



Managing Directors of Würth Finance International B.V. (as at 31 December 2025) from left to right: Philip Guzinski, Irene Köppel and Roman Fust

Report of the Management

Our Performance 2025

GENERAL ECONOMIC CONDITIONS

The economies of Europe and the United States proved more resilient than expected, with GDP growth of 2.0% in the U.S. and 1.4% in the EU. Supportive macroeconomic policies, improved financial conditions and rising investment in AI-related sectors helped sustain demand, partly offsetting headwinds from policy uncertainty and trade barriers. The impact of higher tariffs became increasingly visible in spending patterns and consumer prices, particularly in the U.S., while global trade slowed after front-loading ahead of tariff hikes. Inflation remained above target in several countries.

Meanwhile, weak external demand and high uncertainty weighed on economic activity in Germany, offsetting the pick-up from private consumption and public spending: manufacturing production in automotive, machinery and pharmaceuticals declined, while private investment continued to shrink and exports stagnated.

Recent months have brought heightened trade and geopolitical tensions, rising public debt, as well as continued growth of nonbank financial intermediaries (NBFIs) and stablecoins. Despite these shifts, markets remain complacent and valuations have returned to stretched levels. Risks to financial

stability therefore remained elevated: risk asset valuations exceeded fundamentals, sovereign bond markets faced pressure from widening deficits, and stress tests revealed growing interconnectedness between banks and NBFIs – amplifying potential shocks.

The banking and insurance systems in Europe are fortunately well-equipped to deal with any shocks. European banks under the supervision of the European Central Bank (ECB) remained well-capitalised and profitable, supported by higher net interest income following the shift away from the low-rate environment. Insurance continued to grow globally, driven by demand and inflation-related pricing, though natural disasters caused over USD 100 billion in damages worldwide (USD 10 billion in Europe). In Switzerland, the

Blatten landslide resulted in losses of CHF 320 million, while the announced Helvetia-Baloise merger raised questions about market structure and competition. Despite these challenges, the European Insurance and Occupational Pensions Authority (EIOPA) confirmed that European insurers remain well capitalised under Solvency II.

Central banks focused on anchoring inflation expectations. In Europe, inflation moved close to target, and the ECB ended its rate-cut cycle by mid-2025, while leaving scope for smaller, data-dependent moves. In the U.S., the Fed introduced moderate cuts from September, responding to cooling labour markets and reduced purchasing power from tariffs and a weaker dollar, which depreciated by 8 – 10% over the year.

WÜRTH GROUP

The Würth Group's primary financial objectives in financial year 2025 were to halt the erosion of profit margins and maintain a balance between operating cash flow and investment activities. Following substantial efforts, these targets were met in the second half of the year, leaving the Würth Group satisfied with the outcome.

Sales growth continued at a steady pace. Despite a persistently challenging environment, particularly in Germany, the Würth Group increased its sales by 2.3% year-on-year to EUR 20.7 billion (preliminary figures). Key growth drivers included markets in Southern Europe, Asia and South America, as well as the Würth Elektronik eiSos and Chemicals business units. Moderate improvements were also recorded in North America, in the Electrical Wholesale business focused on European markets, and in the traditional Würth Line business serving the professional trades.

Preliminary figures show an operating result of EUR 940 million, unchanged from the previous year. A stable gross margin, combined with operating expenses that developed slightly below average relative to sales from mid-year onward, led to a gradual improvement in the operating margin during the second half of the year. The most significant contribution came from a cautious approach to new hires and replacement recruitment. As a result, the number of employees at year-end 2025 stood at 86,415 FTEs, approximately 2,000 FTEs less than at the end of the previous year.

Effective management of net working capital remains a core element of the Würth Group's financial strategy and a key priority in financial governance. Together with disciplined investment and acquisition practices, this delivered the desired results in the reporting year: the Würth Group's financial position remained very solid. Equity increased by approximately EUR 470 million, while net debt was further reduced over the course of the year.

BUSINESS PERFORMANCE OF THE WÜRTH FINANCE GROUP

	Operating income EUR 136.0 million
	Operating expenses EUR 41.2 million
	Number of employees 115 (FTEs)
	Profit before taxes EUR 94.8 million
	Equity EUR 597.6 million

Facts and Figures (at 31 December 2025)

Financial year 2025 ended with a consolidated operating income of EUR 136.0 million. This reflects a reduction of EUR 17.2 million compared to the previous year (2024: EUR 153.2 million). Of this amount, the Inhouse Banking division generated EUR 117.7 million (2024: EUR 135.3 million) and External Financial Services EUR 18.5 million (2024: EUR 17.7 million) before consolidation.

The decrease at the Inhouse Banking division was attributable primarily to two factors. First, the repayment of the EUR 500 million bond with a 1.0% coupon in May 2025 removed the positive interest margin previously generated from investing these funds in the money market. Second, financial market activities, including trading and securities investments, once again made a notable contribution to the overall result, but the previous year's exceptionally high level – boosted by successful FX hedging during the acquisition of the TIM Group – was not matched. Beyond these effects, the financial results reflect a largely stable core business, with income from payment volumes remaining flat.

The External Financial Services division continued to post moderate revenue growth in its insurance brokerage business, following two years of strong growth.

The Würth Finance Group delivered a strong cost performance, reducing total operating expenses from EUR 45.0 million to EUR 41.2 million. This improvement was driven mainly by significantly lower project-related IT expenditures and further reductions in administrative costs, underscoring the company's efficiency efforts.

Personnel expenses, however, increased by 3.6%, from EUR 26.7 million to EUR 27.7 million, despite a reduction in the number of employees to 115 FTEs (2024: 127 FTEs). This development reflects targeted salary adjustments to maintain competitiveness and reward performance, as well as selective investments in key roles critical for future strategic initiatives. Efficiency measures and automation projects enabled a leaner organisational structure without compromising service quality, while resources were reallocated to areas with high strategic impact. These actions demonstrate the Würth Finance Group's commitment to operational excellence and long-term competitiveness.

The expense reductions helped mitigate the impact of lower income. Consequently, the Würth Finance Group achieved a profit before taxes of EUR 94.8 million (2024: EUR 108.2 million). Collectively, the cost discipline and focused execution reinforced operational efficiency, evidenced by a cost-income ratio of 30.3% (2024: 29.4%), which means that productivity remained relatively stable.

The Würth Group consistently pursues a conservative financial policy, a strategy that has been regularly acknowledged by the rating agency Standard & Poor's. For 25 consecutive years, the agency has awarded the Würth Group an "A" rating, underscoring its financial strength and stability. This prudent approach is also reflected in the funding structure of the Würth Finance Group. With cash holdings of EUR 1,200 million (2024: EUR 1,400 million) and firmly committed credit lines of EUR 500 million available until 2029, the Würth Finance Group maintains substantial liquidity reserves to fulfil its role effectively as the Würth Group's inhouse bank.

Equity increased to EUR 597.6 million during the reporting period (2024: EUR 514.4 million), representing a 16.2% rise. This growth was supported by the shareholders' decision to forgo a dividend distribution for financial year 2025. As a consequence, the equity ratio improved from 11.0% to 14.1%, a strong level for a finance company. Accordingly, the return on equity before tax declined to 17.1% (2024: 22.3%), still demonstrating the efficient utilisation of capital.

Supported by the Würth Group's high credit rating, the strong equity base provides a foundation for sustained financial stability and reinforces the confidence of the Würth Finance Group's business partners.

SEGMENT DEVELOPMENT

Net interest income

The net interest income of the Würth Group's inhouse bank is essentially the result of the investment of liquidity and intra-Group financing, as well as interest expenses from refinancing. The total is determined largely by the interest rate environment, the amount of liquidity and the refinancing structure.

The liquidity holdings of the Würth Finance Group remained at the previous year's level in 2025, averaging EUR 1,200 million (2024: EUR 1,200 million). Nevertheless, the interest income generated from these holdings declined by 40.7% to EUR 21.9 million (2024: EUR 36.9 million). The ECB continued its gradual reduction of base rates until mid-year. As a result, the €STR – the reference rate for the Würth Finance Group's short-term liquidity investments – fell significantly from an average of 3.65% in 2024 to 2.15% in 2025. In addition, interest expenses for capital market financing rose compared to the prior year. For the first time, the funding costs for the EUR 500 million bond 2024 – 2031 with a 3% coupon, issued at the end of October 2024, were incurred for the full financial year. Furthermore, the EUR 500 million bond with a low 1% coupon matured on 26 May 2025, resulting in the expiration of a very favourable refinancing source that could not be replaced elsewhere.

Interest income from net lending to Würth Group companies also declined. Thanks to disciplined net working capital management and a cautious investment approach, the Group companies were able to defend a relatively stable financial position. As a result, net lendings from the inhouse bank to Group companies decreased by around EUR 100 million, from EUR 1,300 million at 31 December 2024 to EUR 1,200 million at 31 December 2025. In addition, due to the lower interest rate environment, interest fixings for new loans and extensions were agreed at reduced levels.

Overall, net interest income of the Würth Finance Group amounted to EUR 54.7 million (2024: EUR 61.8 million). This result still benefits from low interest expenses on bond financing, which will come to an end by late 2027 with the redemption of the EUR 750 million bond 2020 – 2027 carrying a 0.75% coupon.

Intercompany factoring activities

The inhouse bank's intercompany factoring business processes and pre-finances intra-Group cash flows between Würth Group companies. Receivables are settled primarily via accounts at the inhouse bank, which includes a pre-financing component. This approach delivers savings on bank charges, enables more efficient management of accounts receivable and enhances Group-wide coordination. The volumes processed correlate with purchasing behaviour within the Würth Group. A specially developed factoring mechanism regulates a large portion of these receivables, with prices subject to market conditions.

In the reporting year, prices remained unchanged. Reflecting the development of the core business, the factoring volume from intercompany transactions was broadly stable. Consequently, income from factoring activities amounted to EUR 13.5 million, virtually unchanged from the previous year's level of EUR 13.6 million.

Central settlement of payments to suppliers

The inhouse bank pays a large proportion of the Würth Group's merchandise supplier invoices via its own systems. For many of these suppliers, it acts as a service provider for the centralised settlement of payments. Accordingly, this source of income correlates mainly with the purchasing behaviour of the Group companies and, to a lesser extent, with the volume of new contracts in the Inhouse Banking division and the price of the services provided.

Similar to the factoring business, the income from the central settlement of payments to suppliers of the Würth Group remained unchanged from the previous year's level at EUR 31.7 million. Whereas the number of payments decreased slightly from 544,000 to 535,000, the volumes transacted increased by around 2.4% to EUR 8,600 million (2024: 8,400 million).

Currency hedging and trading with financial instruments

The inhouse bank's forex experts exchange currencies with the Group companies whenever regulatory requirements allow and favourable prices can be achieved for the counterparties. In addition, consultations and currency hedging are carried out as measures to safeguard the gross profit of Group companies. With further trading activities, risk positions are established to a limited extent in order to generate an additional positive contribution to income.

Political events kept the currency markets on their toes in 2025. Against the backdrop of heightened volatility, the expertise of our currency experts was in strong demand throughout the year. Spot transactions, forwards, non-deliverable forwards and currency options were used as protection against negative currency effects and to provide reliability of planning. This resulted in 4,860 foreign exchange transactions (2024: 4,590) – ensuring effective risk management and safeguarding the Würth Group's financial stability.

The previous year's exceptionally high level in trading income (2024: 20.4 million), boosted by successful FX hedging during the acquisition of the TIM Group, could not be matched. However, also in 2025 trading activities were successful and contributed to the trading income of EUR 15.3 million – a very satisfying result.

Securities investments

The inhouse bank invests a portion of its strategic liquidity reserves in securities with the aim of generating additional income for the Würth Group in the long term. When doing so, it maintains a balanced relationship between security, liquidity and returns. Investments are made primarily in investment-grade bonds with medium-term maturities, supplemented by positions in equities and other asset classes. The aim is to make a stable financial contribution to income above the risk-free rate. Active management enables a flexible response to market changes and the utilisation of return opportunities on the financial markets.

2025 was a strong year for investments. Equity markets delivered solid returns, supported by an easing of monetary policy, robust corporate earnings and a noticeable broadening of the rally across regions and sectors. In addition to technology and communication stocks, industrial shares – particularly in aerospace, mechanical engineering and infrastructure-related areas – performed above average. Fixed-income markets benefited primarily from attractive yields and steady interest income. In line with the positive market environment, the securities portfolio was gradually expanded from EUR 113.6 million to almost EUR 127.0 million. Against this backdrop, the inhouse bank achieved a pleasing result: securities investments once again generated above-average income of EUR 4.8 million (2024: EUR 5.3 million), corresponding to a time-weighted return of 3.9%.

Other Services

Within the "Other Services" segment, e-payment services constitute the core area of activity. The inhouse bank offers the Group companies a global infrastructure for processing electronic payments across all sales channels. The e-payments team works in very close collaboration with IT companies and the various Group companies to optimise the e-payments experience for customers. Together, these people form the Würth Group's e-payments competence centre.

In 2025, the e-payments team focused on simplifying and standardising automatic financial reconciliation processes across the Würth Group, making e-payment handling as seamless as possible for customer-facing employees. Collaboration was enhanced through the full use of WGS365, the MS365-based collaboration platform of the Würth Group. CRM integration also helped to centralise customer interactions. Transaction volumes processed via the inhouse bank reached EUR 76 million (2024: EUR 64 million). Continued growth is expected as digital sales expand.

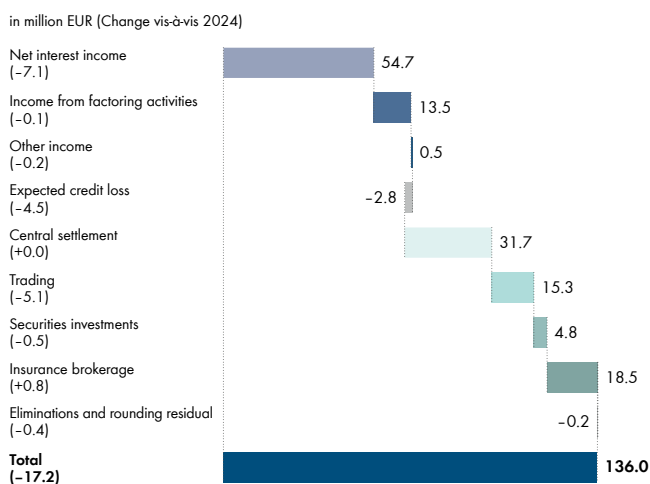
Insurance brokerage

The External Financial Services division brokers insurance contracts between corporate and private clients and insurance companies in Switzerland and advises on the selection of suitable coverage solutions. Income is generated primarily from commissions, which depend on the premium volume. This is influenced by factors such as insurance density, contract renewals, new contracts and market-wide premium adjustments.

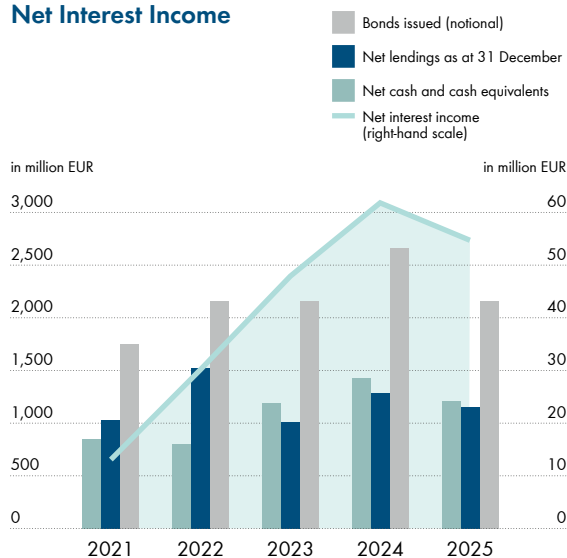
In 2025, the division continued its strong performance and achieved record results in premium volume, revenue and operating profit. The division maintained its growth trajectory despite intensified competition in the Swiss market from large international brokerage organisations. The brokered premium volume increased to CHF 402 million (2024: CHF 393 million). New business production of CHF 17.4 million in insurance premiums exceeded the previous year's level by 17.6% (2024: CHF 14.8 million), underscoring the effectiveness of the sales strategy and client acquisition efforts. The division's revenue development reflects a steady upward trend over the past decade. For the full year 2025, revenues increased by 4.4% to EUR 18.5 million (2024: EUR 17.7 million), supported by a consistently high level of client activity and a robust advisory offering.

SEGMENT DEVELOPMENT

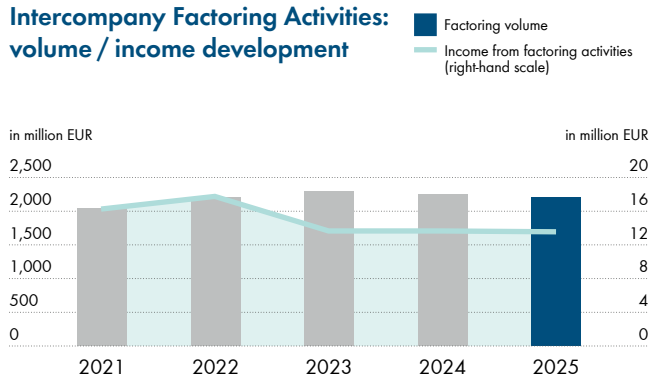
Income Distribution



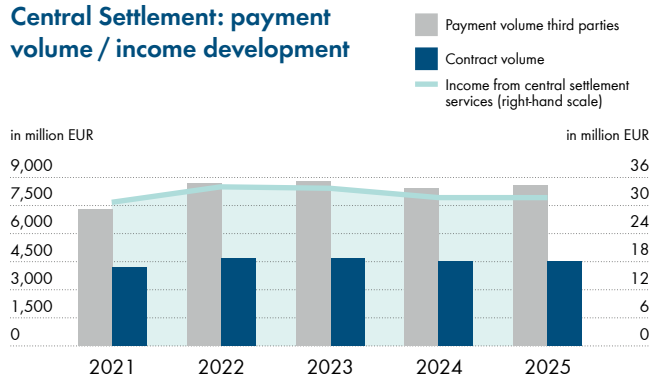
Net Interest Income



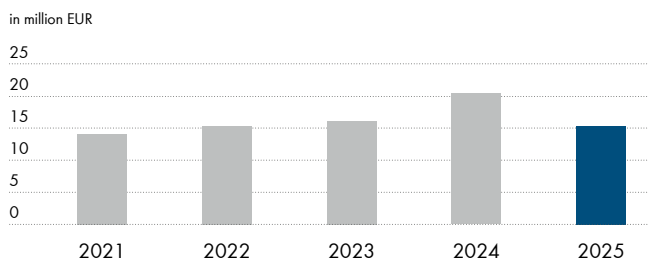
Intercompany Factoring Activities: volume / income development



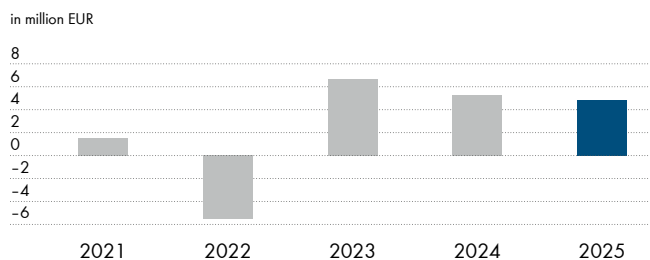
Central Settlement: payment volume / income development



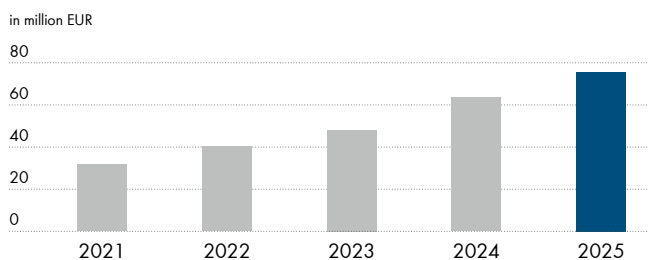
Trading: income development



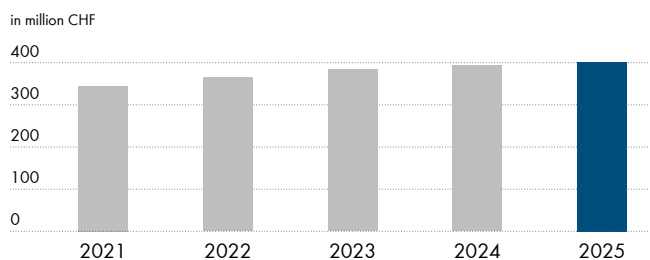
Securities Investments: income development



E-Payment Services: processed volume



Insurance Brokerage: development of premium volume



PERSPECTIVES FOR 2026

Economic researchers expect the global economy to soften in the near term as higher tariffs and ongoing geopolitical tensions – including the war in Ukraine and the recent escalation in the Middle East – may weigh on investment and trade. A moderate recovery could occur in the second half of 2026, depending on the evolution of these risks and the pace of investment flows. In the United States, growth is expected to slow following a period of strong consumer spending, as job growth moderates and higher prices erode real disposable income. Government spending is likely to contribute little, while business investment should benefit from AI-related initiatives and new incentives. With inflation risks appearing contained and labour market conditions weakening, some further monetary policy easing is considered possible.

For the euro area, researchers now expect GDP growth in 2026 to slow to below 1% as the Middle East conflict drives up energy prices and uncertainty. Domestic demand should still offer some support, though higher inflation is likely to weigh on consumption, and investment faces headwinds from elevated input costs and weaker confidence. Inflation is now expected to ease more slowly than previously assumed due to the renewed energy shock. Germany's outlook has also softened, as its dependence on energy imports makes it particularly vulnerable to price spikes, dampening consumption and investment relative to pre-crisis expectations. However, the pace of economic recovery will also depend on how quickly and effectively the planned EUR 500 billion infrastructure investment programme ("Sondervermögen") translates into actual investment spending. Export-oriented investment will remain constrained by trade risks, potential protectionist measures and geopolitical tensions, while private and public investment should gain from high corporate savings, lower interest rates and more flexible fiscal rules.

The Würth Group is preparing for a continued subdued market environment and will consistently pursue its initiatives to improve operating profitability and capacity utilisation. In light of the persistent geopolitical and economic uncertainties, the Group continues to rely on the stabilising effects of its international footprint, diversified business portfolio and

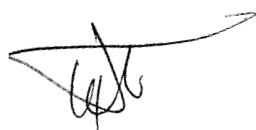
multi-channel strategy, and aims for mid-single-digit sales growth. With its strong equity ratio, excellent credit standing, resilient business model and highly diversified competitive landscape, the Würth Group is well positioned both economically and strategically to emerge stronger even from periods of stagnation, with all forecasts assuming that existing geopolitical crises do not escalate in a way that would fundamentally threaten the stability of global politics and international economic relations.

Against the backdrop of only moderate economic momentum, the Management of the Würth Finance Group expects business volumes to remain stable in 2026. However, lower money market rates are anticipated to lead to a further significant decline in interest income on cash investments, while higher expenses for implementing a new treasury management system will weigh on results. Consequently, the operating profit is expected to decrease by around 10% compared to 2025.

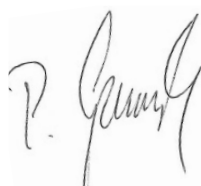
The Management of the Würth Finance Group will continue to pursue its sustainable strategy, which is aligned with client needs and the ongoing transformation of insurance and financial markets. Efforts to improve cost efficiency will remain a priority in light of persistent price pressure in financial and insurance services. This will be achieved primarily through further standardisation, automation and digitalisation of business processes and product solutions, thereby enhancing the scalability and resilience of the business model. In addition, the use of artificial intelligence offers further opportunities to strengthen performance and create added value for clients.

The Management of the Würth Finance Group is very satisfied with the results achieved in financial year 2025 and would like to thank all employees for their outstanding contribution to this success. Our sincere thanks also go to our clients and business partners, whose trust in the Würth Finance Group has made these achievements possible. Looking ahead, we are confident that our strong foundation and commitment to innovation will enable us to continue creating sustainable value and seize new growth opportunities.

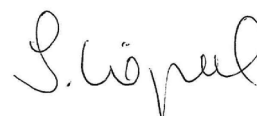
Managing Directors of Würth Finance International B.V.



Roman Fust



Philip Guzinski



Irene Köppel

Responsibility Statement

In accordance with the EU Transparency Directive and the Dutch Financial Supervision Act (Wet op het Financieel Toezicht), the Management of the Würth Finance Group hereby confirms that, to the best of its knowledge, the Financial Statements for the financial year ended on 31 December 2025 give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and that the Management report includes a fair review of the development and performance during the financial year and of the financial situation of the Group at the balance sheet date, as well as of the risks associated with its business.

Risk Management and Control

1 RISK CULTURE

Taking risks has always been inherent in any entrepreneurial activity. As a globally active company, the Würth Group is constantly exposed to risks that can arise both as a result of its own actions or failure to act and as a result of external factors. The conscious and systematic approach to addressing opportunities and risks is inextricably linked to the Würth Group's entrepreneurial activities.

Systematic risk management is essential for achieving corporate goals. The Central Management Board of the Würth Group, which holds overall responsibility for accomplishing the corporate goals, defines the principles of the Würth Group's risk policy and strategy. The management of each Group company, such as the Würth Finance Group, is responsible for establishing an effective and efficient risk management system in its entity. The Würth Finance Group's risk management is guided by the Würth Group's overarching risk policy and risk culture. Further information can be found in the Würth Group's annual report (wuerthfinance.net).

The formal procedures and policies applied by the Würth Finance Group regarding banking, foreign exchange transactions and other treasury matters are consistent with the objectives and guidelines of financial risk management within the Würth Group, in particular the Policies and Procedures Manual (PAP), which defines the specific rules and behaviours. Internal control systems, instructions and training ensure that employees are informed about the current state of legislation so that they can contribute to identifying and properly managing risks.

2 RISK GOVERNANCE AND FRAMEWORK

2.1 Governance

The Würth Group's risk governance framework is based on the "three lines of defence" model as an effective control and monitoring system. In this context, corporate risks are managed by three independent levels, which ensure that the risk and control procedures work properly.

The first line of defence consists of all functions associated with the implementation of day-to-day business. As the risk owners, they are responsible for identifying and analysing risks in the business processes, implementing appropriate

controls on the management of the risks and testing their effectiveness. This first line of defence is intended to prevent or discover and correct at an early stage all risks that are inherent in the operational activities.

In contrast to the first line, the second line of defence serves primarily to control and monitor the first line of defence. It takes on various tasks in supervising and controlling operating risk management, ensuring that this works properly. Responsibility for the second line of defence is assigned to control functions such as compliance and controlling.

The third line of defence is the independent auditing body responsible for internal auditing. It performs risk-oriented audits on behalf of the respective entity's supervisory body and is independent of the first two lines of defence and the entity's management team. This allows the third line of defence to understand the processes and risks at the first and second lines of defence and to objectively assess the internal control mechanisms.

2.2 Framework

The Würth Finance Group (WFG), with its three companies Würth Finance International B.V. (WFI), Würth Invest AG and Würth Financial Services (WFS), is embedded in the Würth Group and is part of the aforementioned Group-wide risk management system. Most of the Würth Group's financial risks are measured, monitored and controlled centrally by WFI as part of its activities as an inhouse bank.

The most significant types of financial risk affecting the Würth Group (or WFI) are credit risks (including default risks), liquidity risks, market risks (including exchange rate, interest rate and securities price risks) and operational risks.

The company pursues a conservative risk policy as part of its risk-oriented corporate management. It refrains from transactions with imponderable risks and enters into quantifiable risks only within clearly defined limits. This principle forms the foundation of the risk policy and provides guidelines for business decisions. The overriding objective is not to eliminate all risks, rather to achieve a balanced relationship between risk and return.

Separate regulations on financial risk management set out the principles and methods for measuring financial risks, specify limits and define the instruments permitted for managing financial risks as well as the organisation of an effective information and reporting system. These limits and authorised financial instruments are submitted to and approved by the Board of Directors of the Würth Finance Group.

The WFG has established an internal control system. The WFG can protect itself in advance against financial losses and liability risks by checking certain procedures, routines and functions at predefined intervals and by monitoring the elimination of identified sources of error. The internal control system is also in place to ensure the correctness and reliability of accounting. It contains principles, procedures and measures to ensure the effectiveness and efficiency of accounting. The main objective of the internal control system is to ensure that all business transactions are recorded, processed and documented correctly and in full, in accordance with statutory regulations and standards as well as other internal guidelines.

The principles for handling operational risk are anchored in a comprehensive set of guidelines and instructions that define how employees should perform their work activities. The strategic objective of a balanced relationship between risk and return is always pursued, applying a cost/benefit analysis. Each specialist area takes responsibility for its operational and compliance risks and for having adequate procedures in place to manage those risks. Entities are supported by the second line of defence (Controlling and Compliance), which is responsible for independent risk oversight.

3 FINANCIAL RISKS AND OPPORTUNITIES

Further information on the risks arising from financial instruments and their management can be found specifically in note 18 of the Financial Statements.

3.1 Credit Risk

Credit risk is defined as the risk of a financial loss caused by a counterparty failing to meet its financial obligations or by a deterioration in the credit quality of the counterparty. In the event of a default, the WFG incurs a loss equal to the amount owed by the debtor, less any recoveries. The maximum credit risk corresponds to the value of all financial assets, contingent liabilities and unused irrevocably guaranteed lending commitments reported in the Financial Statements.

Given the nature of its core business activities, the WFG monitors the counterparty default risk for all its major risk-related activities.

The WFG aims to minimise the credit risk and has defined its risk appetite in only entering into business relationships with first-class external counterparties. Binding counterparty limits are defined for each rating level, but the aim is to enter into business relationships only with banks with a Standard & Poor's minimum rating of "BBB" (equivalent to a rating of "Baa" from Moody's and "BBB" from Fitch). The creditworthiness of all the Würth Group's banking partner relationships is

controlled by daily monitoring of ratings and outlook changes. A rating downgrade leads to a reduction in the credit limits and to immediate reduction or closure and transfer of open transactions to other banks. In 2025 there were four rating upgrades and no rating downgrades.

The WFG has concluded ISDA agreements with all external counterparties for financial derivatives transactions. These agreements include a Credit Support Annex that ensures the periodic net present value cash settlement of the outstanding transactions. The counterparty risks relating to delcredere business are transferred in full to insurance companies.

Every Würth Group company is granted a credit limit by the Würth Group's Central Management Board. Würth Finance International B.V. monitors compliance with these limits on a monthly basis. Breaches of the limits are reported and the limit is adjusted in consultation with the Würth Group's Central Management Board. Any credit risk relating to lendings to individual Würth Group companies with negative equity as at the reporting date are secured by letters of comfort from the superordinate parent company.

3.2 Liquidity Risk

The WFG defines liquidity risk as the risk of being unable to meet due payment obligations in full or on time. In addition, there is the risk that refinancing means cannot be procured, cannot be procured for the desired maturity or can be procured only at higher market rates (liquidity protection or refinancing risk).

The WFG is the main financing company of the Würth Group and, in this function, manages liquidity risks in accordance with the recorded strategic guidelines of the Central Management Board. It also helps to optimise the financial result by exploiting market opportunities in a targeted manner.

The overriding goal of the Würth Group and the associated risk appetite is the ability to meet its payment obligations at all times, even in extraordinary situations.

The high international creditworthiness of the Würth Group (Standard & Poor's has awarded its non-current liabilities an "A" rating) allows the WFG to raise funds in the international capital markets on favourable terms. To cover any extraordinary liquidity needs, the WFG also has credit lines granted by various banks and liquidity in the form of cash and cash equivalents. The Würth Group's annual cashflow plan serves as a basis for the size and management of such liquidity reserves.

To measure, analyse, monitor and report on liquidity risk, the WFG prepares liquidity overviews on a daily basis and reports the liquidity and debt status of the whole Würth Group to the Central Management Board of the Würth Group on a monthly basis.

All financial requirements were met in the reporting period under review.

3.3 Market Risk

A large part of the WFG's business activities is subject to market risk, defined as the possibility of changes in the fair values of the trading and investment positions. Risks may arise from changes in exchange rates, interest rates and securities prices.

One of the main objectives in dealing with market risks is to ensure that the risk corresponds and is appropriate to the defined strategy.

Both on-balance-sheet and off-balance-sheet financial instruments are used to manage market price risks. Before concluding new transactions, compliance with the prescribed limits and the permissibility of derivative financial instruments must be checked. Compliance with the limits is monitored on a daily basis.

3.3.1 Exchange Rate Risk

The WFG defines exchange rate risk as the risk of loss on net assets resulting from exchange rate fluctuations between the transaction currency and the applicable functional currency.

Inhouse Banking's business is exposed to exchange rate risk; the insurance brokerage business is subject only to translation risk from the conversion of business transactions in Swiss francs into the consolidation currency, which is the euro.

Individual limits are set for each currency or currency group to manage exchange rate risks. The limits are regarded as open net positions towards the balance sheet currency. The positions are valued and monitored on a daily basis.

In assessing exchange rate risks, the absolute amount of open foreign currency positions and changes in their earnings development are taken into account. For this purpose, all positions are valued on a daily basis at market rates (marked to market) and should not exceed EUR 50 million in total.

In order to control the exposure to exchange rate risk, the WFG enters into FX spot transactions, forwards, cross-currency swaps and currency options with external counterparties.

The defined limits were not exceeded in the reporting period under review.

3.3.2 Interest Rate Risk

Interest rate risk is the risk of loss arising from changes in interest rates in all currencies. Interest rate risk arises from balance sheet positions such as loans, financial assets at fair value, payables to related parties and banks, and derivatives, including those used for hedge accounting purposes. These positions may affect other comprehensive income or the income statement, depending on their accounting treatment. A significant proportion of the loans to Würth Group companies are refinanced by fixed-interest bonds.

In order to hedge interest rate risks, the use of derivatives is permitted in addition to any balance sheet structure measure. Examples of such derivatives include forward rate agreements, interest rate swaps, swaptions, caps/floors and cross-currency swaps. The limit for these derivative financial instruments is set at a notional amount of EUR 1,000 million, which was not breached in the reporting period under review.

Interest rate risks are measured using gap and sensitivity analyses, key rate duration analyses and present value calculations.

The WFG's appetite for interest rate risks is defined by the net present value sensitivity of all on-balance-sheet and off-balance-sheet exposures to adverse changes in interest rates by 100 basis points, expressed as a percentage of equity capital.

The defined limits set by the Board of Directors were not exceeded in the reporting period under review.

3.3.3 Securities Price Risk

Securities price risk is the risk of financial loss resulting from changes in the price of (publicly traded) securities. To assess securities price risks, the absolute amount of the securities position and its earnings performance are considered. All positions are valued at market prices (marked to market).

The WFG pursues a conservative investment policy which allows investment in bonds, money market paper (investment and sub-investment-grade) and shares on regulated stock exchanges and capital markets. In addition to a defined benchmark strategy with strategic equity exposure, securities price risk is countered through diversification of the investment portfolio. Limits per asset class have also been defined to limit securities price risk. This also includes an automatic mechanism to reduce the equity portfolio, which is triggered when the equity portfolio has reached a loss of EUR 750,000. In that way the WFG limits the maximum total negative return of the equity portfolio to EUR 6 million per financial year.

The automatic position reduction mechanism was activated for 15 business days. However, no reduction of the equity portfolio was required, as the actual holdings remained well below the reduced limits.

4 OPERATIONAL RISK

Operational risk is the risk of losses resulting from inadequate or failed internal processes or systems, human error or external events.

4.1 Legal and Compliance Risk

The WFG defines legal and compliance risk as the risk of possible, unintentional non-compliance with laws, regulations or standards which could have a negative impact on the business and its business relationships and, in the worst case, could result in the imposition of payments for damages, fines, penalties or other forms of liability and negatively impact the reputation of the Würth Group.

Financial and insurance service providers must fulfil growing and expanding regulatory requirements for dealing with employees, clients and business partners, with data and with (supervisory) authorities, as well as for addressing possible fraud, corruption and bribery risk. It goes without saying that the WFG endeavours to observe and adhere to all rules and regulations applying to its business. Due to the increasing legal complexity, the Würth Group has inhouse experts and consults renowned external consultants on a case-by-case basis.

The Würth Group Code of Compliance serves as the company's code of conduct, requiring strict adherence to all applicable laws and clearly defining expected standards of behavior for all employees. Training and education within and outside the (Würth) Group are carried out regularly to promote awareness of legal and compliance risks among employees.

Furthermore, the Würth Group has a Group-wide whistleblowing system that can be used not only by employees but also by customers, suppliers and other stakeholders to anonymously report suspicions of compliance breaches. Together, these measures – including system-enforced segregation of duties and transaction limits across core operational systems, dedicated operational procedures, regular employee training, and the Group-wide whistleblowing system – form the company's framework to mitigate inherent fraud and corruption risk.

The WFG is subject to both Swiss and Dutch tax legislation and therefore has embedded operating policies and procedures to ensure compliance with the provisions of both tax regimes.

4.2 Technology

Execution of the WFG's tasks requires high-performance IT systems and networks. Accordingly, the IT systems and IT security are continually enhanced and monitored via an information security management system. The WFG, in collaboration with cyber security experts, works to counter the constantly growing and evolving threat from attacks on information and communications technology. This comprises technical and organisational protection measures and cyber risk awareness training for employees. In addition, the WFG has a business

disaster recovery system. The ICT infrastructure is highly scalable, enabling additional business volumes to be dealt with cost-effectively and with a high level of processing quality.

4.3 Staff

The success of the WFG depends to a large extent on its employees and their know-how. Through their ideas and suggestions, the employees are deeply involved in activities and work processes and thus make a significant contribution every day to the WFG's continued existence, ongoing improvement and innovations. Personnel risks will continue to influence the WFG in the coming years, as competition for highly qualified employees remains intense. Future success will depend, among other factors, on the extent to which the WFG succeeds in recruiting, integrating and retaining skilled employees in the long term.

Staff turnover is documented and analysed across all hierarchy levels. Regular surveys conducted by independent institutions and monitoring of staff turnover are key tools that allow the WFG to identify unfavourable developments, analyse their impact on staff recruitment and combat these effects using targeted measures. The bottleneck risk arising from current demographic trends, among other considerations, can be countered by attractive employment conditions, a modern and appealing working environment, and training tailored to individual roles.

As a family-owned business, Würth focuses on the long-term development of the company. That applies equally to supporting up-and-coming talent at the WFG. For many years it has taken on apprentices and employed them on a permanent basis, in line with staffing needs, once they have completed their training. In addition, Würth Finance International B.V. successfully gained some initial experience with an international trainee programme aimed at counteracting the shortage of qualified specialists.

In order to secure the company's future, the WFG supports ongoing training throughout employees' professional lives. Its own employees take precedence when management positions need to be filled. Up-and-coming management talents are prepared for various levels of management within the Group through the Würth Group's support programmes. These programmes offer employees targeted development opportunities that are tailored to their individual ambitions and skills. In addition, employee training represents a crucial element of a lifelong learning process within the Würth Group and the WFG.

5 SUSTAINABILITY

5.1 Foundation

Sustainability is becoming increasingly relevant to society. This is leading to a heightened awareness of climate change, social standards and corporate misconduct. As a result, the market environment is changing rapidly across

all industries. In addition, the inclusion of sustainability criteria in decisionmaking by investors and by banks granting loans has led to an expansion and tightening of the associated requirements for corporate governance and risk management at companies.

Sustainability risks, also known as environmental, social and governance (ESG) risks, potentially influence the level of capital and insurance costs, as well as the creditworthiness of the Würth Group and its business partners. This challenge is being met through active sustainability management at the strategic and operational level and the expansion of associated reporting, including at the WFG.

The Würth Group began recording sustainability data in 2020. The first sustainability report for financial years 2020 – 2022 quantified the sustainability data of 156 of the more than 400 companies, responsible for 88% of the Würth Group's total sales. For the Sustainability Report 2024, the scope of the reporting included the data of all companies consolidated within the Würth Group (Würth Group Sustainability Report 2024, see wuerthfinance.net).

The WFG – which is integrated into the Würth Group's sustainability management system – bases its sustainability reporting on the Group-wide database and standardised data infrastructure, thereby ensuring transparency and comparability of sustainability performance. This will enable the WFG not only to minimise risks, but also to achieve a positive impact on the company's reputation and value. The WFG also sees opportunities to take greater account of sustainability aspects in the design of its own products and services, as part of the Würth Group's sustainability strategy.

5.2 Environmental Protection and Climate Change

Environmental risks arise from the effects of climate change and efforts to mitigate or contain it. They are divided into two categories: Physical risks include the direct impact of weather and climate changes on the population and economy, while transition risks result from the societal changes brought about by the shift to a decarbonised and circular economy.

The WFG intends to support an environmentally friendly corporate governance of the Würth Group and its business partners. The first step in this direction is the disclosure and reporting of quantitative metrics on the current situation and the creation of incentives for positive sustainability development. At the same time, the WFG adheres to the latest developments in IFRS standards as well as to the Corporate Sustainability Reporting Directive and the European Sustainability Reporting Standards.

The WFG sees the integration of environmental and climate goals into the design of financial and insurance solutions as an opportunity. To that end, it has made an initial contribution to strengthening sustainability-based financial management in the Würth Group by concluding a "sustainability-linked" loan agreement.

5.3 Social Standards

In the context of ESG, social risks relate to the consequences of a company's failure to meet its social responsibilities in its role as an employer, customer, service provider and stakeholder in society. For the Würth Group and the WFG, it has always been self-evident that they need to behave in a socially responsible manner towards all stakeholders and to give high priority to the relevant values when designing and developing the company's social architecture.

With regard to employees, the WFG's commitment is not limited to health and safety. It aims to support its employees in their activities and work experience. The WFG strives to attract and foster a broad range of talented employees at all levels of the company; it is eager to promote workforce diversity and equality of opportunity and regards a fair remuneration system as a self-evident requirement.

The WFG is continuously investing in digital collaboration infrastructure. This results not just in efficiency-enhancing workflow automation; it also creates new opportunities for collaboration at different work locations with flexible working time models and conditions, adapted to the needs of employees.

Based on the values of the Würth Group, the WFG supports local social projects and organisations in the Netherlands and Switzerland. These are often linked to volunteering work by employees, one example of which is the work for the "Tierhof mit Herz" animal welfare association in Thurgau, Switzerland.

5.4 Governance

The third element in ESG relates to the factors of good corporate governance. The guiding principles in this area are accountability, fairness, transparency and responsibility. It must be taken into account that the specific institutional and cultural context significantly influences the way a company is set up and monitored.

The WFG has suitable and effective structures, management and decision-making systems, procedures and processes as well as competent staffing of management and supervisory bodies, as important elements in ensuring good corporate governance. This is complemented by a solid financial position, a comprehensive and effective risk control system and performance-related remuneration structures.

The WFG's corporate governance is geared towards complying with the relevant legal and regulatory requirements, avoiding infringements wherever possible and thus protecting the company's good reputation. An institutionalised whistleblowing system helps in the identification and reporting of any infringements. The WFG works closely with the authorities in the clarification of conduct that does not comply with the law and standards.

The decentralised structure of the Würth Group and short decision-making paths enable the WFG to respond quickly to changes impacting corporate governance and thus support long-term, sustainable growth.

5.5 Diversity and Inclusion

The Würth Group and Würth Finance International B.V. recognise the importance of a diverse workforce and believe that their business activities benefit from staff with a variety of world views, experiences and socio-economic backgrounds. These aspects foster the development of different perspectives, which help to drive growth and innovation and avoid a silo mentality.

The WFG promotes multilingual communication for employees in order to anchor these aspects firmly within the corporate culture. This can be seen, for example, in bilingual information events and in written communication with employees in different languages. Access to relevant information in different languages improves mutual understanding, makes for a stronger connection between the various teams and promotes a sense of belonging to the company among employees.

Würth Finance International B.V. revised its diversity policy in 2022 following the introduction of applicable statutory requirements in the Netherlands regarding gender diversity. These requirements apply to both the Board of Directors and the Management. Under the new policy, the company undertakes to improve the gender balance throughout the company and aims to have a minimum balance of 30% men and 30% women by 2030 in its corporate leadership.

Würth Finance International B.V. as at 31 December 2025

Composition male/female per relevant corporate body	Male	Female
Board of Directors	8	1
Management: Managing Directors	2	1
Management: other members	3	1
Company	42	34

Note: The Management consists of the statutory members (Managing Directors) and non-statutory members.

On the road to this target, WFI in 2025 appointed a female Managing Director and promoted two internal talents to take up vacant roles as non-statutory Management members: one female and one male.

In addition, the following measures have been taken to achieve the diversity goals:

- The Würth Group has established a “diversity and inclusion team” supporting all Group companies including Würth Finance International B.V. in their ambition to achieve a more diverse workforce and an inclusive working environment. This support consists of a mentoring programme, a women’s network and training materials to create awareness on diversity and inclusion (D&I).
- Würth Finance International B.V. has set up a D&I working group to tackle D&I issues, define and introduce measures, and thus help create a more inclusive working environment.
- Würth Finance International B.V. has ensured that gender neutral wording will be used whenever job vacancies are announced.
- “Gender diversity” will be included in the profile for new members of Management and the Board of Directors.
- Recruiters are instructed to include female talent in relevant shortlists.
- Working towards teams with greater gender diversity is included as an objective for senior management.
- All employees are educated on the value of diversity. Managers are trained and made aware of the topic.
- The company monitors how applicants, employees and leavers experience the issues of diversity and inclusion within Würth Finance International B.V. (and action is taken based upon the outcome).

Basic principles of our risk management system

- The Management bears the responsibility for all risks incurred as a result of the company’s business activities and seeks to achieve a healthy balance between risk and returns.
- The three-lines-of-defence model forms an integral part of the corporate structure.
- Employees are familiar with and alert to the principal risks specific to their area of activity. A central element of risk control is the comprehensive, transparent and objective disclosure of risks to the Group and company management, owners, supervisory authorities and other stakeholders.
- Income is protected on the basis of risk tolerance – i.e. the maximum risk that the Würth Finance Group can bear given its financial and earning power.
- Ultimately, the Würth Finance Group’s reputation depends on effective risk management and control.