding can lead to the amounts mentioned in this report not adding up exactly to the sums stated, and to percentages not exactly matching the amounts reported.

The financial year of H&R KGaA and the subsidiaries included in the consolidated financial statements coincides with the calendar year.

The consolidated financial statements are published in the electronic Company Registry.

(2) Effects of New Accounting Standards Standards and Interpretations to Be Applied for the First Time in the Current Financial Year

Application of changes to the following standards by the International Accounting Standards Board (IASB) became mandatory for the first time in the current financial year:

STANDARDS AND INTERPRETATIONS TO BE APPLIED FOR THE FIRST TIME

Standard / Interpretation	Title	IASB effective date	Date of EU endorsement	EU effective date	Material impact on H&R
Amendments to IAS 21	Lack of Exchangeability	1/1/2025	11/12/2024	1/1/2025	none

Published Standards and Interpretations That Are Not Yet Being Applied

As of the reporting date, the following accounting standards had already been published by the International Accounting Standards Board (IASB) and the

International Financial Reporting Standards Interpretations Committee (IFRS IC) but application of the standards and interpretations was not yet mandatory.

PUBLISHED STANDARDS AND INTERPRETATIONS THAT ARE NOT YET BEING APPLIED

Standard/ Interpretation	Title	IASB effective date	Date of EU endorsement	EU effective date	Material impact on H&R
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1/1/2026	1/1/2026	5/27/2025	none
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1/1/2026	1/1/2026	6/30/2025	none
Amendments to IFRS Accounting Standards	Annual improvement Volume 11	1/1/2026	1/1/2026	7/9/2025	none
IFRS 18	Presentation and Disclosure in Financial Statements	1/1/2027	1/1/2027	2/13/2026	See Note
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1/1/2027	to be determined	to be determined	none
Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency	1/1/2027	to be determined	to be determined	none
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1/1/2027	to be determined	to be determined	none

H&R KGaA will not avail itself of the option for early application of the standards and interpretations that are not yet to be applied as a mandatory requirement.

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after January 1st, 2027. The new

accounting standard introduces the following key requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit and loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to

- present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
 - Enhanced guidance is provided on how to group information in the financial statements. In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs.

(3) General Accounting and Measurement Methods

Principles of Consolidation

The statements included in the consolidated financial statements are prepared in accordance with uniform accounting and valuation methods. The reporting date is the closing date of the parent company.

Subsidiaries are companies or entities that, according to the criteria listed in IFRS 10, are controlled by H&R KGaA. Accordingly, H&R KGaA controls rights at these companies that give it the ability to direct the relevant activities of these companies in order to influence the companies' returns. Control further requires H&R KGaA to be exposed to variable returns from the subsidiaries and to have the ability to affect those variable returns through its decision-making power. If it loses control over a subsidiary, the subsidiary is no longer included in the scope of consolidation.

All intragroup business transactions and interim results as well as existing receivables and payables between consolidated companies are eliminated in the course of consolidation. Deferred income tax effects arising from the consolidation process are appropriately taken into account.

In accordance with IFRS 3, business combinations are recorded in the financial statements using the acquisition method. The acquirer is deemed to be the entity that obtains control over the acquired

company or the acquired business operations in accordance with the rules set forth in IFRS 10. In the case of a company purchase, the pro rata equity of the acquired subsidiary is determined at the time of acquisition, taking into account the fair values of the identifiable assets, debts and contingent liabilities, deferred taxes and any goodwill at that time. If foreign companies are acquired, the acquisition costs are converted into euros at the respective exchange rate on the purchase date.

The acquisition costs correspond to the fair value of the transferred assets, the equity instruments issued and the debts arising/being assumed at the time of the transaction. In addition, they contain the fair values of any reported assets or liabilities resulting from a conditional consideration arrangement. Purchase-related ancillary costs are immediately recorded as a charge against income.

Acquisition costs are offset against the pro rata fair value of the net equity. Net equity is determined by recognizing the identifiable assets, debts, and contingent liabilities of the acquired company or the acquired business operations at their fair value at the time of acquisition. Any amount remaining on the asset side after setoff is treated as goodwill. Pursuant to IFRS 3, any negative amount resulting from an examination of the reassessment of net assets acquired is recognized directly through profit or loss.

Non-controlling interests in fully consolidated companies are valued at the pro rata fair value of the net assets. Transactions with non-controlling interests are treated like transactions with Group equity owners. The difference between the acquired pro rata equity of other shareholders and the purchase price is therefore directly netted against equity.

Shares in Holdings Valued at Equity

Interests in associates and in joint ventures are reported in accordance with the equity method. Joint ventures are companies that H&R KGaA manages jointly with a third party. H&R KGaA's interest in associates ranges from 20% to 50%. Under the equity method, the carrying amount of holdings valued at equity is increased or reduced by the change in equity corresponding to H&R KGaA's interest in the equity of these companies. The Group's interest in associated companies and in joint ventures includes the goodwill arising from the acquisition. The changes in the pro rata equity affecting the income

statement are recognized under income from holdings valued at equity.

If there are any objective indications of the need to recognize an impairment loss for holdings valued at equity, the need for an impairment loss is calculated. Impairments are carried out where the recoverable amount is lower than the carrying amount. The recoverable amount is the higher of fair value less costs of disposal and the value in use.

Currency Translation

The annual financial statements of the foreign subsidiaries are converted into euros in accordance with the functional currency principle. As the companies essentially manage their business independently from a financial, economic and organizational point of view, the respective functional currency as a rule is that of the country in which the company is headquartered.

In the separate financial statements of the Group companies, foreign currency transactions are

translated into the functional currency at the exchange rates in effect at the time of the transaction. On the statement of financial position, receivables and payables in foreign currencies are valued at the exchange rate on the reporting date; the resulting exchange rate gains and losses are recognized through profit or loss.

In the consolidated financial statements, the assets and liabilities are converted into euros at the exchange rate on the respective reporting date. Any changes taking place during the year, as well as items on the income statement, are converted into euros at the average annual exchange rate. The equity is carried at historical exchange rates and the resulting differences are recognized directly in equity. When Group companies leave the scope of consolidation the conversion differences recognized in equity are released and recognized as income.

The exchange rates used for currency translation have changed as follows:

EXCHANGE RATES FOR THE MAIN CURRENCIES

	Closing rates 12/31/2025	Closing rates 12/31/2024	Average rates 2025	Average rates 2024
US dollar	1.1750	1.0389	1.1293	1.0821
British pound	0.8726	0.8292	0.8566	0.8466
Australian dollar	1.7581	1.6772	1.7514	1.6399
South African rand	19.4439	19.6188	20.1762	19.8317
Thai baht	37.2180	35.6760	37.1050	38.1790
Chinese renminbi	8.2262	7.5833	8.1149	7.7863
Czech crown	24.2370	25.1850	24.6920	25.1190
Malaysian ringgit	4.7682	4.6454	4.8324	4.9506

Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, checks received, and bank balances and have a maximum term of three months at the time of acquisition or investment. Cash and cash equivalents are measured at amortized cost.

Climate Change Agreement

H&R Chemisch-Pharmazeutische Spezialitäten GmbH, a subsidiary of H&R KGaA concluded a climate protection agreement with the Federal republic of Germany in 2024, which promotes investment in a process furnace with electrical energy for CO₂

reduction at the Salzbergen site. This CO₂ difference contract is recognized as a derivative at fair value through profit and loss. At initial recognition H&R KGaA records deferred income in the same amount as the derivative. In subsequent periods, this deferred income will increase or decrease in accordance with the change in fair value of the derivative recognized through profit or loss. Both, the change in the fair value of the derivative and the change in the deferred income in the same amount, are recognized in other operating income and thus net out to zero.

If the project is implemented, the deferred grant is recognized in profit or loss when the process furnace is put into operation in accordance with the amount of the grant utilized.

Financial Instruments

A financial instrument is a contract that gives rise to a financial asset at one company, while at the same time creating a financial liability or equity instrument at another. Financial assets comprise cash and cash equivalents, loans and receivables issued, equity and debentures acquired, and derivatives with positive fair values. Financial liabilities include liabilities to banks, trade payables, and derivatives with negative fair values as well as other financial liabilities.

In line with IFRS 9, H&R KGaA assigns financial instruments to the categories “measured at amortized cost”, “measured at fair value through other comprehensive income” and “measured at fair value through profit or loss”. H&R KGaA did not make use of the options available for designating a financial instrument as measured at fair value through profit and loss. Financial assets and financial liabilities are not offset, apart from the reimbursement right against BP (see Notes (10) and (22)), since no such offset agreements exist. In cases involving standard market purchases or sales, H&R KGaA selects the trading date as the date of addition/disposal for the purposes of the statement of financial position.

Financial Assets

Financial assets are measured at fair value less transaction costs upon their initial recognition. Subsequent measurement depends on the business model based on which the asset is held. At H&R KGaA, financial assets relate to the categories “at fair value through profit or loss”, “at fair value through other comprehensive income” or “at amortized cost”.

Financial assets are designated as belonging to these measurement categories upon initial recognition. Reclassifications are made to the extent that they are permissible and necessary.

Financial assets with a business model that aims to hold the assets until the contractual cash flows have been collected and which only trigger interest and principal repayments on specified dates are measured at amortized cost. This essentially includes all receivables and financial assets that are not held for sale.

If the business model for financial assets also provides for the sale of the asset over and above defined interest and principal repayments, H&R KGaA recognizes them at fair value through other comprehensive income. The changes in value recognized in other comprehensive income are reclassified to the income statement upon disposal of the financial assets.

Provided that equity instruments are not acquired to be held for trading, they can optionally be valued allocated to the category “measured at fair value through other comprehensive income”. Changes in value are recognized in other comprehensive income, but are not reclassified to the income statement at any time. H&R KGaA has exercised this option for an equity instrument to offset fluctuations in income resulting from changes in the fair value of this asset. At H&R KGaA, the group of financial assets measured at fair value through profit or loss includes financial assets held for trading composed mainly of derivative financial instruments and securities.

Impairment of financial assets in the categories “measured at amortized cost”, on the one hand, and “at fair value through other comprehensive income” with recycling of the changes in value recognized in other comprehensive income, on the other, are recognized in accordance with IFRS 9 using the expected credit loss model, which provides for three levels. For Level 1 financial assets, risk provisions are to be set up in the amount of the twelve-month expected credit loss. This will comprise the present value of the expected defaults calculated from the default events within the first twelve months. If a financial asset shows a significant increase in credit risk since the initial recognition date, the impairment is calculated as the present value of the lifetime expected loss and the asset is classed a Level 2 asset. Financial assets showing evidence that an impairment has already occurred are assigned to Level 3. Such evidence includes, among other things, the high probability of insolvency proceedings, significant financial difficulties of a debtor or the disappearance of an active market for financial assets. At Level 3, impairments are recognized in the amount of the expected credit losses over the entire term of the financial asset.

Simplified provisions apply to certain financial assets which H&R KGaA applies to trade receivables.

For these, blanket risk provisions are recorded in the amount of the losses expected over the residual term, which are determined on the basis of empirical values and are assigned to Level 2 of the impairment model upon initial recognition. In the event of an impaired credit rating or a default, the receivable in question is moved to Level 3. If a financial asset is overdue by more than 90 days, this objectively indicates an impairment of its credit rating.

The credit and default risk from financial assets lies in the danger that a contracting party will fail to pay; it therefore does not exceed the amount of the claims against the respective counterparty for the recognized carrying amounts. H&R KGaA regularly carries out assessments to identify substantial increases in credit risk. In general, these mainly take into account default probabilities and past-due intelligence.

Financial assets are derecognized when there is no longer any contractual right to receive a payment or if this right has been transferred to third parties, meaning that the relevant risks have passed to the buyer of this right. If receivables are subject to enforcement measures, they are not derecognized.

Financial Liabilities

When first reported, financial liabilities are always stated at their fair value and after deduction of transaction costs. In subsequent periods, they are measured at amortized cost using the effective-interest method. These mainly include liabilities to banks, trade payables, liabilities from supply chain financing arrangements and other liabilities.

Financial liabilities are derecognized when the contractual obligations are settled, reversed, or have expired.

Derivative Financial Instruments

Besides the climate Protection agreement derivative financial instruments are used in the form of currency forward contracts, currency swaps and interest rate swaps to reduce currency and interest rate risks. H&R also uses derivative financial instruments in the form of oil derivatives to hedge payment flows from future purchases and sales of oil products, which are conducted by H&R within the context of its business operations. Derivative financial instruments that meet the criteria of hedge accounting in accordance with IAS 39 are classified either as fair value hedge of an asset or liability (fair value hedge) or as an hedge of the exposure to variability in cash

flows with highly probable forecast transactions (cash flow hedge). Besides interest rate swaps, oil derivatives have been recognized as cash flow hedges in the current financial year. In the case of oil derivatives the underlying hedging transactions are designated as the expected highly likely spot purchases/sales and financial floating-to-fixed swaps.

Derivative financial instruments are carried on the statement of financial position at fair value on each reporting date and, depending on the market value, are shown as financial assets or liabilities. The fair value of the derivatives is calculated using standard market valuation methods, taking into account the market data available on the valuation date. With currency forward contracts, the valuation is carried out on a case-by-case basis at the pertinent forward exchange rate on the reporting date. The fair value of derivative financial instruments for interest rate hedging is determined by discounting future incoming and outgoing cash flows. Standard market interest rates which have been adjusted to reflect their own credit risk and which correspond to the respective time to maturity of the financial instruments are used for discounting. The fair values of the derivative financial instruments for hedging raw materials price risks are determined using the discounted cash flow method in consideration of actively traded forward exchange rates and using market-driven interest rates for discounting to the reporting date.

With the derivatives used to hedge raw materials price risks within the scope of cash flow hedges, changes to the effective part of the fair value are recognized through other comprehensive income. The ineffective part is immediately recognized in the income statement in profit or loss. The amounts accrued in other comprehensive income are transferred to the income statement and recognized expense or income in the period in which the hedged underlying transaction is recognized as profit or loss. For the hedging of raw materials price risks, this occurs in sales revenues/cost of materials.

If a hedging transaction expires, is sold or no longer fulfills the criteria for recognition as a hedging transaction, the cumulative amount recognized until then in other comprehensive income remains in equity and is only transferred to the income statement if the original hedged, future transaction occurs. If the future transaction is no longer expected to occur, the

profits/losses recognized in equity must immediately be collected in the income statement in profit or loss.

Inventories

According to IAS 2, inventories include those assets held for sale in the ordinary course of business (finished products and products for sale), assets in the process of production for sale (work in progress), or materials and supplies that are consumed in the production of inventory or in the rendering of services (raw, auxiliary and production materials).

Raw, auxiliary, and production materials are stated at the lower of acquisition or manufacturing cost and the net realizable value, as determined on the basis of the weighted-average-cost method, i. e., at the sales price that can be obtained in the normal course of business less the estimated manufacturing and marketing costs. Finished products and work in progress are measured at acquisition or manufacturing costs, provided that these are lower than the net realizable value. Manufacturing costs comprise the material and production costs directly allocable to the manufacturing process, directly allocable portions of the material and manufacturing overhead costs and production oriented general and administrative overhead costs. Raw, auxiliary and production materials are not depreciated if the end products can be sold at a profit.

By-products from the production process (joint production) are measured at their selling prices and the remaining manufacturing costs are allocated to the core products. Financing costs are not taken into account.

Property, Plant and Equipment

Property, plant and equipment is valued at cost less cumulative depreciation and impairment losses plus reversals of impairments.

Acquisition costs consist of the price of the acquisition, the ancillary acquisition costs, and subsequent acquisition costs less acquisition price reductions obtained. Borrowing costs that are directly attributable to the construction, acquisition or production of a qualifying asset are capitalized. Expenses for the ongoing repair and maintenance of property, plant and equipment are recognized through profit or loss. Expenses for renewal and maintenance are capitalized as subsequent manufacturing costs only if they result in a substantial extension of the useful life, a significant improvement, or a meaningful change in

the use of the respective property, plant or equipment.

Expenses related to scheduled downtime at large facilities are stated separately at the amount of the costs of the shutdown, as part of the facility in question, and are depreciated on a straight-line basis over the period until the next scheduled downtime. To the extent that depreciable fixed assets consist of essential identifiable components with individually different useful lives, such components are carried separately and depreciated over their respective useful lives. Investment subsidies are deferred and recognized as income over the average useful lives of the subsidized assets.

Depreciable fixed assets are subject to straight-line depreciation over their respective useful lives; residual amounts are taken into account. These economic lives are reviewed on each reporting date and adjusted, if necessary. Upon sale or retirement, the acquisition or manufacturing costs and the relevant accumulated depreciation of the facilities are derecognized; the resulting gains or losses are recognized through profit or loss. The useful lives used can be summarized as follows:

ASSETS

	Economic life
Buildings	10 to 36 years
Land use rights	45 to 50 years
Tank farms	25 years
Technical equipment and machinery	10 to 20 years
Other facilities	3 to 6 years
Operating and office equipment	3 to 13 years

Leasing Costs

A lease is an agreement whereby the lessor, in return for a payment or series of payments, conveys to the lessee the right to use an asset for a specific period of time. Accounting takes place in accordance with IFRS 16, which requires the recognition of a right to use the leased assets, and a liability for the payment obligations entered into, for each lease in the statement of financial position.

The lease liability is essentially based on the contractually agreed fixed payments, which are discounted at the interest rate on which the lease is based, insofar as it can be determined. Alternatively, discounting is based on the incremental borrowing rate. Lease liabilities measured at amortized cost are reported under other financial liabilities. The right-of-use assets are recognized at cost, which mainly comprises the lease liabilities and any lease payments made before the leased asset was made available. Subsequent measurement is then at amortized cost, with the right-of-use assets being amortized on a straight-line basis over the term of the lease.

H&R KGaA makes use of the simplified application for short-term leases and leases of low value assets and recognizes the payments as an expense in the income statement. This does not include lease agreements relating to tank capacities, which are recognized in accordance with IFRS 16 even with a term of up to one year. In cases involving contracts that include non-lease components in addition to lease components, the option of not separating them, and instead accounting for both components as one lease component, is applied.

Some leases include renewal and termination options that give H&R KGaA greater operational flexibility. When determining the term of the contract, all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option, are taken into account. Changes in the term due to such options being exercised or not are only taken into account if they are sufficiently probable.

Goodwill

The first time it is reported, the goodwill resulting from business combinations is stated at acquisition cost, which is measured as the surplus of the value of the consideration transferred over the value of the identifiable assets acquired and liabilities assumed. After the initial recognition, goodwill is measured at acquisition cost less accumulated impairment losses.

Goodwill is not subject to amortization, but, rather, is subjected to an impairment test every year. If any events or changed circumstances are identified that indicate a potential impairment loss, the impairment test is also carried out more frequently. In the event of the need to recognize a goodwill impairment loss, it is immediately recognized under depreciation and

amortization on the income statement. Reversal of an impairment loss for goodwill in later periods does not take place. Details on the annual impairment tests are provided in the section on impairments.

Other Intangible Assets

Other intangible assets are capitalized at cost. Insofar as they have determinable useful lives, they are subject to amortization on a straight-line basis over their respective useful lives. Impairment is recognized based on the principles set out in the section on impairment. The following useful lives were assumed in determining amortization:

ASSETS	
	Useful life
Software	3 to 5 years
Licenses	3 to 5 years
Concessions and patents	3 to 10 years
Customer relationships	15 years
(Production) technologies	10 years

H&R KGaA has received carbon emission rights free of charge in connection with the introduction of emissions trading in the European Union; they are valued at an acquisition cost of zero. Additional carbon emission rights acquired are stated at amortized cost.

Impairment

As of each reporting date, the carrying amounts of goodwill, other intangible assets, and property, plant and equipment are checked for any indications of impairment. In the case of goodwill, an impairment test is performed on an annual basis.

If an asset does not generate cash flows largely independently of other assets, the impairment test is performed at the level of the relevant cash-generating units. H&R KGaA essentially considers both strategic business units under standard management with comparable product portfolios and, occasionally, also individual, legally autonomous companies to be cash-generating units.

The impairment test is performed by comparing the carrying amount of the cash-generating unit or the relevant property, plant and equipment or intangible

assets with their recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and the value in use. The recoverable amount here is the value in use determined using the discounted cash flow method. If the carrying amount exceeds the recoverable amount, an impairment equal to the difference must be recognized through profit or loss.

The first step involves writing goodwill off in full. Any remaining impairment is, as a rule, allocated to the remaining non-current assets of the cash-generating unit in proportion to their carrying amounts.

In the event the reasons for impairment no longer apply, the appropriate reversals are effected to the extent that the amortized cost is not exceeded. The reasons for an impairment are reviewed on each reporting date. Goodwill is not subject to reversals of impairment.

The expected cash flows of the cash-generating units are derived from the H&R Group's current five-year plan. As in the previous year, the cash flow for subsequent periods was extrapolated using an expected growth rate of 1% p.a. Average costs of capital were used for the discounted cash flow; these weighted capital costs are calculated based on market values. Differences in the individual cash-generating units' cost of capital result in particular from various assumptions and estimates concerning country risk, credit risk, and price inflation in the country in which the cash-generating unit is headquartered.

The plan is based, in particular, on assumptions concerning the trend in sales revenue, the material usage ratio and investments already initiated as well as on empirical values and market expectations. Pursuant to IAS 36, investments to expand capacity for which no cash outflows have occurred to date are not included.

Research and Development Costs

Research expenses are recognized as expenses in the period in which they are incurred. Development expenses are capitalized only if the requirements of IAS 38 have been satisfied. According to this standard, capitalization is always required when there is reasonable certainty that the development activity will lead to future cash flows that will also cover the relevant development costs. As internal developments are subject to various uncertainties, the

conditions for capitalizing costs incurred in bringing a product to market generally are not met.

Other Receivables and Payables

Accruals and deferrals and other non-financial assets and liabilities are initially recognized at cost. Reversal takes place on a straight-line basis or using the percentage of completion method. In contrast, the recognition of deferred income from the Climate protection agreement follows the change in fair value of the corresponding derivative.

Grants Received

Government grants are recognized at fair value if there is reasonable assurance that the grant will be received and that the Group complies with all attached conditions. Government grants recognized under the income approach are subtracted from the related expenses. In financial year 2025 this related in particular to the effects of electricity price compensation to relieve the burden on energy-intensive industry.

Government grants for assets are shown on the statement of financial position as deferrals in the other liabilities section and are reversed and recognized in profit or loss over the average useful life of the subsidized assets. Private subsidies are recognized as other liabilities under both current and non-current liabilities and are reversed over their expected useful lives. For information regarding accounting of grants from the Climate protection agreement please refer to a separate section in this chapter.

Contract Liabilities

Contract liabilities are commitments of H&R KGaA to transfer goods and services, for which H&R KGaA has already received a consideration, to a customer. At H&R KGaA, contract liabilities comprise advance payments received on customer contracts.

Pensions and Similar Obligations

Company pensions of H&R KGaA are designed based on the legal, tax, and economic circumstances in the respective countries and include both defined-contribution and defined-benefit plans. Under defined-contribution plans, the Group makes contributions to public or private pension insurance plans based on a statutory or contractual obligation, or even voluntarily. The Group has no further payment liabilities beyond payment of the contributions. Contributions are recognized under personnel expenses when due.

The present value of the pension commitments under defined-benefit pension plans (defined-benefit obligations, DBOs) and of the associated past service expense is calculated using the projected unit credit method. Under this method, the valuation is based on actuarial calculations for which specific assumptions must be made concerning salary and pension payment trends, turnover rates, death and interest rates. Due to changing conditions, the actual future expenses and liabilities can differ significantly from the estimates in the actuarial reports.

Under defined-benefit pension plan accounting rules, interest expense is recognized under net interest income on the income statement. Past service expenses are recorded as personnel expenses. Effects from the remeasurement of defined-benefit pension plans are recognized directly in equity and on the statement of comprehensive income, where deferred taxes are taken into account. The fair value of the plan assets is deducted from the present value of the pension commitments recorded on the statement of financial position. The plan assets consist of a reinsurance policy for the pension commitment to a former member of the Executive Board that is measured at fair value. If the plan assets exceed the corresponding pension commitment, the excess amount is shown under other receivables, subject to the upper limit stipulated in IAS 19.

Other Provisions

Other provisions are established in accordance with IAS 37 if, on the basis of a past event, a current, legal or factual obligation exists, settlement is likely to result in an outflow of resources with economic benefits, or a reliable estimate of the amount of the liability is possible. The amount set up as a provision represents the best estimate of the amount required to settle the current obligation as of the reporting date. In the event of a significant interest rate effect, the present value of the expected expenses is used.

The anniversary provisions are valued according to the projected unit credit method pursuant to IAS 19. Provisions for impending losses resulting from unfavorable contracts are set up when the expected economic benefit resulting from the contract is lower than the costs that are unavoidable in order to satisfy the contractual obligations.

The annual obligations to return emission rights based on the actual carbon emissions of the

production site are at first covered by the emission certificates received free of charge and are valued at their acquisition cost, which is equal to zero. In the event that the emissions rights assigned free of charge should not suffice, provisions for the additional emissions rights that will have to be acquired will be set up at (expected) acquisition cost.

Recognition of Revenue

The proceeds from products sold and services rendered as part of the company's usual business activities are recognized as sales revenues. Other operating earnings are shown as other operating income.

Sales revenue is realized when control over distinct goods or services passes to the customer and the customer is able to direct the use of the transferred goods or services and obtain the remaining benefit from the goods or services. The preconditions are that a contract with enforceable rights and duties exists and that receipt of a consideration is probable. Sales revenues are equal to the transaction price. If a contract contains several definable goods and services, the actual transaction price is split on the basis of the relative stand-alone selling price and the performance obligation. Contracts containing a significant financing component are not used by H&R KGaA. Contracts with a variable consideration are of minor importance for H&R KGaA and have no significant impact on transaction prices. In general, contracts are payable once the customer has power of disposition on them; this usually means that contracts are payable within 30 days. Revenues from the sales of products are recognized at a specific point in time, while those from provided services are recognized over time. Frequently, they are current payables, so that the transaction price allocated to these performance obligations is not being disclosed. Due to the nature of these payables, revenue recognition leaves very little room for discretionary decisions or estimation uncertainties.

Income Taxes

Income taxes comprise both the taxes levied in the individual countries on taxable profits and changes in deferred taxes that have an effect on profit or loss. The current tax expense is based on the taxable income for the year determined in accordance with the tax regulations of the respective country, taking into account the applicable tax rate in that jurisdiction. Pursuant to IAS 12, deferred taxes reflect temporary differences between assets and liabilities reported in

the consolidated financial statements under accounting rules and the amounts reported under tax rules governing the determination of taxable income. Current and deferred taxes are essentially recognized in profit or loss, unless they are related to circumstances recognized in other comprehensive income or directly in equity. In that case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity.

H&R KGaA falls within the scope of the OECD Pillar Two Model Rules for the national implementation of the global minimum taxation level (pillar two). It was transposed into German law through the introduction of the Minimum Taxation Act in December 2023, which applies to all financial years beginning after December 31, 2023. In November 2025 the minimum tax law was revised and adapted to the OECD administrative guidelines available at that time. The regulations regarding the global minimum taxation level (Pillar Two) fall within the scope of IAS 12. The Group is applying the temporary mandatory exception for the effects had on deferred taxes by a top-up tax. The possible effects of a top-up tax are recognized as current taxes at the time of occurrence.

Deferred tax assets pertaining to deductible temporary differences and loss carryforwards are recognized to the extent it is probable that either sufficient taxable profit or deferred tax liabilities will be available. The amount of deferred tax assets recognized for loss carryforwards is determined on the basis of future taxable income over a five-year forecast period. In Germany, the unlimited carryforward option for domestic losses is limited by the minimum taxation level. For foreign loss carryforwards, there are often country-specific time limitations on the carryforward option and restrictions on the use of profits from operating activities.

Deferred tax liabilities arising from temporary differences relating to holdings in subsidiaries and joint ventures are recognized unless the date of the reversal of the temporary differences can be determined by the Group and it is probable that the temporary differences will not be reversed within a foreseeable period of time due to this influence.

When determining the deferred taxes, the expected tax rates in the respective countries at the time of the

expected realization are assumed as far as these have been adopted until the reporting date.

Actual and deferred tax receivables and payables are netted if the tax receivables and payables refer to income taxes levied by the same tax authority for either the same taxpayer or for different taxpayers intending to effect settlement on a net basis.

Contingent Liabilities and Contingent Assets

Contingent liabilities are potential obligations toward third parties or current commitments in which a cash outflow is unlikely and/or its amount cannot be determined in a reliable manner. Contingent assets normally arise from unplanned or unexpected developments from which the possibility of an inflow of economic benefits is probable. As a rule, contingent liabilities and contingent assets are not recognized in the statement of financial position. The liability amounts stated in the notes under contingent liabilities match the scope of liability in effect on the reporting date.

(4) Discretionary Decisions and Estimates

In preparing the consolidated financial statements, a certain amount of assumptions and estimates must be made that will affect the amount and presentation of the assets and liabilities, income and expenses, and contingent liabilities recognized in the reporting period. Estimates are based on empirical values and other assumptions that are deemed to be appropriate given the circumstances, and are based on the best information that is currently available. In addition, the trends in the economic environment in the industries and regions in which the Group does business, which are currently assumed to be realistic, were also taken into account in regard to expected future business developments.

H&R KGaA operates in a complex geopolitical environment which is subject to a significant amount of macroeconomic uncertainty. In addition to the war between Russia and Ukraine, the Gaza conflict should also be mentioned leading to an increased level of uncertainty in our forecasts and discretionary decisions. As a result, actual results may differ from estimates and discretionary decisions; this could have a material impact on the net assets, financial position and results of operations of H&R KGaA.

The following significant matters are affected by such estimates and discretionary decisions.

Impairment Tests/Impairment

Testing intangible assets and property, plant and equipment for impairment, and identifying signs of an impairment, requires estimates in order to define the cash generating unit as the basis for the impairment testing, and to determine the recoverable amount of a cash-generating unit. In particular, assumptions must be made with regard to future net cash inflows, the underlying interest rates and the expected useful lives and residual amounts.

For sensitivity analyses, a possible fluctuation range of 10% is assumed. Additional information can be found in Note (13).

Where financial investments valued at equity provide objective indications of an impairment or reversal of impairment loss, estimates and evaluations must be made in order to determine the recoverable amount. In this context, assumptions about future business trends must be made in order to derive the expected future cash flows of these financial investments.

Pensions and Other Provisions

The calculation of pension provisions and similar commitments and the related pension expenses is based on actuarial models. These models are based on various actuarial assumptions, such as the discount rate, the underlying mortality tables, turnover, etc. Sensitivities are used to determine the possible financial impacts of deviations in the key factors. Details on sensitivity analyses and the bases for estimates in the area of pension provisions can be found in Note (22).

In the case of other provisions, estimates relating to future expenses are necessary in addition to the discount rate. This also applies to the possibility of a cash outflow due to dismantling obligations, which is described in greater detail in Note (43).

Property, Plant and Equipment/Leases

In accounting for property, plant and equipment, discretionary decisions and estimates, which are based on estimates by management, are required in determining economic lives uniformly throughout the Group. The accounting of leases requires discretionary decisions with regard to the determination of interest rates and the lease term. To determine the

incremental borrowing rate, reference interest rates are derived from risk-free interest rates with appropriate maturities, increased by credit risk premiums and adjusted by a liquidity and country risk premium. Additional information can be found in Note (12) and (41).

Liabilities with supply chain financing activities

When assessing supply chain financing arrangements, H&R KGaA classifies these liabilities as operating liabilities, which are used as part of the working capital in the Group's main revenue-generating activities. The cash outflow from settling these liabilities is allocated to operating cashflow. Details on this topic can be found in section (17).

Climate protection agreement

The accounting treatment of the climate protection agreement as a derivative is based in particular on the estimation of developments in the underlying parameters of electricity prices, gas prices and CO₂ prices up to 2042. Due to limited availability of these price developments on the energy exchanges for such a long period, H&R KGaA relies on an external market study and carries out the valuation of the derivative on the basis of simulation scenarios. The different payment flows determined in this way are then discounted. The volatility of the results can be derived from the sensitivity analyses, in which a fluctuation range of 10% of the relevant parameters is assumed. Details on this topic can be found in section (40.5).

Income Taxes

In order to calculate deferred tax assets, future taxable income and the dates on which the deferred tax assets can be realized must be estimated. This is based on the planned income from the respective units. Additional information can be found in section (36).

Inventories

In valuing inventories, discretionary decisions and estimates must be made, in particular when determining overhead surcharges.

Effects of climate-related matters

Climate change may give rise to estimation uncertainties and risks with potential effects on the net assets, financial position and results of operations of H&R KGaA. The management of H&R KGaA takes such possible estimation uncertainties and risks into account when preparing the consolidated financial

statements and corporate planning. Climate change could have a significant impact on energy costs and the assessment of the useful lives of assets. This is taken into account in impairment testing, among other areas. In the current reporting year, climate-related matters did not have any material consequences on the net assets, financial position and results of operations of H&R KGaA.

Risks related to the impacts of armed conflicts

The material impacts of armed conflicts can be that the raw materials needed are no longer available or are available only on the basis of significantly less favorable conditions. In spite of the ongoing war in Ukraine, the serious flare-up of the Gaza conflict and the current situation in Syria, H&R KGaA succeeded in guaranteeing raw materials procurement in 2025.

Armed conflicts could also have impacts on global trade routes and flows of goods. In particular the situation in the Persian Gulf and therefore access to the Suez Canal could be exacerbated due to political and

military tensions and lead to disruptions in trade between Europe and Asia.

(5) Correction of errors in accordance with IAS 8

During the consolidated financial statement audit, errors were identified in the valuation of individual pension provisions. In individual assessment for the valuation as of December 31, 2023 and December 31, 2024, instead of the specified rental trend of 2.5% for the valuation as of December 31, 2023 and of December 31, 2024, only a rental trend of 1.0% was taken into account.

The revaluation of these provisions resulted in material changes, which are shown in the following tables.

Adjusted presentation in the consolidated financial statements:

01/01/2024	as previously reported	IAS 8 adjustments	As restated
<small>IN € thousand</small>			
Assets			
Other long term financial assets	10,045	215	10,260
Deferred tax assets	3,466	2,368	5,834
Remaining assets	889,727	–	889,727
Total assets	903,238	2,583	905,821
Liabilities			
Pensions	56,085	7,549	63,634
Remaining liabilities	389,536	–	389,536
Other reserves	278,819	-4,966	273,853
remaining equity	178,798	–	178,798
Total liabilities	903,238	2,583	905,821

The following tables summarize the impacts on the Group's consolidated statement of financial position, the consolidated income statement and the

consolidated statement of comprehensive income of H&R GmbH & Co. KGaA:

2024/13/12			
	as previously reported	IAS 8 adjustments	As restated
IN € thousand			
Assets			
Other long term financial assets	80,769	346	81,115
Deferred tax assets	3,098	2,473	5,571
Remaining assets	930,981	–	930,981
Total assets	1,014,848	2,819	1,017,667
Liabilities			
Pensions	57,584	8,007	65,591
Remaining liabilities	488,679	–	488,679
Other reserves	283,773	-5,188	278,585
remaining equity	184,812	–	184,812
Total liabilities	1,014,848	2,819	1,017,667

2024			
	as previously reported	IAS 8 adjustments	As restated
IN € thousand			
Consolidated Income Statement			
Personnel expenses	-106,413	-40	-106,453
Financing expenses	-11,907	-312	-12,219
Income taxes	-7,808	114	-7,694
Remaining income and expenses	139,012	–	139,012
Consolidated income	12,884	-238	12,646
of which attributable to non-controlling interests	2,261	–	2,261
of which attributable to shareholders of H&R GmbH & Co. KGaA	10,623	-238	10,385
Earnings per share (undiluted), €	0.29	-0.01	0.28
Earnings per share (diluted), €	0.29	-0.01	0.28

2024	as previ- ously reported	IAS 8 adjust- ments	As restated
IN € thousand			
Other comprehensive income			
Consolidated income	12,884	-238	12,646
of which attributable to non-controlling interests	2,261	–	2,261
of which attributable to shareholders of H&R GmbH & Co. KGaA	10,623	-238	10,385
Remeasurement of defined-benefit pension plans	-2,437	25	-2,412
Deferred taxes	490	-9	481
Other reserves	-1,947	16	-1,931
Total remeasurement of defined-benefit pension plans	10,368	–	10,368
Other comprehensive income	8,421	16	8,437
of which attributable to non-controlling interests	1,478	–	1,478
of which attributable to shareholders of H&R GmbH & Co. KGaA	6,943	16	6,959
Total comprehensive income	21,305	-222	21,083
of which attributable to non-controlling interests	3,739	–	3,739
of which attributable to shareholders of H&R GmbH & Co. KGaA	17,566	-222	17,344

There is no impact on the Group's operating, investing or financing cash flow for the year end 31 December 2024.

(6) Scope of Consolidation and Holdings

The consolidated financial statements of H&R KGaA include all material domestic and foreign subsidiaries that H&R KGaA controls according to the criteria stipulated in IFRS 10 and for which H&R KGaA controls existing rights that give it the ability to direct the relevant activities of these companies.

The additions in financial year 2025 related to two newly formed companies in Ho Chi Minh City, Vietnam: H&R Group Vietnam Holding Co. Ltd and H&R Group Vietnam Sales Co. Ltd.

The table below shows the changes to H&R KGaA's consolidated group during the financial year:

CHANGE IN THE NUMBER OF CONSOLIDATED COMPANIES

H&R KGaA and consolidated companies	Germany	Abroad	Total
1/1/2024	23	24	47
Additions	–	–	–
Disposals	–	–	–
12/31/2024	23	24	47
Additions	–	2	2
Disposals	–	–	–
12/31/2025	23	26	49

CHANGE TO THE NUMBER OF JOINT VENTURES

	Germany	Abroad	Total
1/1/2024	4	–	4
Additions	–	–	–
Disposals	–	–	–
12/31/2024	4	–	4
Additions	–	–	–
Disposals	–	–	–
12/31/2025	4	–	4

H&R KGaA holds shares in some companies via trust companies. These indirect shares are also fully consolidated whenever H&R GmbH & Co. KGaA exercises control. The holdings are shown in the list of shareholdings.

The following table provides an overview of the companies included in the consolidated financial statements of H&R KGaA. The holdings are unchanged compared to the previous year.

FULLY CONSOLIDATED SUBSIDIARIES

Company name	Company headquarters	Seg- ment	Interest held by H&R GmbH & Co. KGaA in %
H&R Chemisch-Pharmazeutische Spezialitäten GmbH	Salzbergen, Germany	a	100
H&R Lube Blending GmbH	Salzbergen, Germany	a	100
H&R ChemPharm GmbH	Salzbergen, Germany	a	100
H&R Lube Trading GmbH	Salzbergen, Germany	a	100
H&R International GmbH	Hamburg, Germany	b	100
H&R Ölwerke Schindler GmbH	Hamburg, Germany	a	100
H&R OWS Chemie GmbH & Co. KG	Hamburg, Germany	a	100
H&R OWS Beteiligungsgesellschaft mbH	Hamburg, Germany	a	100
H&R InfoTech GmbH	Hamburg, Germany	d	100
HRI IT-Consulting GmbH	Münster, Germany	d	100
H&R Benelux B.V.	Nuth, Netherlands	b	100
H&R ChemPharm (UK) Ltd.	Tipton, UK	b	100
H&R ANZ Pty Ltd.	Victoria, Australia	b	100
H&R Singapore Pte. Ltd.	Singapore, Singapore	b	100
H&R Global Special Products Co. Ltd	Bangkok, Thailand	b	100 ¹⁾
H&R Malaysia Sdn. Bhd.	Port Klang, Malaysia	b	100 ¹⁾
H&R ChemPharm (Thailand) Limited	Bangkok, Thailand	b	100
H&R Wax Malaysia Sdn. Bhd.	Batu Caves, Malaysia	b	100
H&R Japan K.K.	Tokyo, Japan	b	100
H&R ChemPharm Asia Sdn. Bhd.	Lumut, Malaysia	b	100
H&R Group Vietnam Company Limited	Ho Chi Minh City, Vietnam	b	100
H&R Group Vietnam Sales Co. Ltd.	Ho-Chi-Minh-Stadt, Vietnam	b	100
H&R Group Vietnam Company Limited	Ho-Chi-Minh-Stadt, Vietnam	b	100
PT HUR Sales Indonesia	Jakarta, Indonesia	b	100
H&R India Sales Private Limited	Mumbai, India	b	100
Dunrose Investments 148 (Proprietary) Limited	Sandton, South Africa	b	100
H&R Africa Holdings (Pty) Limited	Durban, South Africa	b	100
H&R South Africa (Pty) Limited	Durban, South Africa	b	100
H&R South Africa GmbH	Hamburg, Germany	b	100
H&R Africa Proprietary Limited	Durban, South Africa	b	100
H&R West Africa Ltd.	Lagos, Nigeria	b	100
H&R China Holding GmbH	Hamburg, Germany	b	51
H&R China (Hong Kong) Co., Ltd.	Hong Kong	b	51
H&R China (Ningbo) Co., Ltd.	Ningbo, China	b	51
H&R China (Fushun) Co., Ltd.	Fushun, China	b	51
H&R China (Daxie) Co., Ltd.	Daxie, China	b	51
H&R Grundstücksverwaltungs GmbH	Salzbergen, Germany	a	98.68
H&R Grundstücksverwaltungs-Beteiligungsgesellschaft mbH	Salzbergen, Germany	a	74.04

FULLY CONSOLIDATED SUBSIDIARIES

Company name	Company headquarters	Segment	Interest held by H&R GmbH & Co. KGaA in %
GAUDLITZ GmbH	Coburg, Germany	c	100
GAUDLITZ Precision Technology (Wuxi) Co. Ltd.	Wuxi, China	c	100
GAUDLITZ Precision s.r.o.	Dačice, Czech Republic	c	100
GAUDLITZ Grundstücksverwaltungsgesellschaft mbH	Coburg, Germany	c	100
GAUDLITZ Management GmbH	Coburg, Germany	c	100
GAUDLITZ Verwaltungs GmbH	Coburg, Germany	c	100
GAUDLITZ Plastics Technologies GmbH & Co. KG	Coburg, Germany	c	100
H&R Group Finance GmbH	Hamburg, Germany	d	100
SYTHENGRUND Wasagchemie Grundstücksverwertungsges. Haltern mbH	Haltern, Germany	d	100
B.-H. Beteiligungs- und Handelsges. mbH	Salzbergen, Germany	d	100

OTHER INTERESTS

Company name	Company headquarters	Segment	Interest held by H&R GmbH & Co. KGaA in %	Income after tax in € thousand	Equity in € thousand
Joint ventures					
Westfalen Chemie GmbH & Co. KG	Salzbergen, Germany	a	50	0	826
Westfalen Chemie Verwaltungsgesellschaft mbH	Salzbergen, Germany	a	50	2	77
P2X-Europe GmbH & Co. KG	Hamburg, Germany	d	50	-1,346	1,972
P2X-Europe Management GmbH	Hamburg, Germany	d	50	— ²⁾	— ²⁾
Other interests					
SRS EcoTherm GmbH	Salzbergen, Germany	a	10	3,037	21,284

Segment: a) ChemPharm Refining b) ChemPharm Sales c) Plastics d) Other activities

1) Including holdings held in trust: The holdings in the following companies are only indirectly held via trust companies: H&R KGaA holds 49% of the shares in H&R Global Special Products Co. Ltd., Bangkok, Thailand, via subsidiaries; 51% of the shares are managed for the Group by trust companies. H&R Global Special Products Co. Ltd. in turn holds 61.02% in H&R ChemPharm (Thailand) Limited, Bangkok, Thailand. A further 38.976% are held by a subsidiary whose shares are wholly owned by H&R KGaA. The remaining 0.004% are managed on behalf of the Group by trustees. The Group directly holds 30% of the shares in H&R Malaysia Sdn. Bhd., Port Klang, Malaysia. The remaining 70% are held on behalf of the Group by trustees.

2) No financial statements are available for these companies

Notes to the Consolidated Statement of Financial Position

(7) Cash and Cash Equivalents

IN € THOUSAND	12/31/2025	12/31/2024
Cash in hand	16	18
Bank balances	70,948	62,513
Total	70,964	62,531

(8) Trade Receivables

IN € THOUSAND	12/31/2025	12/31/2024
Trade receivables (gross)	122,246	137,387
Impairment	-3,107	-2,388
Total	119,139	134,999

No trade receivables were pledged as credit guarantees (previous year: €0 thousand). Receivables from related parties are listed under Note (45).

As of December 31, 2025, some trade receivables existed were written of and are still subject to enforcement activities. The contractual amount of these trade receivables was € 1,765 thousand (previous year: € 1,765 thousand).

In the Group, risk provisions for trade receivables based on impairments can be summarized as follows:

CHANGES IN IMPAIRMENTS OF TRADE RECEIVABLES

IN € THOUSAND	2025	2024
As of 1/1	2,388	1,892
Additions	881	679
Utilization	-6	-
Reversals	-158	-215
Currency translation differences	2	32
As of 12/31	3,107	2,388

(9) Inventories

IN € THOUSAND	12/31/2025	12/31/2024
Raw, auxiliary and production materials	63,272	76,143
Work in progress	16,868	25,332
Finished products and products for sale	92,283	109,387
Advance payments on inventories	3,131	4,329
Total	175,554	215,191

Individual downward valuation adjustments were taken in all cases where the proceeds that could foreseeably be realized from selling the inventories were lower than their carrying amount (lower of cost or market principle). The foreseeable sales proceeds less any costs still incurred up to the time of sale were recognized as the net realizable value.

The carrying amount of inventories recognized at the lower net realizable value amounted to €7,936 thousand in the reporting year (previous year: €4,520 thousand).

Impairment of net realizable values in the amount of €1,064 thousand (previous year: €424 thousand) was recognized as an expense in the reporting period in accordance with IAS 2.34. This affected the Chem-Pharm Refining and Plastics segments.

For more information on expenditures relating to inventories, please consult Note (31).

(10) Other Financial Assets

IN € THOUSAND	12/31/2025		12/31/2024*	
	Total	of which non-current	Total	of which non-current
Derivatives	64,790	62,879	73,799	71,023
Bills receivable	14,048	–	9,905	–
Receivables from granted subsidies	4,763	4,763	4,763	4,763
Other interests	2,898	2,898	2,979	2,979
Receivables due from BP	1,337	1,337	1,807	1,807
Other financial assets	2,085	592	2,019	543
Total	89,921	72,469	95,272	81,115

*previous year amounts restated, refer to Note (5)

In addition to commodity hedging and currency forward contracts, the derivatives relate in particular to the Climate protection agreement. Further information on this can be found in notes (3), (4), (40.2) and (40.5). Bills receivable refer to receivable claims in China secured by bills of exchange. The subsidies relate to support provided for investment projects at the production sites.

Other interests are the shares in SRS EcoTherm GmbH, Salzbergen. The increase in the holdings' carrying amount was due to an improved forecast regarding future cash flows.

During the course of the takeover of the BP special business in 2004, mutual release agreements were made in regard to those retirees who were allocated either economically or contractually to one of the contractual partners, but who, for purposes of employment law, remained with the other partner. According to the overall contractual arrangements with BP, which included all release claims and liabilities, and taking into account the contractual parties' goal of achieving a total setoff of all payables and receivables, the liabilities and claims based on the same legal grounds because of the economic and legal substance of the business transaction were combined and shown as a single balance.

The claims to compensation were as shown in the following table:

IN € THOUSAND	2025	2024*
As of 1/1	9,466	9,448
Interest income	341	350
Reassessment of compensation claims	-934	365
Claims paid	-678	-697
As of 12/31	8,195	9,466

*previous year amounts restated, refer to Note (5)

Liabilities developed as follows:

IN € THOUSAND	2025	2024*
As of 1/1	7,659	7836
Interest expense	265	279
Reassessment of liabilities	-463	170
Claims paid	-603	-626
As of 12/31	6,858	7,659

*previous year amounts restated, refer to Note (5)

The net receivable can be broken down as follows:

IN € THOUSAND	12/31/2025	12/31/2024*
Compensation claims	8,195	9,466
Liability	6,858	7,659
Net receivable	1,337	1,807

*previous year amounts restated, refer to Note (5)

Additional information can be found in Note (22).

Other financial assets mainly include loans and receivables as well as marketable securities and assets

pledged as collateral for loan agreements and guarantees. Further information can be found in Note (15).

(11) Other Assets

IN € THOUSAND	12/31/2025		12/31/2024	
	Total	of which non-current	Total	of which non-current
Other tax receivables	6,652	–	11,198	–
Accruals and deferrals	4,541	295	3,645	400
Reinsurance policies	1,041	1,041	1,261	1,261
Other assets	1,892	352	3,657	444
Total	14,126	1,688	19,761	2,105

Other tax receivables mainly refer to VAT receivables. The current accruals and deferrals comprise prepaid amounts for which the pertinent expense is to be allocated to the following year. This item

mainly includes insurance premiums paid, advance rent payments and accrued IT maintenance fees.

(12) Property, Plant and Equipment

CHANGES IN 2025

IN € THOUSAND	Land and buildings	Technical equipment/machinery	Other facilities/operating and office equipment	Advance payments and construction in progress	Total
Acquisition and production costs					
As of 12/31/2024	180,715	726,897	54,637	54,341	1,016,590
Additions	6,675	20,949	2,661	36,088	66,373
Disposals	-12,698	-11,756	-1,207	-589	-26,250
Currency translation	-3,522	-3,453	-540	-131	-7,646
Reclassifications	973	13,401	1,355	-15,829	-100
As of 12/31/2025	172,143	746,038	56,906	73,880	1,048,967
Accumulated depreciation					
As of 12/31/2024	77,853	448,816	40,745	3,965	571,379
Depreciation	7,796	42,708	4,866	–	55,370
Impairment	6,584	24,111	163	10,376	41,234
Reversal	–	-282	–	–	-282
Disposals	-11,672	-10,582	-1,090	–	-23,344
Currency translation	-1,684	-2,796	-337	–	-4,817
Reclassifications	–	-4	4	–	–
As of 12/31/2025	78,877	501,971	44,351	14,341	639,540
Carrying amounts					
As of 12/31/2025	93,266	244,067	12,555	59,539	409,427
As of 12/31/2024	102,862	278,081	13,892	50,376	445,211

CHANGES IN 2024

IN € THOUSAND	Land and buildings	Technical equipment/ machinery	Other facilities/ operating and office equipment	Advance payments and construction in progress	Total
Acquisition and production costs					
As of 12/31/2023	172,184	695,091	49,722	51,549	968,546
Additions	4,526	27,190	4,136	24,883	60,735
Disposals	-1,147	-13,681	-1,496	-2,193	-18,517
Currency translation	2,467	2,850	418	423	6,158
Reclassifications	2,685	15,447	1,857	-20,321	-332
As of 12/31/2024	180,715	726,897	54,637	54,341	1,016,590
Accumulated depreciation					
As of 12/31/2023	70,339	413,266	37,220	3,145	523,970
Depreciation	7,511	44,437	4,747	–	56,695
Impairment	–	2,501	–	820	3,321
Disposals	-953	-13,382	-1,468	–	-15,803
Currency translation	956	1,994	246	–	3,196
As of 12/31/2024	77,853	448,816	40,745	3,965	571,379
Carrying amounts					
As of 12/31/2024	102,862	278,081	13,892	50,376	445,211
As of 12/31/2023	101,845	281,825	12,502	48,404	444,576

Land and buildings are essentially the Group companies' production sites and the technical equipment and machinery are production facilities. The capital expenditure relates primarily to the two production sites in Hamburg and Salzbergen, and includes additions from lease agreements as per IFRS 16. Right-of-use assets under leases are allocated to the categories according to the type of leased assets. Further information on leases can be found in Note (40).

The items advance payments and construction in progress include expenses incurred before the completion of the corresponding property, plant and equipment in the amount of €65,752 thousand (previous year: €43,965 thousand). Borrowing costs amounting to €1,206 thousand were capitalized in the 2025 financial year (previous year: €1,218), these were calculating using financing cost rates of between 3.7% and 4.3% (previous year: 4.5% and 5.7%).

Impairment tests carried out during the reporting period revealed an impairment loss of €39,857 thousand for the cash-generating unit H&R Ölwerke Schindler GmbH in the Refining segment due to lower earnings expectations. The recoverable amount of the cash-generating unit was €266,127 thousand and the interest rate (WACC) was 7.66%.

The extraordinary depreciation of €1,376 thousand (previous year: €820 thousand) related to a plant

under construction in Refining segment, where individual components cannot be used in the planned form in the future due to process changes and were therefore impaired in their entirety. The extraordinary depreciation of technical equipment in the previous year amounted to €1,604 thousand and related to Sales segment, where individual technical equipment was classified as no longer usable and was therefore fully impaired. A further €897 thousand related to the unscheduled replacement of individual defective components of a plant in the Refining segment.

These impairments are included in the income statement under the position "Depreciation, impairments and amortization of intangible assets and property, plant and equipment".

(13) Goodwill and Other Intangible Assets

The table below shows changes in intangible assets during financial year 2025:

IN € THOUSAND	Other intangible assets						Subtotal	Total
	Goodwill	Distribu- tion and similar rights	Software	Conce- ssions/ Product rights	Patents (pro- duction) techno- logy	Other rights		
Acquisition and production costs								
As of 12/31/2024	55,092	19,614	13,172	10,294	13,752	1,255	58,087	113,179
Currency translation	-622	-1,358	-46	-	-1,057	-	-2,461	-3,083
Additions	-	-	448	3,003	-	363	3,814	3,814
Disposals	-	-	-	-2,543	-	-8	-2,551	-2,551
Reclassifications	-	-	337	43	-	-280	100	100
As of 12/31/2025	54,470	18,256	13,911	10,797	12,695	1,330	56,989	111,459
Accumulative amortiza- tion								
As of 12/31/2024	38,072	15,885	11,343	4,156	13,752	-	45,136	83,208
Currency translation	-622	-1,079	-44	-	-1,057	-	-2,180	-2,802
Amortization	-	728	829	384	-	-	1,941	1,941
As of 12/31/2025	37,450	15,534	12,128	4,540	12,695	-	44,897	82,347
Carrying amounts								
As of 12/31/2025	17,020	2,722	1,783	6,257	-	1,330	12,092	29,112
As of 12/31/2024	17,020	3,729	1,829	6,138	-	1,255	12,951	29,971

CHANGES IN 2024

IN € THOUSAND	Other intangible assets						Subtotal	Total
	Goodwill	Distribu- tion and similar rights	Software	Conce- ssions/ Product rights	Patents (pro- duction) techno- logy	Other rights		
Acquisition and production costs								
As of 12/31/2024	54,820	18,971	12,218	11,059	13,291	1,337	56,876	111,696
Currency translation	272	643	19	–	461	–	1,123	1,395
Additions	–	–	231	2,687	–	312	3,230	3,230
Disposals	–	–	–	-3,474	–	–	-3,474	-3,474
Reclassifications	–	–	704	22	–	-394	332	332
As of 12/31/2025	55,092	19,614	13,172	10,294	13,752	1,255	58,087	113,179
Accumulative amortiza- tion								
As of 12/31/2024	37,800	14,616	10,546	3,773	12,408	–	41,343	79,143
Currency translation	272	511	18	1	453	–	983	1,255
Amortization	–	758	779	382	891	–	2,810	2,810
As of 12/31/2025	38,072	15,885	11,343	4,156	13,752	–	45,136	83,208
Carrying amounts								
As of 12/31/2025	17,020	3,729	1,829	6,138	–	1,255	12,951	29,971
As of 12/31/2024	17,020	4,355	1,672	7,286	883	1,337	15,533	32,553

Goodwill

The Executive Board has to make future-oriented valuation assumptions when testing the cash-generating units for impairment, taking both internal company experience and external economic data into account. Basically, these valuation assumptions, which are made in the face of uncertainty, may differ from values measured later, which can cause the recoverable amount to drop below the respective carrying

amount of the cash-generating unit, thereby triggering recognition of an impairment loss. The cash-generating units' recoverable amounts are equal to their values in use.

The following table provides an overview of the carrying amounts and the interest rates applied to impairment tests:

Reporting segment	Cash-generating unit (CGU)	Carrying amounts in € thousand		Discount rate after tax in %		Discount rate before tax in %	
		12/31/2025	12/31/2024	2025	2024	2025	2024
ChemPharm Refining	Salzbergen CGU	16,738	16,738	7.7	6.8	10.2	9.7
ChemPharm Sales	H&R ChemPharm (UK) CGU	282	282	8.9	7.6	11.8	10.1
Total		17,020	17,020				

The impairment tests carried out during the reporting period did not result in any goodwill impairments.

As part of sensitivity analysis for cash-generating units to which goodwill is allocated, the effects of a 10% reduction in future cash flows and a 10% increase in the weighted average cost of capital were analyzed. For the Salzbergen cash-generating unit, this analysis showed that if the cost of capital increased by 4.2% or future cash flows decreased by 4.5%, the recoverable amount would be equal to the carrying amount. The recoverable amount exceeded the carrying amount by €5.5 million. For the other cash-generating unit, the sensitivity analysis did not reveal any effects in previous year.

Other intangible assets

The other intangible assets mainly consist of customer relationships with a residual carrying amount of €2.7 million (previous year: €3.7 million) and licences with a residual carrying amount of €6.3 million (previous year: €6.1 million). The additions in financial year 2025 primarily refer to the acquisition of new software licenses. Impairments are recorded as "Depreciation, impairments and amortization of intangible assets and property, plant and equipment" in the income statement.

(14) Shares in Holdings Valued at Equity

Disclosures on holdings valued at equity consolidated into the H&R Group are based on the Group's uniform accounting and measurement principles. The financial year of the joint ventures is the calendar year, as is the case with H&R KGaA. The following table shows the aggregate financial information of these joint ventures that are classified as immaterial under IFRS 12:

IN € THOUSAND	12/31/2025	12/31/2024
Assets		
Non-current assets	935	1,354
Current assets	3,566	4,262
Liabilities		
Non-current liabilities	114	–
Current liabilities	1,435	2,171
Cumulative equity	2,952	3,445
Income	3,807	3,840
Expenses	-5,342	-4,504
Earnings after income taxes	-1,535	-664
Other comprehensive income	–	–
Total comprehensive income	-1,535	-664

The following table shows the changes in the carrying amounts of holdings valued at equity:

IN € THOUSAND	2025	2024
Carrying amounts as of 1/1	3,120	3,550
Proportionate share in income	-623	-244
Distribution	–	-186
Carrying amounts as of 12/31	2,497	3,120

(15) Liabilities to Banks

Liabilities to banks include the following items:

IN € THOUSAND	Carrying amount as of 12/31/2025	Residual term up to one year	Residual term 2027 to 2030	as of 2031
Loans under KfW programs	33,421	14,185	14,564	4,672
Syndicated loan	64,504	64,911	-407	–
Other loans	44,689	44,475	214	–
Total	142,614	123,571	14,371	4,672
of which secured	7,145	6,930	214	–

IN € THOUSAND	Carrying amount as of 12/31/2024	Residual term up to one year	Residual term 2026 to 2029	as of 2030
Loans under KfW programs	49,362	15,940	25,635	7,787
Syndicated loan	54,438	55,148	-710	–
Other loans	48,007	17,533	30,474	–
Total	151,807	88,621	55,399	7,787
of which secured	10,710	235	10,475	–

Loans Under KfW Programs. The KfW funds arranged by various banks were, or will be, used for capital expenditures that qualify for subsidies under various KfW programs. The KfW funds were provided in the form of fixed-interest loans with interest rates of between 1.5% and 3.6%. The lenders may terminate the loans depending on covenants (net gearing and the equity ratio) or in the event of a change in control. The KfW Entrepreneur Loans taken up in January 2021 are subject to the conditions of the special coronavirus program.

Syndicated Loan. A syndicated loan was agreed on December 8, 2022, with an initial maximum volume of €230 million, an option of an additional €40 million secures the Group's financing in the event of, for example, of an increase in working capital requirements triggered by rising oil prices until December 8, 2029. It is utilized by H&R KGaA and by Group companies via branch lines.

The availability and conditions are linked to certain ratios (financial covenants). In the event of a breach of covenant, the syndicate banks are entitled to terminate the syndicated loan. The syndicated loan is subject to a variable interest rate (EURIBOR + margin). The margin percentage is dependent on net gearing (net debt/EBITDA) and, to a lesser degree, on the ESG rating. Adjustments in the event of net

gearing always take place after the filing of the quarterly statements and/or annual reports or, if the ESG rating has changed, after the filing of the annual ESG rating report.

Other Loans. Other loans mainly include a loan taken up by H&R KGaA in December 2021 and extended in December 2023 with final maturity in December 2026, as well as subsidiaries' variable-rate working capital loans, including drawdowns under branch lines of the syndicated loan secured by guarantees.

Financial Covenants. Financial covenants such as net gearing and the equity ratio have been agreed for the syndicated loans and for bilateral loans of H&R KGaA. The carrying amount of the related liabilities amounts to €128.7 million (previous year: €142.4 million). The financial covenants were fully met both at the reporting date and also during the course of the year.

Collateral. Collateral assignments have been provided for the loans taken up as KfW Entrepreneur Loans (special coronavirus program) in the form of property, plant and equipment for a total of €10 million. No collateral has been provided for the other KfW loans and the syndicated loan.

(16) Trade Payables

Trade payables have a term of up to one year and, as in the previous year, are collateralized by the customary retention of title.

amounted to €49,669 thousand (previous year: €56,971 thousand), of which the suppliers received €49,669 thousand (previous year: €56,971 thousand) from the service provider.

There were no significant business combinations or exchange rate differences that affected the liabilities from supplier finance agreements.

(17) Liabilities from supply chain financing arrangements

Since the beginning of the 2024 financial year, H&R KGaA has used supplier finance agreements with indefinite terms and notice periods of three months. Under these agreements, a service provider acquires the rights to selected trade payables of the supplier, which mainly result from the purchase of goods and raw materials. The terms of the agreements will extend the payment terms for these goods and services by 45 days from 50 to 75 days. The payment service provider grants its own payment terms for the settlement of the expense reimbursement claim. The terms of the agreements thus lead to an extension of the payment terms for these trade payables by 45 days to 50 to 75 days. No collateral was provided. Comparable trade payables are generally due between 10 and 30 days after the invoice date. As of the reporting date, liabilities from supplier finance agreements

There were no non-cash transfers. The carrying amounts of liabilities from supplier finance agreements are considered a reasonable approximation of their fair value due to their short-term nature.

(18) Contract Liabilities

The contract liabilities amounted to €1,421 thousand as of December 31, 2025. The carrying amount on December 31, 2024, was €3,027 thousand. This amount included €3,027 thousand that was recognized as revenue in the reporting period.

(19) Other Provisions

Changes in other provisions in 2025 were as follows:

OTHER PROVISIONS					
IN € THOUSAND	HR provisions (19.1)	Emission rights (19.2)	Trade-related commitments (19.3)	Miscellaneous provisions (19.4)	Total
As of 1/1/2025	14,278	2,584	1,475	903	19,240
of which non-current	3,179	–	–	–	3,179
Utilization	-9,460	-2,543	-874	-1,282	-14,159
Reversal	-1,457	-41	-14	-59	-1,571
Additions	9,881	3,352	1,370	1,759	16,362
Compounding/discounting	68	–	–	13	81
Currency translation differences	-267	–	–	-53	-320
As of 12/31/2025	13,043	3,352	1,957	1,281	19,633
of which non-current	2,879	–	–	149	3,028

The following cash outflows are expected in connection with the provisions shown on the statement of financial position as of December 31, 2025:

EXPECTED CASH OUTFLOWS FOR OTHER PROVISIONS

IN € THOUSAND	HR provisions	Emission rights	Trade-related commitments	Miscellaneous provisions	Total
2026	10,164	3,352	1,957	1,132	16,605
2027	610	–	–	–	610
2028-2030	685	–	–	–	685
2031-2035	1,064	–	–	–	1,064
2036 and later	520	–	–	149	669
Total	13,043	3,352	1,957	1,281	19,633

(19.1) HR Provisions

The short-term HR provisions primarily concern directors' fees, profit sharing, performance bonuses, deferred leave, flex-time credits and professional association contributions.

The long-term HR provisions consist of obligations to grant long-service bonuses.

(19.2) Emission rights

The provision for emission rights relates to the production sites in Hamburg-Neuhof and Salzbergen.

(19.3) Trade-related Commitments

Provisions for trade-related commitments primarily include provisions for volume discounts and warranties.

(19.4) Other Provisions

Miscellaneous provisions primarily include provisions for legal and consulting fees and other obligations.

(20) Other Financial Liabilities

IN € THOUSAND	12/31/2024		12/31/2024	
	Total	of which non-current	Total	of which non-current
Lease liabilities	40,478	29,256	42,793	30,925
Liabilities arising from derivatives	3,138	–	4,480	522
Miscellaneous financial liabilities	721	228	1,628	258
Total	44,337	29,484	48,901	31,705

Further information on leases can be found in Note (41). The derivatives predominantly relate to raw

material price hedging contracts. Additional information can be found in Note (40.2).

(21) Other Liabilities

IN € THOUSAND	12/31/2024		12/31/2024	
	Total	of which non-current	Total	of which non-current
Accruals and deferrals	80,184	79,525	89,399	88,740
Tax liabilities	6,737	–	13,349	–
Other liabilities	2,879	1,135	2,675	1,327
Total	89,800	80,660	105,423	90,067

Accruals and deferrals mainly include the Climate protection agreement and the public and private subsidies for investments in H&R KGaA. A substantial

amount of these relate to subsidies for the construction of a flood protection wall and investments in various production facilities at the production site in

Hamburg. Further subsidies were granted for investments in production facilities at the Salzbergen production site.

Tax liabilities primarily concern the current VAT and payroll tax liabilities as well as import VAT still due.

(22) Pension Provisions

The Group has both defined-contribution and defined-benefit company retirement plans.

In the case of the defined-contribution plans, the Group pays contributions to state or private pension schemes on the basis of legal or contractual provisions or on a voluntary basis. Once it has made the contributions, the Group has no further obligations in this area. Defined-contribution pension plans exist mainly in the international companies of the Chemical-Pharmaceutical division.

All other retirement plans are defined-benefit plans and are the result of various takeovers of business divisions and activities. These benefits apply exclusively to companies based in Germany. All of the domestic H&R Group's pension plans are closed or frozen, meaning that H&R KGaA is only exposed to risks arising from pension and salary trends and from demographic changes, based on already existing commitments. With the exception of a reinsurance policy for the pension of a former member of the Executive Board, there are no plan assets, so there is currently no strategy for offsetting risks arising from either assets or liabilities.

H&R KGaA was formed from the merger of Schmierstoffraffinerie Salzbergen GmbH (SRS GmbH) and H&R KGaA in 2001. Due to the works agreement dated October 7, 1986, all employees transferred over from Wintershall by SRS GmbH have a right to a company pension in accordance with the Wintershall pension agreement dated January 1, 1987. The works agreement dated March 9, 1994, terminated the works agreement of October 7, 1986, effective June 30, 1994, thereby closing the pension agreement to newly hired employees. The level of benefits promised mainly depends on the length of service and the last salary drawn. After the termination of the works agreement of October 7, 1986, the entitlements earned were frozen. The pension entitlements of some pensioners are based on the older Wintershall pension charter.

All employees at H&R KGaA have a right to a company pension in accordance with the version of the pension agreement dated January 1, 1986, last amended by the works agreement of June 4, 1998. For those drawing pensions, their rights in some cases are based on earlier versions of the pension

agreement. The amount of the pension depends on the number of pensionable years of service and the pensionable salary in the last year before leaving the company. Individual employees receive contract pensions based on individual contractual commitments. The benefit requirements and calculations differ in individual agreements.

Pursuant to the December 18, 1978, version of GAUDLITZ GmbH's pension agreement, all employees who joined the company up to June 10, 1978, and whose employment agreements have not been terminated have the right to a company pension. The amount of the pension depends on the number of pensionable years of service and the pensionable salary in 1978. For those drawing pensions, in some cases their rights are based on earlier versions of the pension agreement.

At SYTHENGRUND Wasagchemie Grundstücksverwertungsgesellschaft Haltern mbH, there is a pension agreement dating from January 1, 1986, in the June 4, 1998, version of Chemie Sythen GmbH's works agreement. The pension amounts depend on the number of pensionable years of service and on the pensionable salary. The pension scheme was closed in 1992 to people joining the company after July 31, 1991.

Pension commitments for a total of 183 employees were transferred to H&R Ölwerke Schindler GmbH effective January 2, 2004, with the takeover of BP's specialty product activities. Due to various mergers and takeovers, there are a total of 13 different sets of rules and addenda that may apply to these 183 employees. The basic principles are set forth in the following pension agreements, charters, pension schemes, retirement plans, etc.:

- Pension agreement for employees of Aral AG on non-union rates dated June 24, 1991
- Pension scheme for employees of Aral AG on union rates dated October 15, 1985
- Aral AG 1999 pension agreement
- Pension charter dated January 1, 1980, pursuant to the central works agreement dated November 30, 1979
- Additional pension for shift work in accordance with letter f of the pension charter of January 1, 1980, pursuant to the central works agreement dated November 30, 1979
- 1988 pension charter based on the central works agreement dated December 2, 1987
- Pension charter dated January 1, 1988, Section 13 (Sections 40–46), pension for shift work on the basis of the central works agreement dated December 2, 1987

- Retirement plan of Burmah Oil (Deutschland) GmbH dated January 1, 1992
- Salary conversion in accordance with the 1999 ARAL pension agreement model
- Raab Karcher transitional pension scheme dated March 1, 1989
- Central works agreement dated February 1, 1993 (1975 pension plan)
- Central works agreement dated January 1, 1993 (1986 pension plan)
- Central works agreement dated February 1, 1993 (1990 pension plan)

The pension amount in the aforementioned plans is determined based on the pensionable years of service and on the pensionable monthly remuneration, taking into account the minimum number of years of eligible service.

From BP, H&R Ölwerke Schindler GmbH has not only assumed pension commitments for eligible employees of the company (Group 1), but has also agreed an indemnity obligation for some former employees of BP Lubes Services GmbH (pensioners and employees who left the company, Group 3). The company is entitled to reimbursement from BP of the sum posted for the commitments to the aforementioned categories of qualified individuals [see also Note (10)].

H&R Ölwerke Schindler GmbH's obligations to the individual groups as of December 31, 2025, are shown in the following table:

IN € THOUSAND	12/31/2025	12/31/2024*
Group 1	33,565	37,262
Group 3	8,195	9,466

*previous year amounts adjusted, refer to Note (5)

Another category (Group 2) comprises employees of BP who were not taken on by H&R Ölwerke Schindler. For the people in Group 2, H&R Ölwerke Schindler has agreed to reimburse BP for the relevant pension obligations which remain with BP, in the amount of €6,858 thousand (previous year: €7,659 thousand*). Pursuant to IAS 1.32, these commitments were netted against a receivable from BP arising from a reimbursement claim for pension commitments assumed amounting to €8,195 thousand (previous year: €9,466 thousand*), which also arose as part of the takeover of the specialty business [see Note (11)]. The net receivable of €1,337 thousand (previous year: €1,807 thousand*) is shown in receivables from BP under other non-current assets. The amount of the obligation may vary due to changes in actuarial assumptions.

The change in the liability under defined-plan benefits is shown below:

IN € THOUSAND	2025	2024*
As of 1/1	67,592	65,692
Current service cost	586	514
Interest expense	2,365	2,351
Reassessments	-7,146	2,446
of which due to changes in financial assumptions	-6,088	593
of which due to empirical adjustments	-1,058	1,772
of which due to demographic assumptions	-	81
Payments made	-3,481	-3,458
Currency translation differences	-42	47
As of 12/31	59,874	67,592

*previous year amounts adjusted, refer to Note (5)

The plan assets of H&R KGaA consist of a reinsurance policy for the pension commitment to a former member of the Executive Board that has already been paid up in full and is measured at fair value. The plan assets are not listed on any active market. H&R KGaA does not have any specific risk exposure from these plan assets beyond the normal risk.

The following table shows the changes in the fair value of plan assets:

IN € THOUSAND	2025	2024
As of 1/1	2,001	2,058
Interest income	72	76
Reassessments	-70	-133
As of 12/31	2,003	2,001

The following table shows changes in the carrying amount of the net debt related to defined benefit retirement plans:

IN € THOUSAND	2025	2024*
As of 1/1	65,591	63,634
Current service cost	586	514
Interest expense	2,293	2,275
Payments made	-3,481	-3,458
Reassessments	-7,076	2,579
of which return on plan assets	70	133
of which due to changes in financial assumptions	-6,088	593
of which due to empirical adjustments	-1,058	1,772
of which due to demographic assumptions	–	81
Currency translation	-42	47
As of 12/31	57,871	65,591

*previous year amounts adjusted, refer to Note (5)

The following valuation parameters were used to determine the pension commitments:

	12/31/2025	12/31/2024
Interest rate	3,9 %	3,6 %
Salary trend	0,0 % – 2,0 %	0,0 % – 3,0 %
Pension trend	1,0 % – 2,5 %	1,0 % – 2,5 %
Retirement age	60-65	60-65

*previous year amounts adjusted, refer to Note (5)

The likelihood of leaving is based on the 2018G Heubeck guideline tables. An age-dependent staff turnover probability has been built into the pension provision for employees of H&R Ölwerke Schindler GmbH; it was calculated by the independent expert using tables drawn up by internal experts. For employees at other sites, to simplify matters, by ignoring the likelihood of turnover, the assumption is made that no employee will leave the company before the vesting periods have been met and that thereafter the vested claim will be exactly financed by the existing provision in each case.

There were no plan changes, curtailments or settlements in financial year 2025.

Payments totaling €3,277 thousand are expected for the next financial year (previous year: €3,245 thousand). The average duration of the benefit obligations is 12.4 years.

If the indicators in the table below change as shown, this would cause the following changes in the pension commitment:

CHANGE IN PENSION OBLIGATIONS

	Change in parameter by	12/31/2025		12/31/2024*	
		Change in obligation if increased in € thousand	Change in obligation if decreased in € thousand	Change in obligation if increased in € thousand	Change in obligation if decreased in € thousand
Change in discount rate	0.50%	-3,290	3,637	-4,078	4,532
Change in expected salary trend	0.50%	402	-387	431	-415
Change in expected pension trend	0.50%	3,101	-2,834	3,801	-3,466
Change in expected mortality	1 year	2,238	-2,267	2,807	-2,826

*previous year amounts adjusted, refer to Note (5)

The above sensitivity analyses are based on the assumption of a change in one parameter while all other parameters remain constant. These are individual scenarios from a broad spectrum of possibilities, so the actual pension commitment trend will most certainly deviate from these forecasts. In addition, it is unlikely that only one parameter will change. In reality, several indicators can be expected to change and effect one another simultaneously. The same

method used to calculate the benefit obligations reported on the statement of financial position was used in this sensitivity analysis. It is the same method as that which was used last year.

All domestic pension plans within the H&R Group are closed; no new employees are admitted. There are active employees with a pension claim at the domestic production sites in Hamburg and Salzbergen

and and with the GAUDLITZ Group in Coburg. Internationally, only the Thailand site has a pension plan with active employees, but overall this is classified as immaterial.

The prior year values marked with an asterisk (*) have been adjusted. For details, see explanation (5).

(23) Subscribed Capital

As of the reporting date, the subscribed capital totaled €95,156 thousand as in the previous year, divided into 37,221,746 ordinary no-par bearer shares. This corresponds to a notional value of €2.56 per share (previous year: €2.56). There are no different classes of shares; all shares are ordinary shares. The subscribed capital was fully paid up. Each share conveys one voting right.

Approved Capital

The general partner with full personal liability is authorized – with the Supervisory Board’s approval – to increase the company’s share capital by May 23, 2027, by a maximum of €47.6 million by issuing new ordinary no-par bearer shares. The issue may be effected in one or more tranches in return for cash and/or contributions in kind (2022 Approved Capital). Within this context, the number of shares must increase in proportion to the share capital. In principle, shareholders must be granted a subscription right; however, the Executive Board may, with the Supervisory Board’s approval, exclude the subscription right on one or more occasions under certain conditions.

(24) Capital Reserve

The capital reserve includes the amounts by which the proceeds from the issuance of preferred and ordinary shares exceed their face value. In the current financial year, the capital reserve amounts to €46,427 thousand (previous year: €46,427 thousand).

(25) Retained Earnings

On the reporting date, retained earnings totaled €239,913 thousand (previous year:

€278,585 thousand)*. The reassessed net liability under defined benefit pension plans recorded under other comprehensive income totaled €-11,517 thousand (previous year: €-18,086 thousand)*. Other retained earnings totaled €2,293 thousand as of the reporting date (previous year: €2,293 thousand).

The prior year values marked with an asterisk (*) have been adjusted. For details, see explanation (5).

Dividend

At the Annual Shareholders’ Meeting held on May 27, 2025, it was decided that a dividend of €0.10 would be distributed for each share for financial year 2024, equating to a total amount of €3,722 thousand, and that, in addition, the distributable profit be carried forward. For financial year 2025, the Executive Board and the Supervisory Board intend to propose to the Annual Shareholders’ Meeting on May 27, 2026, the distributable profit be carried forward. This proposal is subject to approval by the shareholders at the Annual Shareholders’ Meeting.

(26) Other Reserves

The other reserves amount to €-5,855 thousand (previous year: €1,505 thousand) and relate to cumulative other comprehensive income. They comprise the currency translation adjustment of €-7,943 thousand (previous year: €814 thousand) and the difference resulting from the fair value measurement of equity instruments of €1,822 thousand (previous year: €1,902 thousand) and the reserve from cash flow hedging €266 thousand (previous year: €-1,211 thousand). In the financial year, a sum € 0 thousand was reclassified from the currency translation adjustment item to the income statement (previous year: €0 thousand).

(27) Non-Controlling Interests

Non-controlling interests include shares of earnings and capital held by shareholders outside the Group. During the reporting period these changed as follows:

IN € THOUSAND	2025	2024
As of 1/1	41,724	44,600
Currency translation differences	-3,366	1,478
Distribution	–	-6,615
Proportionate share of net profit or loss	2,082	2,261
As of 12/31	40,440	41,724

Most of the non-controlling interests are attributable to H&R China Holding GmbH and its subsidiaries.

The non-controlling interest in H&R China Holding GmbH totals 49%.

The table below shows a summary of financial data for the H&R China Group:

IN € THOUSAND	12/31/2025	12/31/2024
Current assets	84,490	90,021
Non-current assets	27,265	30,498
Current liabilities	26,999	32,530
Non-current liabilities	2,175	2,786
Cumulative equity	82,581	85,203
of which proportionate share of net assets of non-controlling interests	40,465	41,749

IN € THOUSAND	2025	2024
Income	183,440	207,237
Expenses	-179,193	-202,625
Profit/loss	4,247	4,612
of which proportionate share in income of non-controlling interests	2,081	2,260
Other comprehensive income	-6,869	3,014
of which other comprehensive income of non-controlling interests	-3,366	1,476
Total comprehensive income	-2,622	7,626
of which non-controlling interests' proportionate share of total comprehensive income	-1,285	3,736
Cash flow from operating activities	7,091	1,741
of which proportionate share of cash flow from operating activities of the non-controlling interests	3,475	853
Cash flow from investing activities	-1,881	-883
of which proportionate share of cash flow from investing activities of non- controlling interests	-922	-433
Cash flow from financing activities	-2,269	-12,050
of which proportionate share of cash flow from financing activities of non- controlling interests	-1,112	-5,905

Notes to the Consolidated Income Statement

(28) Research and Development Costs

In financial year 2025, research and development activities in the Chemical-Pharmaceuticals division focused on the continued improvement of product quality in the product areas of formulated oils, paraffins and white oils. Research and development costs were incurred in the Plastics division for testing and experiments on new materials in the plastics area as well as research relating to the possibility of the increased use of plastic parts in various sectors.

(30) Other Operating Income

IN € THOUSAND	2025	2024
Exchange rate gains from foreign currency items	20,285	16,917
Income from services	9,433	9,026
Income from cost transfers	4,360	4,542
Own work capitalized	1,312	997
Income from the disposal of intangible assets	870	251
Income from the reversal of provisions	385	1,429
Miscellaneous	4,769	4,443
Total	41,414	37,605

Income from cost transfers results mainly from the re-invoicing of consumption taxes, project-related costs and current costs to the companies in which

In the current financial year, expenses in this area totaled €2,533 thousand (previous year: €2,614 thousand). For further information regarding research and development costs, please consult the pertinent section in the combined management report.

(29) Sales Revenue

Segment reporting gives an overview of the trend in sales revenue by division, type of product and geographical segment [see Note (38)].

No contractual costs or contractual performance costs were capitalized.

there is a participating interest, Westfalen Chemie KG and SRS EcoTherm GmbH. Income from services mainly refers to IT services provided.

(31) Cost of Materials

IN € THOUSAND	2025	2024
Raw materials	679,927	766,842
Auxiliary and production materials	20,866	21,159
Products for sale	161,536	183,669
Cost of raw materials, auxiliary and production materials and merchandise purchased	862,329	971,670
Energy costs	49,452	52,131
Other external services	2,943	2,903
Total expenditures on purchased services	52,395	55,034
Total	914,724	1,026,704

The cost of materials was lower in financial year 2025 than in the previous year due to lower raw materials and energy prices. Energy costs were influenced positively by reimbursements in relation to the electricity and gas price caps.

(32) Personnel Expenses

IN € THOUSAND	2025	2024*
Wages and salaries	92,168	89,994
Social security payments	15,585	14,462
Defined-contribution pension plan expenses	928	842
Defined-benefit pension plan expenses	303	618
Other social security expenses	558	537
Total	109,542	106,453

Amounts arising from compounding the interest on personnel provisions, particularly pension provisions, are not reported as personnel expenses. They

are reported as part of the financial income under net interest income.

AVERAGE NUMBER OF EMPLOYEES

	2025	2024
ChemPharm Refining	751	744
ChemPharm Sales	593	564
Plastics	297	307
Other	72	73
Total	1,713	1,688

(33) Other Operating Expenses

IN € THOUSAND	2025	2024
Freight costs and other distribution costs	30,018	32,267
Third-party repairs and maintenance	29,188	30,256
Exchange rate loss from foreign currency items	20,104	18,422
Third-party goods and services	19,879	18,933
Insurance premiums, fees and contributions	9,339	9,046
Legal and consulting fees, expenses for annual financial statements and Annual Shareholders' Meeting	7,331	7,798
IT costs	7,032	6,140
Cost Transfers	4,095	4,191
Emission costs	2,980	2,328
Other personnel expenses	2,643	2,491
Other taxes	2,528	1,934
Commission	1,808	2,063
Travel expenses	1,674	1,605
Expenses for short-term leases and leases of low-value assets	1,308	1,150
Miscellaneous	15,930	13,477
Total	155,857	152,101

(34) Financial Income

IN € THOUSAND	2025	2024
Interest income from short-term bank deposits	373	593
Income from loans	36	54
Other interest and similar income	24	5
Total interest income	433	652
Income from equity investments	1,000	–
Miscellaneous financing income	1	1
Other financing income	1,001	1
Financing income	1,434	653

(35) Financing Expenses

IN € THOUSAND	2025	2024*
Interest expense relating to loan interest	5,982	7,165
Interest expense from the compounding of pension provisions	2,293	2,275
Interest expense relating to lease liabilities	1,303	1,188
Commitment commission	441	411
Other interest and similar expenses	1,364	1,180
Financing expenses	11,383	12,219

*previous year amounts restated, refer to Note (5)

Further information on leases can be found in Notes (41).

(36) Income Taxes

Since January 1, 2009, the net income of German companies has been subject to a uniform corporation tax rate of 15% plus a solidarity surcharge of 5.5%.

In conjunction with a trade tax burden of 13.668% (previous year: 13.549%), this amounts to an income tax rate of H&R KGaA in Germany of 29.49% (previous year: 29.37%). As in the previous year, income tax rates for significant companies abroad are between 17% and 30%. Any interest on tax arrears is reported under interest expense. Deferred income tax expense includes changes in deferred tax assets and liabilities.

In the 2025 financial year, no top-up tax was recognized in connection with global minimum taxation. The application of the temporary transitional regulations in accordance with Section 84 et seq. of the Minimum Tax Act showed that the effective tax rate is not below 15% in any country in which the H&R Group conducts business activities. Furthermore, there are no effects on income taxes due to regulations on minimum taxation that have not yet been introduced in the countries in which the H&R Group operates. The potential levying of local top-up tax is ruled out as the effective tax rate is above 15%.

Income taxes paid or owed in individual countries as well as tax accruals and deferrals are shown as income taxes.

These can be broken down as follows:

IN € THOUSAND	2025	2024*
Current income tax expenses	-11,405	-13,181
Current income tax refunds	86	466
Total current taxes	-11,319	-12,715
Deferred taxes from temporary differences	5,900	-1,549
Deferred taxes from loss carryforwards	-6,916	6,570
Total deferred taxes	-1,016	5,021
Total	-12,335	-7,694

*previous year amounts restated, refer to Note (5)

Current income tax expenses fell by €133 thousand in the financial year (previous year: €704 thousand) due to the utilization of loss carryforwards.

In accordance with IAS 12.34, a deferred tax asset is recognized for a tax loss carryforward available as of the reporting date if it is considered probable that there will be sufficient future taxable profit against which the loss carryforward can be utilized. At H&R KGaA, domestic tax loss and interest carryforwards

led to the recognition of €371 thousand (previous year: €7,247 thousand) in deferred taxes, with €45 thousand (previous year: €85 thousand) being recognized for foreign tax loss carryforwards. Overall, in Group companies that reported a loss in the previous year or the current year, a surplus of deferred tax assets totaling €188 thousand was recognized (previous year: €1,371 thousand). Recognition of the deferred tax assets is justified due to the fact that positive tax income is expected in the future due, among other things, to new corporate strategies, which will exceed the impact on earnings caused by the reversal of the temporary differences.

In addition to the deferred tax assets recognized for loss carryforwards, there are also domestic corporation tax losses in the amount of €60,695 thousand (previous year: €11,877 thousand) and trade tax losses of €46,468 thousand (previous year: €5,790 thousand), the realization of which is not sufficiently guaranteed and for which therefore no deferred tax claims have been recognized. Based on current laws, the loss carryforwards cannot expire. As of the reporting date, foreign loss carryforwards for which no deferred tax assets have been recognized totaled €2,667 thousand (previous year: €1,130 thousand) and essentially may be utilized without restriction within two to nine years. No deferred tax claims were recognized for deductible temporary differences totaling €23,216 thousand (previous year: €5,580 thousand).

Deferred tax assets of €-2,731 thousand were added for the remeasurement of defined-benefit pension plans (previous year: €481 thousand) and were recognized in other comprehensive income. The change in equity instruments measured at fair value through other comprehensive income led to a change in the deferred taxes recognized in other comprehensive income (with no effect on profit or loss) in the amount of €1 thousand (prior year: €-17 thousand). Revenues related to changes in deferred tax assets of €0 thousand (previous year: revenues of €655 thousand) were recognized in other comprehensive income in connection with cash flow hedges.

For €9,760 thousand in temporary differences in the retained earnings of subsidiaries (previous year: €9,509 thousand), no deferred tax liabilities were recognized because of existing control in accordance with IAS 12.39.

The expected income tax expense and the reported income tax expense can be reconciled as follows:

IN € THOUSAND	2025	2024*
Earnings before income tax	-24,388	20,340
Theoretical income tax rate: 29.49% (previous year: 29.37%)	-7,192	5,974
Effects from tax rate differences	-2,296	-2,051
Effects from previous years' taxes	56	-722
Non-deductible expenses	2,111	2,929
Tax-free income	-812	-972
Foreign withholding tax	272	1,505
Effects from changes in tax rates	12	-3
Unrecognized deferred tax assets for loss carryforwards and temporary differences	13,243	536
Write-down of deferred taxes	6,469	379
Effects from holdings valued at equity	184	117
Other tax effects	288	2
Income tax expense as per consolidated income statement	12,335	7,694

*previous year amounts restated, refer to Note (5)

The deferred tax items were attributable to the following individual statement of financial position items:

IN € THOUSAND	12/31/2025		12/31/2024*	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	–	1,989	–	2,191
Property, plant and equipment	650	18,112	712	32,215
Financial assets	294	18,532	61	20,825
Inventories	2,405	204	2,131	–
Receivables and other assets	501	299	358	433
Pension provisions	4,680	–	7,526	–
Other provisions	534	55	569	77
Liabilities	26,862	538	37,499	363
Tax loss carryforwards	416	–	7,332	–
Total	36,342	39,729	56,188	56,104
Netting	-34,231	-34,231	-50,617	-50,617
Total	2,111	5,498	5,571	5,487

*previous year amounts restated, refer to Note (5)

(37) Earnings per Share

Earnings per share are calculated according to IAS 33 by dividing consolidated income by the average number of outstanding ordinary shares during the reporting period.

The number of ordinary shares in circulation is 37,221,746, as in the previous year.

Accordingly, the earnings per share figure is calculated as follows:

	2025	2024*
Consolidated income attributable to shareholders in € thousand	-38,805	10,385
Average number of shares in circulation	37,221,746	37,221,746
Earnings per ordinary share (undiluted) in €	-1.04	0.28
Earnings per ordinary share (diluted) in €	-1.04	0.28

*previous year amounts restated, refer to Note (5)

The diluted earnings per share ratio is equal to the basic earnings per share ratio, because H&R KGaA has not issued any potentially dilutive equity instruments.

Additional Notes

(38) Segment Reporting

The business segments subject to reporting requirements under IFRS 8 were identified on the basis of the divisions monitored in the internal reporting system, whose performance data form the basis for management decisions.

The aggregation of business segments subject to separate, internal reporting is performed in accordance with IFRS 8.12, which stipulates that all of the following must be comparable within each segment: the nature of products and services; the types of production processes; the class or category of customers for products and services as well as the methods used to market products and services.

The ChemPharm Refining segment includes both of the chemical production sites in Germany, whose production processes, organizational structures and distribution networks are closely interlinked. This segment's core products are paraffins, white oils, plasticizers, base oils, lubricants and other crude-oil-

based specialty products. In addition to bitumen, by-products of the production process include feedstocks and bunker fuel. Revenue was achieved from contract manufacturing as part of this production process.

The ChemPharm Sales segment encompasses foreign companies that process chemical-pharmaceutical raw materials and distribute these new products and other products for sale. These are mainly paraffins, plasticizers, wax emulsions and other crude-oil-based specialty products.

The Plastics division develops, manufactures and sells high-precision plastic parts produced using the injection molding method.

Other activities are those associated with non-operating companies, as well as segments exempt from mandatory reporting. This includes H&R KGaA, which as the holding company is responsible for the strategic leadership of the Group companies comprising the various segments and for deciding how to efficiently allocate funds within the Group. The Other Activities segment also generates income from IT services.

	Chemical-Pharmaceutical Raw Materials			
	ChemPharm Refining		ChemPharm Sales	
IN € THOUSAND	2025	2024*	2025	2024
External sales	750,285	797,677	456,466	492,609
Consolidated sales	15,954	19,381	–	–
Sales revenue by segment	766,239	817,058	456,466	492,609
Cost of materials	-562,418	-632,125	-347,201	-385,117
Personnel expenses	-66,894	-64,331	-25,818	-24,887
Depreciation and amortization	-84,959	-46,209	-8,960	-11,878
of which impairments	-41,233	-1,717	-37	-1,604
Interest income	418	493	394	599
Interest expense	-8,282	-10,712	-3,480	-4,571
Earnings before income tax	-35,393	-2,407	24,436	25,736
EBIT	-27,530	7,811	27,522	29,708
EBITDA	57,147	54,020	36,482	41,586
Capital expenditure	48,814	46,630	15,865	9,856
Income from holdings valued at equity	50	249	–	–
Shares in holdings valued at equity	1,499	1,449	–	–

*previous year amounts restated, refer to Note (5)

The list of shareholdings shows which segment each Group company belongs to.

The segments' operating performance and further information on their products are described in the combined management report.

Remarks Concerning Segment Data

Intercompany sales indicate the level of sales between the segments. Sales and revenues between the segments are always accounted for on an arm's-length basis. The segment sales figure is equal to the sum of external and internal sales.

The column "Consolidation/reconciliation" contains eliminations of all intragroup transactions as well as intradivisional receivables and payables.

The valuation principles for H&R KGaA's segment reporting are based on the IFRS guidelines applied in the consolidated financial statements. The geographical distribution of external sales is calculated according to the locations of the respective customers. The assets and investments are assigned to the regions on the basis of the company's domicile.

	Plastics		Other activities		Consolidation/ Reconciliation		Total	
	2025	2024	2025	2024	2025	2024	2025	2024*
	35,435	47,954	–	–	–	–	1,242,186	1,338,240
	–	–	–	–	-15,954	-19,381	–	–
	35,435	47,954	–	–	-15,954	-19,381	1,242,186	1,338,240
	-20,996	-28,862	–	–	15,891	19,400	-914,724	-1,026,704
	-10,184	-10,660	-6,646	-6,575	–	–	-109,542	-106,453
	-2,733	-2,728	-1,893	-2,011	–	–	-98,545	-62,826
	–	–	–	–	–	–	-41,270	-3,321
	6	36	8,882	12,625	-9,267	-13,101	433	652
	-1,185	-1,166	-7,717	-8,867	9,281	13,097	-11,383	-12,219
	-9,401	-892	-3,975	-2,143	-55	46	-24,388	20,340
	-8,222	238	-6,140	-5,901	-69	50	-14,439	31,906
	-5,489	2,966	-4,247	-3,890	-69	50	83,824	94,732
	3,798	4,450	1,710	3,132	–	–	70,187	64,068
	–	–	-673	-493	–	–	-623	-244
	–	–	998	1,671	–	–	2,497	3,120

H&R KGaA generated €566,4 million in sales (previous year: €609,5 million), or more than 10% of consolidated sales, with one customer in the

ChemPharm Refining segment. The following table shows how external sales revenue is broken down by region, products and services:

IN € THOUSAND	ChemPharm Refining		ChemPharm Sales		Plastics		Other		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Germany	622,211	676,453	16,297	14,106	6,758	8,798	–	–	645,266	699,357
Rest of Europe	122,203	119,026	48,696	51,736	9,122	17,724	–	–	180,021	188,486
Rest of world	5,871	2,198	391,473	426,767	19,555	21,432	–	–	416,899	450,397
Total	750,285	797,677	456,466	492,609	35,435	47,954	–	–	1,242,186	1,338,240
Chemical-pharmaceutical products – core products	403,713	425,874	454,102	490,397	–	–	–	–	857,815	916,271
Chemical-pharmaceutical products – by-products	227,159	258,413	2,364	2,212	–	–	–	–	229,523	260,625
Precision plastics	–	–	–	–	35,427	47,954	–	–	35,427	47,954
Provision of services	119,413	113,390	–	–	8	–	–	–	119,421	113,390
Total	750,285	797,677	456,466	492,609	35,435	47,954	–	–	1,242,186	1,338,240

The following table shows how non-current assets are broken down by region:

NON-CURRENT ASSETS		
IN € THOUSAND	2025	2024
Germany	350,944	392,265
Rest of Europe	18,376	17,453
Rest of world	69,218	65,464
of which China	31,318	34,109
Group	438,538	475,182

RECONCILIATION OF OPERATING INCOME TO CONSOLIDATED INCOME

IN € THOUSAND	2025	2024*
Operating income (EBITDA) of H&R KGaA	83,824	94,732
Depreciation, amortization and impairments of intangible assets and property, plant and equipment	-98,545	-62,826
Reversal of impairment losses	282	–
Financing income	1,434	653
Financing expenses	-11,383	-12,219
Income taxes	-12,335	-7,694
Consolidated income	-36,723	12,646

*previous year amounts restated, refer to Note (5)

(39) Notes to the Consolidated Cash Flow Statement

The cash flow statement has been prepared in accordance with the requirements of IAS 7. It shows the origin and use of cash flows.

The statement of cash flows divides the payment streams into three areas: cash flow from operating activities, cash flow from investing activities and cash flow from financing activities.

Cash and cash equivalents include bank balances, cash in hand, and checks, which are identified on the statement of financial position. As of December 31, 2025, no cash and cash equivalents have been recognized; which were deposited in pledged accounts as collateral and therefore subject to access restrictions.

Non-cash operating expenses and earnings and gains from disposals of property, plant and equipment are eliminated from cash flow from operating activities. Interest received, interest paid and income taxes paid and received are allocated to this area. Cash flow from operating activities is calculated using the indirect method.

H&R KGaA considers the liabilities from supplier finance agreements to be part of the working capital that is used for the company's main revenue-generating activities. Cash outflows for the settlement of liabilities from supplier finance agreements are therefore reported under cash flow from operating activities.

The line item "Change in Net Working Capital" in the cash flow from operating activities represents the aggregated changes in the balance sheet items trade receivables, inventories, trade payables, liabilities from supplier financing arrangements and contractual liabilities.

Cash flow from investing activities includes cash investments in intangible assets, property, plant and equipment and financial investments.

Cash flow from financing activities includes new borrowings, repayments of financial liabilities and advance payments received from customers, as well as dividend payments.

For additions to fixed assets in the amount of €5,412 thousand (previous year: €4,836 thousand) no cash outflow took place; trade payables in the same amount therefore exist.

CHANGE IN LIABILITIES FROM FINANCING ACTIVITIES

IN € THOUSAND	Liabilities to banks	Advance payments received	Lease liabilities	Total
1/1/2024	157,562	4,004	45,050	206,616
Changes affecting cash flow				
Repayments	-183,528	-	-12,872	-196,400
Borrowings	177,909	3,027	-	180,936
Non-cash changes				
Leasing costs	-	-	10,429	10,429
Changes due to fluctuations in exchange rates	692	97	186	975
Change in accrued/deferred interest	-828	-	-	-828
Netting against trade receivables	-	-4,101	-	-4,101
12/31/2024	151,807	3,027	42,793	197,627
Changes affecting cash flow				
Repayments	-238,452	-	-13,442	-251,894
Borrowings	230,628	1,421	-	232,049
Non-cash changes				
Leasing costs	-	-	11,292	11,292
Changes due to fluctuations in exchange rates	-1,363	-200	-165	-1,728
Change in accrued/deferred interest	-6	-	-	-6
Netting against trade receivables	-	-2,827	-	-2,827
12/31/2025	142,614	1,421	40,478	184,513

The general form in which the statement of cash flows is presented and the reporting options are exercised has not changed since the previous period.

[\(40\) Financial Instruments](#)

[\(40.1\) General Information](#)

The fair values of financial assets are derived from stock market prices or are calculated on the basis of

recognized valuation methods. In the case of other financial assets, it is assumed that the fair value is equal to the carrying amount. The carrying amount of the financial assets corresponds to the maximum default risk. If default risks of financial assets can be identified, such risks are recognized in the form of impairment losses.

On the liabilities side, financial instruments mainly include liabilities measured at amortized cost.

As an international company, H&R KGaA is exposed to risks relating to prices of commodities and raw materials, currency fluctuations, and changes in interest rates in the course of its ordinary business activities. Details concerning the risk management system used to deal with these risks can be found in Note (49), Risk Management Policy, Capital Management and Hedging Measures.

(40.2) Information Concerning Derivatives

The majority of the derivatives relate to the Climate protection agreement, the valuation of which is determined on the basis of the development of electricity price, gas price and CO₂ price parameters. Due to lack of availability of long-term information on energy exchanges, H&R KGaA uses external market studies for the valuation purposes, the results of which are based on various market price scenarios. In financial year 2025, the expense from financial instruments measured at fair value through profit and loss totaled €8,862 thousand (previous year: income of €70,751 thousand).

Derivative financial instruments are also used to hedge currency fluctuations and raw materials price risks from the operating business. The types of instruments employed are primarily currency forward contracts, interest rate swaps and raw material price hedging contracts (swaps). The latter two are designated as cash flow hedges. The changes in the cash flows of the hedged items resulting from changes in the EURIBOR rate are offset against the changes in the cash flows of the interest rate swaps. The interest rate swaps are based on 3-M-Euribor so changes in the cash flows of the hedged item are offset against

the changes in the cash flows of the interest rate swaps. Within the scope of raw material price hedging, only those risk components are included that relate to the Brent or Platts Fuel Oil listing. The starting point for the analysis of the raw materials price risk are the planned purchases of raw materials, as well as planned sales of products, the sale prices of which also depend on raw materials market prices. The average prices secured under raw material price hedges over the financial year were US\$ 69.45 per barrel of Brent Crude (previous year: US\$ 75.69 per barrel) and US\$ 376.52 per metric ton in relation to Platts fuel oil assessments (previous year: US\$ 394.24 per metric ton).

Other comprehensive income from cash flow hedges went up by €1,477 thousand (previous year: decrease of €2,165 thousand) due to changes to the fair market values of the derivatives, the amounts transferred in the income statement and the basis adjustments.

The following table shows the development of the reserve for cash flow hedges from raw material price hedging contracts:

DEVELOPMENT OF THE RESERVE FOR CASH FLOW HEDGES

IN € THOUSAND	2025	2024
As of 1/1	-1,588	442
Changes in fair value	-1,842	-3,657
Amount transferred to the income statement	-1,136	3,655
Amount transferred to inventories	4,396	-2,028
As of 12/31	-170	-1,588

As in the previous year, no inefficiencies due to cash flow hedges occurred in the reporting year.

The following tables show the reported fair values of the derivative financial instruments as of December 31, 2025, and December 31, 2024.

NOMINAL AND MARKET VALUES OF DERIVATIVES IN 2025

IN € THOUSAND	Nominal value	Maturity	Fair values	
			positive	negative
Climate protection agreement	116,478	until 2042	62,879	–
Raw material price hedging contracts	34,093	until 2026	1,898	-2,374
Currency forward contracts and swaps	104,281	until 2026	14	-688
Interest rate swap	20,000	until 2026	–	-76

NOMINAL AND MARKET VALUES OF DERIVATIVES IN 2024

IN € THOUSAND	Nominal value	Maturity	Fair values	
			positive	negative
Climate protection agreement	116,478	bis 2042	70,677	–
Raw material price hedging contracts	100,373	bis 2026	2,127	-3,740
Currency forward contracts	139,142	bis 2025	995	-604
Interest rate swap	20,000	bis 2026	–	-136

The nominal value shows the gross volume. Positive market values are recognized under other financial assets and negative market values under other financial liabilities.

redemption payments on financial liabilities and derivative financial instruments.

The maturities of these undiscounted payment streams are shown in the table below:

(40.3) Maturity Analysis

H&R KGaA's liquidity risk consists of contractually agreed obligations to make future interest and

2025

IN € THOUSAND	Carrying amount	2026	2027	2028-2030	2031-2035	2036 and later
Liabilities to banks	142,614	129,118	5,729	10,240	4,808	–
Lease liabilities	40,478	11,488	6,132	10,983	10,697	6,727
Liabilities arising from derivatives with hedge accounting items	2,450	2,450	–	–	–	–
Liabilities arising from derivatives without hedge accounting items	688	688	–	–	–	–
Other financial liabilities	721	493	228	–	–	–

2024

IN € THOUSAND	Carrying amount	2025	2026	2027-2029	2030-2034	2035 and later
Liabilities to banks	151,807	92,214	46,724	12,341	8,123	–
Lease liabilities	42,793	12,058	8,982	9,488	10,039	8,006
Liabilities arising from derivatives with hedge accounting items	3,876	3,354	522	–	–	–

IN € THOUSAND	Carrying amount	2025	2026	2027-2029	2030-2034	2035 and later
Liabilities arising from derivatives without hedge accounting items	604	604	–	–	–	–
Other financial liabilities	1,628	1,370	258	–	–	–

(40.4) Information on Categories of Financial Instruments

According to IFRS 7, financial assets and liabilities have to be grouped in such a way that a distinction

can be made between financial instruments stated at fair value and those valued at amortized cost.

The table below shows the carrying amounts of the separate financial assets and liabilities for each category of financial instrument.

IN € THOUSAND	Valuation category according to IFRS 9	12/31/2025		12/31/2024	
		Carrying amount	Fair value (for information)	Carrying amount	Fair value (for information)
Financial assets					
Cash and cash equivalents	Measured at amortized cost	70,964	70,964	62,531	62,531
Trade receivables	Measured at amortized cost	119,139	119,139	134,999	134,999
Other financial assets					
Financial investment in equity instruments	Measured at fair value through other comprehensive income	2,898	2,898	2,979	2,979
Derivatives with hedge accounting item	Measured at fair value through other comprehensive income	1,898	1,898	2,127	2,127
Derivatives without hedge accounting item	Measured at fair value through profit or loss	62,893	62,893	71,672	71,672
Other current securities	Measured at fair value through profit or loss	31	31	31	31
Other financial assets	Measured at amortized cost	22,201	22,201	18,117	18,117
Financial liabilities					
Trade payables	Measured at amortized cost	85,399	85,399	93,285	93,285
Liabilities from supply chain financing arrangements	Measured at amortized cost	49,669	49,669	56,971	56,971
Liabilities to banks	Measured at amortized cost	142,614	142,505	151,807	151,453
Other financial liabilities					
Lease liabilities	Measured at amortized cost	40,478	40,478	42,793	42,793
Derivatives with hedge accounting items	Measured at fair value through other comprehensive income	2,450	2,450	3,876	3,876
Derivatives without hedge accounting item	Measured at fair value through profit or loss	688	688	604	604
Miscellaneous financial liabilities	Measured at amortized cost	721	721	1,628	1,628

Since trade receivables, trade payables, other financial assets, other financial liabilities and cash and cash equivalents generally have short-term maturities, their carrying amounts do not deviate significantly from their fair values on the reporting date. The fair values of other long-term receivables and payables with remaining maturities of more than one year are equal to the present value of the payments

associated with the assets and are subject to the relevant current discount rates.

Net Results by Valuation Category.

The expenses, income, gains and losses from financial instruments can be broken down into the following categories:

2025

IN € THOUSAND	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at fair value through profit or loss	Total
Interest income	433	–	–	–	433
Interest expense	–	-7,422	–	-212	-7,634
Impairment/ reversals of impairments	-724	–	–	–	-724
Fees recorded as expenses	–	-1,044	–	–	-1,044
Other financial expenses/ income	1	–	2,396	-7,481	-5,084
Net income/loss	-290	-8,466	2,396	-7,693	-14,053

2024

IN € THOUSAND	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at fair value through profit or loss	Total
Interest income	649	–	–	–	649
Interest expense	–	-9,590	–	-105	-9,695
Impairment/ reversals of impairments	-497	–	–	–	-497
Fees recorded as expenses	–	-1,078	–	–	-1,078
Other financial expenses/ income	1	–	-1,013	3,029	2,017
Net income/loss	153	-10,668	-1,013	2,924	-8,604

Interest expenses of financial liabilities measured at amortized cost exclusively include effects from using the effective-interest method. €1.301 thousand (previous year: €-2,989 thousand) of income and expenses from financial instruments measured at fair value through other comprehensive income relate to liabilities arising from derivatives with hedge accounting items. €117 thousand (previous year: €824 thousand) relate to assets arising from derivatives with hedge accounting items, with €-81 thousand (previous year: €1.152 thousand) relating to

valuation effects arising from an equity instrument. Another €1.000 thousand (previous year: € 0 thousand) result from income from investments relating to the equity instrument.

(40.5) Additional Disclosures on Financial Instruments

At the first level, fair value measurement is based on quoted prices in active markets for identical assets or liabilities. If this is not possible, second-level measurement is based on observable market transactions

for comparable assets or liabilities. At the third level, fair values are measured by models that use parameters that are based on non-observable market data to value assets and liabilities.

The financial instruments of H&R KGaA measured at fair value are allocated to the levels described above by category as follows:

12/31/2025

IN € THOUSAND	Level 1	Level 2	Level 3
ASSETS			
Financial assets measured at fair value through other comprehensive income	–	–	2,898
Financial assets measured at fair value through profit or loss	31	–	–
Derivatives with hedge accounting item	–	1,898	–
Derivatives without hedge accounting item	–	14	62,879
Total	31	1,912	65,777
LIABILITIES AND SHAREHOLDERS' EQUITY			
Derivatives with hedge accounting item	–	2,450	–
Derivatives without hedge accounting item	–	688	–
Total	–	3,138	–

12/31/2024

IN € THOUSAND	Level 1	Level 2	Level 3
ASSETS			
Financial assets measured at fair value through other comprehensive income	–	–	2,979
Financial assets measured at fair value through profit or loss	31	–	–
Derivatives with hedge accounting item	–	2,127	–
Derivatives without hedge accounting item	–	995	70,677
Total	31	3,122	73,656
LIABILITIES AND SHAREHOLDERS' EQUITY			
Derivatives with hedge accounting item	–	3,876	–
Derivatives without hedge accounting item	–	604	–
Total	–	4,480	–

Derivatives with hedge accounting item include financial instruments for interest rate swaps and hedging raw materials price risks. The fair value of these Level 2 derivatives is determined as the present value of the expected cash flows from these contracts. The calculation of the expected cash flows of the commodity derivatives takes place on the basis of the forward price curves for liquid oil futures/forwards, which are adjusted by markups for deviating delivery locations/qualities. The discounting takes place using market-driven interest rates.

The Level 2 derivatives without hedge accounting item relate to currency forward contracts, which are recognized at fair value. The fair values are

determined using observable market interest rate curves. Further information about derivatives can be found in Note (40.2).

The Level 3 derivative without hedge accounting item relates to the Climate protection agreement signed in 2024. The valuation is based on discounted cash flow method, in which future cash flows determined on the basis of the electricity price, gas price and CO₂ price parameters are discounted to the balance sheet date using the respective risk-free interest rate (zero rates). Overnight indexed swap rates on the reporting date serve as the basis for determining the zero rates. As only contracts with a term of 3-5 years are usually traded on the energy exchanges, the valuation cannot

be carried out using exchange-traded products due to the long term maturity. For this reason, H&R KGaA uses an external market study for the valuation, which is incorporated into a model using numerous scenario calculations to determine the expected annual subsidy amounts.

The Climate protection agreement grants the Federal Republic of Germany a unilateral right of withdrawal if the budget situation does not allow the agreement to be fulfilled (so-called budget reservation). As this imponderability cannot be reliably assessed, the budget reservation was not taken into account when measuring the derivative.

As part of sensitivity analysis, a fluctuation range of 10% is assumed for the derivative. A 10% increase in electricity prices would lead to an increase in the fair value of €4,940 thousand (previous year: €7,777 thousand), while a 10% decrease would reduce the fair value by €6,667 thousand (previous year: €8,069 thousand). A 10% increase in gas prices, on the other hand, would lead to a reduction in fair value of €1,998 thousand (previous year: €2,801 thousand). Correspondingly lower gas prices would result in an increase in fair value of €1,838 thousand (previous year: €3,102 thousand). A 10% reduction in the CO₂

price trend would result in a €1,830 thousand (previous year: €3,025 thousand) increase in fair value, while an increase would lead to a reduction of €2,082 thousand (previous year: €2,747 thousand).

The Level 3 financial asset relates to an equity instrument measured at fair value through other comprehensive income. The measurement is completed using the discounted cash flow method on the basis of the best information available on the reporting date, with a weighted average cost of capital of 6.75% (previous year: 6.75%) used as a basis. A 10% decrease in expected future cash flows would result in a reduction of fair value of €345 thousand (previous year: €343 thousand) as of the balance sheet date, while a 10% increase in the cost of capital would result in a reduction in equity of €310 thousand (previous year: €303 thousand). In financial year 2025 H&R KGaA received a dividend of €1,000 thousand (previous year: €0 thousand) from this equity instrument.

The following table shows the allocation of the financial instruments' fair values, which are reported on the statement of financial position at their carrying amounts, to the different levels:

ALLOCATION OF FAIR VALUES OF FINANCIAL INSTRUMENTS

IN € THOUSAND	12/31/2025			12/31/2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Liabilities and shareholders' equity						
Liabilities to banks	–	142,505	–	–	151,453	–

The fair values are determined using observable market interest rate curves. The expected cash flows were discounted accordingly.

Financial assets and financial liabilities are not offset, apart from the reimbursement right against BP (see Notes (10) and (22)), since no such offset agreements exist. There were no reclassifications among the individual levels in financial year 2025.

In the operating business, the outstanding balances are continuously monitored at the divisional level, i. e., locally. Insofar as the Hansen & Rosenthal Group handles sales and distribution, details are also integrated into its monitoring systems. Default risks are addressed through accounting for risk prevention. Non-recoverable receivables are derecognized and the impairment is reversed. When a doubtful receivable is collected, the previous impairment is reversed. The maximum default risk is reflected in the carrying amounts of the financial assets reported on

the statement of financial position, including free-standing derivatives with a positive market value. As of the reporting date, there were no material agreements in place that reduce the maximum default risk.

(41) Leases

The right-of-use assets recognized in the balance sheet relate, in particular, to longer-term leases for land and buildings, as well as for the rental of tank capacities and tank wagons. The lease agreements are negotiated individually and contain various conditions.

Property, plant and equipment includes right-of-use assets under leases as follows:

RIGHT-OF-USE ASSETS UNDER LEASES

IN € THOUSAND	12/31/2025	12/31/2024
Land/buildings	20,724	26,291
Technical equipment/ machinery	9,004	15,887
Other facilities/operating and office equipment	1,815	3,147
Total	31,543	45,325

The additions to right-of-use assets amounted to €10,149 thousand (previous year: €9,458 thousand) in the financial year 2025.

Depreciation and amortization on right-of-use assets is comprised as follows:

DEPRECIATION AND AMORTIZATION ON RIGHT- OF- USE ASSETS UNDER LEASES

IN € THOUSAND	2025	2024
Land/buildings	9,710	2,752
Technical equipment/ machinery	11,577	7,557
Other facilities/operating and office equipment	1,974	2,094
Total	23,261	12,403

The amortization of right-of-use assets is included in the depreciation, impairments and amortization of intangible assets item in the income statement.

The following table shows liabilities from leases:

LIABILITIES FROM LEASES

IN € THOUSAND	12/31/2025	12/31/2024
Current lease liabilities	11,222	11,868
Non-current lease liabilities	29,256	30,925
Total	40,478	42,793

The following table shows the contractually agreed undiscounted cash outflows:

MATURITIES OF LEASE PAYMENTS

IN € THOUSAND	12/31/2025	12/31/2024
Up to one year	11,488	12,058
One to five years	17,115	18,470
> five years	17,424	18,045
Total	46,027	48,573

Lease liabilities amounting to €13,442 thousand were repaid in the 2025 financial year (previous year: €12,871 thousand).

The following amounts in relation to leases were recognized in the income statement, in addition to amortization on right-of-use assets under leases:

P&L EFFECT FROM LEASES

IN € THOUSAND	2025	2024
Interest expense	1,303	1,188
Expenses for short-term leases	907	740
Expenses for low-value leases	423	411
Total	2,633	2,339

No prospective future cash outflows (previous year: €25 thousand) exist from leases already entered into as of the reporting date, which begin after December 31, 2025, and are not short-term leases.

(42) Other Financial Liabilities

Other financial liabilities comprise order commitments for investments in the amount of €11,837 thousand (previous year: €15,481 thousand) and other financial liabilities in the amount of €4,411 thousand (previous year: €4,742 thousand).

(43) Contingent Liabilities and Receivables

On the reporting date, H&R KGaA had joint liability for pension commitments totaling €9 thousand (previous year: €16 thousand).

A portion of the production sites is rented. Obligations to clean up and restore the property to its original condition will apply when the rental agreement expires. In the very unlikely event that a lessor gives notice of extraordinary termination or does not renew the long-term rental agreement, this would give rise to claims against the lessor for compensation; in this case no cash outflow would be anticipated and therefore no provision has been set up to cover the obligations to restore the property to its original

condition. This situation is regularly monitored by the management.

(44) Governance Bodies of H&R GmbH & Co. KGaA

EXECUTIVE BOARD OF H&R KOMPLEMENTÄR GMBH

	Membership of Supervisory and Advisory Boards
Niels H. Hansen Sole Member of the Executive Board, Hamburg	-

SUPERVISORY BOARD OF H&R GMBH & CO. KGAA

	Membership of Supervisory and Advisory Boards
Dr. Joachim Girg Chairman of the Supervisory Board Managing Director of H&R Beteiligung GmbH, Hamburg	-
Roland Chmiel Deputy Chairman CPA/Chartered Accountant, Rosenheim	-
Peter Brömse Graduate engineer, independent management consultant of operational excellence	-
Sabine U. Dietrich (until May 27 2025) Chartered engineer, Mülheim an der Ruhr	Member of the Supervisory Board of Commerzbank Aktiengesellschaft, Frankfurt am Main, Member of the Supervisory Board of MVV Energie AG, Mannheim
Sven Hansen (until February 04 2025) Managing Partner of the H&R Group, Managing Director of Tudapetrol Mineralölzeugnisse Nils Hansen KG	-
Kyra Hansen (from February 04 2025) Businesswoman, Hamburg	-
Michaela Pulkert (from May 28 2025) Graduate in business administration, Munich	-
Dr. Rolf Schwedhelm Tax lawyer and partner at Streck Mack Schwedhelm, Cologne	Chairman of the Supervisory Board of German Lawyer Academy Society for Education, Training and Services (Deutsche Anwalt Akademie Gesellschaft für Aus- und Fortbildung sowie Serviceleistungen mbH), Berlin

SUPERVISORY BOARD OF H&R GMBH & CO. KGAA (EMPLOYEE REPRESENTATIVES)

	Membership of Supervisory and Advisory Boards
Patrick Ewels	
Works council chairman H&R ChemPharm GmbH, Salzbergen	-
Dominik Franz	
Works council chairman of GAUDLITZ GmbH and GAUDLITZ Plastic Technologies GmbH & Co. KG, Coburg Chairperson of the Group Works Council of the H&R KGaA	-
Thomas Merting	
Employee of H&R ChemPharm GmbH, Salzbergen	-

(45) Disclosures of Relationships With Related Parties

Related party transactions were carried out at arm's length. There were no transactions of material significance with unconsolidated subsidiaries. Related party transactions involve the companies of the Hansen family (hereinafter referred to as Hansen & Rosenthal) and joint ventures.

There is a mutual business relationship with Hansen & Rosenthal. The supply of goods for chemical-pharmaceutical products from the Salzbergen site takes place under a long-term distribution and supply contract, by which the relevant Hansen & Rosenthal company purchases the products and then resells them to its end customers in its own name and for its own account. Furthermore, deliveries are made on the basis of a long-term commission contract for the marketing of certain products from the Hamburg site, for which Hansen & Rosenthal receives a commission. Moreover, H&R KGaA subsidiaries provide production, IT and staffing services to the Hansen & Rosenthal Group and vice versa.

Sales revenue from goods and services to Hansen & Rosenthal totaled €574,281 thousand in financial year 2025 (previous year: €617,377 thousand). Most of this amount was for supplies of chemical-pharmaceutical products in 2025 (€456,184 thousand; previous year: €501,294 thousand) and for contract manufacturing services in 2025 (€110,223 thousand; previous year: €108,173 thousand). Goods and services purchased from Hansen & Rosenthal in financial year 2025 amounted to €115,705 thousand (previous year: €119,929 thousand). The bulk of this amount was for purchases of chemical-pharmaceutical products (€107,735 thousand; previous year: €111,945 thousand).

As of December 31, 2025, receivables due from Hansen & Rosenthal amounted to €52,674 thousand (previous year: €62,491 thousand); liabilities owed to Hansen & Rosenthal came to €21,091 thousand (previous year: €24,914 thousand). Receivables are

handled in line with normal commercial conditions and customary retention of title.

Goods and services provided to joint ventures generated €418 thousand in sales revenue in financial year 2025 (previous year: €596 thousand). Goods and services purchased from joint ventures in financial year 2025 amounted to €2,754 thousand (previous year: €2,652 thousand). These relate primarily to the purchase of energy and IT services.

As of December 31, 2025, receivables due from joint ventures amounted to €83 thousand (previous year: €102 thousand); as in the previous year, there were no liabilities owed to joint ventures.

Supervisory Board and Executive Board

Key management positions are limited to the Supervisory Board and Executive Board of H&R KGaA. Management of the company is provided by the Executive Board of H&R Komplementär GmbH. For performing their tasks, members of the Executive Board received total remuneration of €920 thousand in the financial year, due in the near future (previous year: €985 thousand). Members of the Executive Board receive no share-based remuneration and no pension commitments. There were no expenses associated with terminating the employment agreements of managing directors. As of the reporting date, there was a liability of €207 thousand (previous year: €169 thousand) and a receivable of €50 thousand (previous year: €50 thousand) owed to H&R Komplementär GmbH.

Former members of the Executive Board and their survivors received post-employment benefits totaling €248 thousand during the financial year (previous year: €248 thousand). For former members of the Executive Board and their survivors, pension commitments amounted to €2,259 thousand (previous year: €2,317 thousand).

Remuneration for members of the Supervisory Board included basic remuneration plus additional

compensation for committee work and fees for attending meetings and totaled €629 thousand (previous year: €615 thousand). This remuneration will be due in the near future.

In addition to their Supervisory Board remuneration, the employee representatives on the Supervisory Board receive fees not related to their work for the Supervisory Board, in the near future. These fees resulted from the respective employment contracts and totaled €193 thousand in financial year 2025 (previous year: €193 thousand).

As in the previous year, no members of the Executive Board or members of the Supervisory Board had received loans from the company as of December 31, 2025.

Data on the remuneration of members of the Executive Board and the Supervisory Board are provided in the remuneration report, which is published at www.hur.com.

H&R KGaA has an Advisory Board that provides advice to the Executive Board. Expenses of €141 thousand were incurred in the financial year for the activities of the Advisory Board in 2025 (previous year: €175 thousand). In financial year 2025, fees paid to members of the governing bodies of H&R KGaA within the scope of consultancy contracts amounted to €75 thousand (previous year: €75 thousand). As of December 31, 2025, liabilities owed to Board members totaled €616 thousand (previous year: €615 thousand). These amounts are due in the short term.

(46) Statement of Compliance Pursuant to Section 161 of the German Stock Corporation Act (AktG)

The Statement of Compliance with the German Corporate Governance Code required by Section 161 of the German Stock Corporation Act (AktG) was submitted in December 2025. It is published online at www.hur.com.

(47) Group Audit Fees

The following fees for the services provided by Forvis Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft were recognized for the financial year:

IN € THOUSAND	12/31/2025	12/31/2024
Audits	549	589
of which relating to the previous year	95	17
Other certification or valuation services	135	84
Tax counseling	–	–
Other services	50	–
Total	734	673

The 2025 fee for auditing services charged by the auditors covers, in particular, the statutory audit of the annual financial statements and the consolidated financial statements of H&R KGaA, and the statutory and voluntary audits of the annual financial statements. The other certification services primarily refer to the audit of the non-financial Group report of H&R KGaA. The prior-year figures related to services performed by Grant Thornton AG Wirtschaftsprüfungsgesellschaft.

(48) Exemption From Disclosure Under Section 264, Paragraph 3 HGB

For the following fully consolidated subsidiaries, the company has elected to make use of the option to be exempted from the disclosure requirement in accordance with Section 264, paragraph 3 and Section 264b, in conjunction with Section 325 of the German Commercial Code (HGB), and partly made use of concessions regarding the preparation of financial statements:

- H&R OWS Chemie GmbH & Co. KG
- H&R Lube Blending GmbH
- H&R ChemPharm GmbH
- H&R Lube Trading GmbH
- H&R International GmbH
- H&R InfoTech GmbH
- H&R South Africa GmbH
- H&R Group Finance GmbH
- GAUDLITZ Plastics Technology GmbH & Co. KG

(49) Risk Management Policy, Capital Management and Safeguards

The operating business and the financing of H&R KGaA are exposed to various financial and market price risks, in particular liquidity and refinancing risks, counterparty default risk as well as risks associated with fluctuations in raw material prices, currency exchange rates, and interest rates. A systematic risk management system is in place to limit these risks. Hedging transactions, among other things, are used to counter them.

H&R KGaA has implemented a Group-wide risk management system which identifies, analyzes and measures these risks so that informed decisions can then be made about actions to take to prevent or limit such risks. The key components of the risk management system are the planning and controlling process, internal Group rules and regulations, and the reporting function. The Group companies are subject to strict risk management. Dealing authorizations, responsibilities and supervision procedures are established on a binding basis in internal guidelines.

The company holds regular conferences on business performance at which the results of operations and potential risks and opportunities are highlighted and targets and control measures are agreed. Derivative financial instruments are also utilized in this context. In this respect, derivative financial instruments may not, as a matter of principle, be implemented for speculative purposes, but instead serve to hedge

against risks in connection with the operating business as well as financial risks.

The Executive Board defines the Group's equity ratio as the basic parameter for capital management, which in turn is aimed at ensuring that the Group will continue to be able to cover its financing needs for capital expenditures and debt service obligations in the future. At the same time, H&R KGaA strives to maintain a capital structure that optimizes the costs of capital provided by our investors and our lenders, while retaining strategic flexibility. Other key control parameters include net debt and net gearing, i. e., the ratio of net debt to operating income (EBITDA).

A syndicated loan and the bilateral loans require the company to meet financial covenants that also relate to its capital base and net gearing. The financial covenants were fully met both at the reporting date and also during the course of the year.

CAPITAL STRUCTURE

	2025	2024*	2023	2022	2021
Net debt/EBITDA	1.31	1.39	1.46	1.52	1.13
Equity ratio (in %)	45.4	45.5	50.6	49.0	46.7
Net Gearing	12.1	13.4	29.1	42.9	39.9

*previous year amounts restated, refer to Note (5)

Risks Related to the Impacts of Armed Conflicts

Armed conflicts can bundle various risks together in a cluster. The material impacts can be that the raw materials needed are no longer available or are available only on the basis of significantly less favorable conditions. As things stand, we are not expecting the raw materials procurement situation to change in the foreseeable future. We should therefore still be able to secure supplies.

Armed conflicts could also have impacts on global trade routes and flows of goods. In particular the situation in the Persian Gulf and therefore access to the Suez Canal could be exacerbated due to political and military tensions and lead to disruptions in trade between Europe and Asia. Suppliers, customers and other business partners could be hard hit as a result, which may lead to defaults or disruptions to services. H&R KGaA will continue to track events carefully, monitor their effects and prepare countermeasures.

Climate-related Risks. As a global enterprise, H&R KGaA is exposed to climate-related risks. These risks include both transitory risks, on other words additional costs incurred due to transition of to a low-carbon economy, and physical climate change risks

such as damage to assets as a result of fires or flooding.

As an operator of industrial plants, we run a business that is governed by laws and regulations, meaning environmental, chemical and energy law requirements have to be met. In addition, regulatory, tax and legal changes may be made regarding climate change, with there being a focus in particular on climate and energy policy in the European Union. The potential tightening of these regulations, in particular in Germany or the European Union, brings with it the risk of financial burdens caused by higher operating costs and capital expenditure as well as potential competitive disadvantages vis-à-vis international and non-European market participants. The differing pace of change in the fossil fuels sector and the push toward sustainable products creates opportunities and risks that depend on H&R's transformation strategy and external technological developments.

H&R KGaA runs energy-intensive facilities, in which natural gas is also used as an energy source. H&R KGaA is therefore dependent on the availability of gas, which it has always been able to secure, not least because the use of alternative energy

sources could reduce the demand and can continue to do so. The transition to green energy sources plays a special role for H&R, but also depends on external conditions such as regulation and the expansion of the hydrogen network, which H&R can only influence to a limited extent.

More information on this can be found in the Report of the iNternal Control and Risk Management System and on the Main Opportunities and Risks in the management report.

Liquidity Risks. H&R KGaA ensures that it has sufficient liquidity by monitoring its liquidity status daily, by maintaining financing facilities that have not been utilized in full and by refinancing expiring loan agreements in a timely manner. Compliance with financial covenants is a crucial part of the financing agreements. If these covenants were to be breached and could not be renegotiated or if alternative sources of financing could not be found on short notice, this would jeopardize the continued existence of the Group. H&R KGaA counters this risk by maintaining a financing structure that includes sufficient equity as well as through measures designed to ensure the sustainability and stability of earnings, such as switching the Salzbergen site to a contract-processing model. Since 2024, the Group has been using supplier finance agreements with a notice period of three months, which has improved the Group's working capital. The financial services provider is in a good financial position and H&R has no significant concentration of liquidity risks with this financial services provider.

Default Risks. Our risks from delays in payment and/or defaults on the part of our customers are limited by our broadly diversified customer base and the low level of dependence on individual debtors. Strict receivables management by our sales/distribution partner, Hansen & Rosenthal, reduces these risks even more. Based on the information currently available, existing del credere risks are covered through impairments.

We counter the default risk of banks with which we have arranged credit lines, entered into hedging transactions or invested funds by only entering into larger, long-term financial transactions with banks that have good credit ratings and by spreading larger transactions among several banks.

Raw Materials Price Risks. H&R KGaA is exposed to price fluctuation risks in, among other things, purchases of raw materials, particularly purchases of atmospheric residue and vacuum gas oil. Most supply agreements concluded with customers for specialty products manufactured by the

Chemical-Pharmaceutical Raw Materials division's specialty production sites specify fixed prices for a period of three months at most. Moreover, the production process at a specialty production site can require up to eight weeks from the date on which raw materials arrive to the date when the finished product has been manufactured. This means that rapid increases in raw materials costs cannot be passed on to the markets immediately, but only with a delay. The relevant price trends are constantly monitored and analyzed. Changes in prices of raw materials can result in the recognition of windfall losses and windfall profits, which generally balance out over time. The raw materials price risk mainly affects sales revenues and cost of materials in the ChemPharm Refining and ChemPharm Sales segments (see Note (37)). To counteract the raw materials price risk, H&R KGaA concludes raw materials forward transactions, which are designated as cash flow hedges.

Currency Risks. The international orientation of H&R KGaA means that its operating activities give rise, among other things, to currency risks resulting from fluctuations between the company's functional currency and other currencies. In particular, these are encountered in the area of procurement as a result of US dollar transactions. In the trading business, these risks are partially hedged through forward transactions.

For the presentation of market risks, IFRS 7 requires sensitivity analyses showing the impact of hypothetical changes in relevant risk variables on earnings and equity. It is assumed that the portfolio as of the reporting date is representative of holdings for the entire year.

The following table shows the net exposure in the most significant foreign currency as of the reporting date:

NET EXPOSURE	
IN € THOUSAND	US\$
12/31/2025	11,578
12/31/2024	2,822

The net exposure consists of statement of financial position items in the respective currency, which is not the functional currency, less derivatives used to hedge the foreign currency effects of the respective item on the statement of financial position. An increase in the US dollar rate by 10% would burden the income and equity with €1,025 thousand (previous year: €247 thousand), while a decline in the US dollar rate by 10% would cause the income and

equity to rise by €1,253 thousand (previous year: €302 thousand).

Interest Rate Risks. H&R KGaA employs variable interest rate facilities, among other things, as part of its financing activities. Interest rate swaps are used as interest hedging instruments to limit risks arising from changes in market interest rates.

A sensitivity analysis for interest rate risk is performed on financial liabilities with variable interest rates, including interest income on cash in hand. As of the December 31, 2025, reporting date, a hypothetical 50 basis points or 0.5% increase in the interest rate would have lowered interest income to €-47 thousand (previous year: €+41 thousand) and would have decreased the amount of equity shown accordingly.

(50) Events After the Reporting Date

Between December 31, 2025, and the time of approval of the consolidated financial statements, there were no events with a concrete material impact on the net assets, financial position and results of operations. However, it is possible that the developments of the war in Ukraine or of the Gaza conflict may have significant consequences during the further course of the year. However, due to the volatility of the situation, it is not currently possible to predict how much of an impact they will have with any degree of certainty. Further information on these topics can be found in the Risk and Forecast Report in the management report.

(51) Approval of the Financial Statements

The financial statements were approved and released for publication by the management of the general partner with full personal liability on March 30, 2026.

Salzbergen, March 30, 2026

The Executive Board

Niels H. Hansen

Sole Managing Director

Independent Auditor's Report

To H&R GmbH & Co. KGaA, Salzbergen

Report on the Audit of the Consolidated Financial Statements and of the Group Management Report

Audit Opinions

We have audited the consolidated financial statements of H&R GmbH & Co. KGaA, Salzbergen, and its subsidiaries (the Group) – consisting of consolidated statement of financial position as of 31 December 2025, the consolidated statement of income, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from 1 January to 31 December 2025 and the notes to the consolidated financial statements, including material accounting policy information. In addition we have audited the group management report of H&R GmbH & Co. KGaA, which is combined with the management report of the Company, for the financial year from 1 January to 31 December 2025. In accordance with German legal requirements, we have not audited the content of the parts of the group management report listed in the “Other information” section of our auditor’s report.

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter referred to as “IFRS Accounting Standards”) as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code], and in compliance with these provisions, give a true and fair view of the assets, liabilities and financial position of the Group as of 31 December 2025 and of its financial performance for the financial year from 1 January to 31 December 2025 in compliance with German Legally Required Accounting Principles, and
- the accompanying group management report as a whole provides an appropriate view of the Group’s position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with

German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the parts of the group management report listed in the “Other information” section.

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

Basis for the Audit Opinions

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

Note on Other Matter

The consolidated financial statements and the group management report of H&R GmbH & Co. KGaA for the previous financial year ended 31 December 2024 were audited by another auditor who, on 4 April 2025, issued unmodified audit opinions on these consolidated financial statements and this group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate opinion on these matters.

The following section describes the audit matter that we consider to be particularly important:

Impairment of the long-term assets of the cash-generating units (CGUs)

Relevant information in the consolidated financial statements and the group management report

The Company's disclosures regarding the cash-generating units (CGUs) and their impairment are included in sections 3, 4 and 12 of the notes to the consolidated financial statements.

Description of the matter and audit risk

In the consolidated financial statements of H&R GmbH & Co. KGaA as at 31 December 2025, significant long-term assets are recognized, which represent a substantial proportion of the Group's total assets and are tested for impairment at the level of the cash-generating units (CGUs). The assets of the CGUs are subject to an annual impairment test. For this purpose, the recoverable amount is compared with the carrying amount of each cash-generating unit. The recoverable amount is determined based on value in use, applying the discounted cash flow method. The future cash flows to be discounted are derived from the current planning of the H&R Group. Discounting is performed using the weighted average cost of capital of the respective cash-generating unit.

The performance of these impairment tests requires significant judgement by the executive directors, particularly concerning the forecasting of future cash flows, the determination of long-term growth rates and the derivation of the discount rate applied. Even minor changes in these assumptions may result in material effects on the recoverable amounts determined.

Against this background, this matter was of particular significance in the context of our audit.

Audit approach and key observations

As part of our audit, we assessed, among other things, the identification of the CGUs and the appropriateness of the valuation methodology applied. We analysed the planning calculations prepared by the executive directors and critically assessed the key assumptions – especially revenue and margin developments, long-term growth rates and discount rates. In doing so, we compared the assumptions with historical experience, external market data and our own valuation expectations. We also reviewed sensitivity analyses to assess the robustness of the results with respect to changes in key parameters.

Furthermore, we reviewed the derivation of the forecast cash flows based on the operational budget for 2026 approved by the Supervisory Board on 3 December 2025 and the medium-term plan for 2027–2030 approved by the executive directors. We evaluated the assumptions underlying the planning for consistency and reasonableness in light of current and expected market conditions and our understanding of the economic environment of the respective CGUs. In addition, we made inquiries of management in this regard.

We also assessed historical planning accuracy by comparing the prior-year planning with actual results for the financial year as well as by reconciling the current planning with the prior-year planning. Given the sensitivity of the value in use to changes in the applied discount rate, we involved our internal valuation specialists to assess the parameters used and reviewed the calculation models for deriving the discount rate. Moreover, we reviewed and analysed the sensitivity analyses prepared by management for the CGUs.

Based on our audit procedures, we were able to satisfy ourselves that the judgements and assumptions made by the executive directors in assessing the impairment of the CGUs are reasonable and have been appropriately documented.

Other Information

The executive directors or the supervisory board are responsible for the other information. Other information contains the following parts of the group management report the content of which we have not audited:

- the statement on corporate governance in accordance with Section 289f and Section 315d HGB, which is referred to in the group management report,
- the separate non-financial report (non-financial declaration) in accordance with Section 289b (3)

and Section 315b (3) HGB which is referred to in the group management report,

- the remuneration report in accordance with Section 162 AktG, which is referred to in the group management report.

Other information also includes:

- the assurances pursuant to Section 297 (2) sentence 4 and Section 315 (1) sentence 5 HGB on the consolidated financial statements and group management report
- the supervisory board report
- the remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements and group management report and our auditor's report.

The executive directors and the supervisory board are jointly responsible for the remuneration report. The supervisory board is responsible for the supervisory board report. Otherwise, the executive directors are responsible for the other information.

Our audit opinions on the consolidated financial statements and the group management report do not cover the other information and consequently we do not issue an audit opinion or express any form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information:

- is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

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

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards, as adopted in the EU and the additional requirements of German commercial law pursuant to Section 315a (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets and liabilities, financial position and financial

performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

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

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

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

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

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

report that includes our audit opinions on the consolidated financial statements and on the group management report.

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

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the Group's internal control or these arrangements and measures.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and

in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards, as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with [German] law and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and

where applicable, the actions taken or safeguards applied to eliminate independence threats.

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

Other Legal and Regulatory Requirements

[Report on the assurance on the electronic rendering of the consolidated financial statements and group management report prepared for publication purposes in accordance with Section 317 \(3a\) HGB](#)

Assurance Opinion

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the group management report (hereinafter referred to as the "ESEF documents") contained in the file `HuR_GmbH_u_Co_KGaA_KAuKLB_ESEF-2025-12-31-de.xbri` (MD5-hash value: MD5-11a5dae6155adff1364caab3c3aff228) and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the file identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinions on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2025 contained in the "Report on the audit of the consolidated financial statements and of the group management report" above, we do not express any assurance

opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the Assurance Opinion

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

Responsibilities of the executive directors and the supervisory board for the ESEF documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with Section 328 (1) sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 no. 2 HGB.

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

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group auditor's responsibilities for the assurance work on the ESEF documents

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

- Identify and assess the risks of material non-compliance with the requirements of Section 328 (1) HGB, whether due to fraud or error, design and

perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- Obtain an understanding of internal controls relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of the Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and the audited group management report.
- Assess whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of the Commission Delegated Regulation (EU) 2019/815 in the version applicable at the reporting date provides an adequate and complete machine-readable XBRL copy of the XHTML reproduction.

[Further Information pursuant to Article 10 of the EU Audit Regulation](#)

We were elected as group auditor of the consolidated financial statements by the annual general meeting on 27 May 2025. We were engaged by the supervisory board on 4 December 2025. We have been the auditor of H&R GmbH & Co. KGaA since the financial year 2025.

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

Other Matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be published in the Unternehmensregister [company register] – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Esther Knieschke.

Hamburg, 30 March 2026

Forvis Mazars GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Esther Knieschke
Wirtschaftsprüferin
[German Public Auditor]

Attestation by the Legal Representatives

We hereby affirm that, to the best of our knowledge and according to the applicable accounting standards, the consolidated financial statements convey a true picture of the net assets, financial position and results of operations of the Group and that the combined management report presents the course of business, including the Group's business income and situation, in a way that presents a true and fair view while describing the material opportunities for and risks to the Group's expected development.

Salzbergen, March 30, 2026

The Executive Board

Niels H. Hansen
Sole Managing Director

Further Information

146

**Six-year Overview H&R Group
Key Figures (IFRS)**

147

Financial Calendar

148

**Contact, Legal Details, Dis-
claimer**

Six-year Overview H&R Group Key Figures (IFRS)

T. 23

		2025	2024	2023	2022	2021	2020
Sales volume (core products) ¹⁾	KT	775	797	799	811	869	805
Sales revenue	€ MILLION	1,242.2	1,338.2	1,352.3	1,576.0	1,188.4	873.0
Operating income (EBITDA)	€ MILLION	83.8	94.7	92.7	124.9	132.5	55.8
EBIT	€ MILLION	-14.4	31.9	30.3	69.6	81.6	-0.3
Earnings before income tax	€ MILLION	-24.4	20.3	18.8	62.0	73.4	-10.4
Consolidated net income	€ MILLION	-36.7	12.6	10.6	45.4	52.5	-7.8
Consolidated income attributable to shareholders	€ MILLION	-38.8	10.4	10.6	42.7	50.2	-9.0
Consolidated income per share (undiluted) in €	€	-1.04	0.28	0.28	1.15	1.35	-0.24
Dividend per share ²⁾	€	–	0.10	0.10	0.10	–	–
Market capitalization on December 31	€ MILLION	159.7	126.2	174.2	224.1	261.3	203.6
Balance sheet total	€ MILLION	916.2	1,017.7	903.2	962.1	874.4	745.7
Net Working Capital	€ MILLION	159.6	199.9	209.1	260.1	208.1	106.9
Equity	€ MILLION	416.1	463.4	457.6	471.2	408.5	346.9
Equity ratio	%	45.4	45.5	50.7	49.0	46.7	46.5
Net debt	€ MILLION	71.7	89.2	88.1	136.0	92.9	75.4
Net gearing	%	12.1	13.4	29.1	42.9	39.9	35.3
Cash flow from operating activities	€ MILLION	92.1	70.2	119.1	38.0	37.4	60.1
Free cash flow	€ MILLION	35.4	15.8	62.8	-34.5	-11.1	22.0

¹⁾Chemical-Pharmaceutical Raw Materials division.²⁾ Proposal to the Annual Shareholders' Meeting on May 27, 2026

Financial Calendar

Investor Relations section for the latest events.

Our financial calendar is updated on an ongoing basis. Please visit our website www.hur.com in the

March 31, 2026	Publication of Annual Report 2025
May 15, 2026	Publication of Q1 2026
May 27, 2026	Annual Shareholders' Meeting in Hamburg
August 14, 2026	Publication of Q2 2026
November 13, 2026	Publication of Q3 2026

Contact

If you have further questions concerning our company or if you would like to sign up for the company mailing list, please contact our Investor Relations Team:

H&R GmbH & Co. KGaA

Investor Relations
Am Sandtorkai 50
20457 Hamburg
Germany
www.hur.com

Ties Kaiser

Telephone: +49 (0) 40-43218-321
Fax: +49 (0) 5976-945-308
E-mail: ties.kaiser@hur.com

Tanja Passlack

Telephone: +49 (0) 40-43218-301
Fax: +49 (0) 5976-945-308
E-mail: tanja.passlack@hur.com

Disclaimer

Forward-looking statements

This document contains forward-looking statements that reflect management's current views with respect to future events. Such statements are subject to risks and uncertainties that are beyond H&R's ability to control or estimate precisely, such as future market and economic conditions, the behavior of other market participants, the ability to successfully integrate acquired businesses and achieve anticipated synergies and the actions of government regulators. If any of these or other risks and uncertainties occur, or if the assumptions underlying any of these statements prove incorrect, actual results may be materially different from those expressed or implied by such statements. H&R does not intend or assume any obligation to update any forward-looking statements to reflect events or circumstances after the date of these materials.

Legal Notices, Addresses

Published by

H&R GmbH & Co. KGaA
Neuenkirchener Straße 8
48499 Salzbergen
Germany

Concept/Design

Berichtsmanufaktur GmbH, Hamburg

Photographs

Achim Kraus, Munich (portrait photographs)
This annual report was published on March 31, 2026.
© H&R GmbH & Co. KGaA

Variations for technical reasons

For technical reasons (e. g., conversion of electronic formats) there may be variations between the accounting documents contained in this annual report and those submitted to the electronic Federal Gazette (Bundesanzeiger). In this case, the version submitted to the electronic Federal Gazette shall be binding.

This English version of the annual report is a translation of the original German version; in the event of variations, the German version shall take precedence over the English translation.



**H&R GmbH & Co. KGaA
Neuenkirchener Straße 8
48499 Salzbergen**

**Tel.: +49 (0)59 76-9 45-0
Fax: +49 (0)59 76-9 45-308**

**E-mail: info@hur.com
Internet: www.hur.com**