Würth Finance Group / Würth Finance International B.V.

FINANCIAL STATEMENTS 2024

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Statement

This version of the annual financial reporting of the Würth Finance Group for the year ended 31 December 2024 is not presented in the ESEF format as specified in the Regulatory Technical Standards on ESEF (Delegated Regulation (EU) 2019/815). The ESEF annual financial reporting is available at: wuerthfinance.net

Würth Finance Group

FINANCIAL STATEMENTS 2024

Consolidated income statement
for the year ended at 31 December

in TEUR	Notes	2024	2023
Operating income			
Interest income from financial instruments measured at amortised cost	10	144,953	125,621
Interest income from financial instruments measured at fair value through profit or loss	10	24,770	22,768
Interest expenses	10	-105,826	-97,545
Net interest income		**63,897**	**50,844**
Income from factoring activities		13,613	13,573
Income from commission and service fee activities	11	49,505	49,564
Income from trading activities and financial instruments	12	23,540	20,376
Other ordinary income from related parties	13	910	592
Expected credit loss (expenses) / recovery	18a	1,742	4,273
Total operating income		**153,207**	**139,222**
Operating expenses			
Personnel expenses	14	-26,738	-23,735
Other administrative expenses		-16,207	-15,268
Amortisation expenses		-2,082	-2,018
Total operating expenses		**-45,027**	**-41,021**
Profit before taxes		**108,180**	**98,201**
Income tax expense	15	-21,930	-19,132
Net profit for the year		**86,250**	**79,069**

Consolidated statement of comprehensive income
for the year ended at 31 December

in TEUR Net of tax	2024	2023
Profit for the year	**86,250**	**79,069**
Total items that will be reclassified to the income statement		
Exchange differences on translation of foreign operations	-250	141
Net gain / (loss) on cash flow hedges	1,614	1,918
Total items that will not be reclassified to the income statement		
Remeasurement gain / (loss) on defined benefit plans	-2,109	-3,439
Other comprehensive income for the year (OCI)	**-745**	**-1,380**
Total comprehensive income for the year, net of tax	**85,505**	**77,689**

Consolidated balance sheet

at 31 December after appropriation of profits

in TEUR	Notes	2024	2023
ASSETS			
Non-current assets			
Intangible assets	3	1,238	1,435
Right-of-use assets	3	2,247	1,621
Property, plant and equipment	3	397	271
Loans to related companies	4, 16	1,164,651	1,389,770
Positive fair values of derivative instruments	18b, 18c	5,293	10,193
Deferred tax assets	15	1,183	1,781
Total non-current assets		**1,175,009**	**1,405,071**
Current assets			
Receivables from related companies	16	1,723,063	1,297,954
Positive fair values of derivative instruments	18b, 18c	12,713	9,785
Other assets	5	5,412	5,724
Income tax receivables	15	0	55
Accrued income and prepaid expenses		16,186	12,088
Securities at amortised cost	7	186,426	112,949
Securities at fair value through profit or loss	6, 18a	113,607	114,782
Cash and cash equivalents		1,430,269	1,191,590
Total current assets		**3,487,676**	**2,744,927**
Total assets		**4,662,685**	**4,149,998**

EQUITY AND LIABILITIES			
Shareholders' equity			
Issued capital		16,000	16,000
Additional paid-in capital		5,000	5,000
Retained earnings		497,274	438,133
Cash flow hedge reserve		-3,795	-5,409
Foreign currency translation		-71	179
Total shareholders' equity		**514,408**	**453,903**
Non-current liabilities			
Bonds issued	8	2,155,764	2,149,847
Liabilities for pension plans	14	7,227	5,292
Lease liabilities		1,054	341
Negative fair values of derivative instruments	18b, 18c	12,561	12,949
Deferred tax liabilities	15	385	397
Total non-current liabilities		**2,176,991**	**2,168,826**
Current liabilities			
Bonds issued	8	498,623	0
Payables to related companies	16	1,422,468	1,474,770
Lease liabilities		1,217	1,304
Payables to banks	21	675	5,731
Income tax payables		14,791	12,422
Negative fair values of derivative instruments	18b, 18c	10,168	13,227
Other liabilities	9, 16	11,571	10,435
Accrued expenses and deferred income		11,773	9,380
Total current liabilities		**1,971,286**	**1,527,269**
Total equity and liabilities		**4,662,685**	**4,149,998**

Consolidated statement of changes in equity
for the year ended at 31 December

in TEUR	Issued capital	Additional paid-in capital	Retained earnings	Cash flow hedge reserve	Foreign currency translation	Total
At 1 January 2023	16,000	5,000	387,503	–7,327	38	401,214
Net profit for the year	0	0	79,069	0	0	79,069
Foreign currency translation	0	0	0	0	141	141
Cash flow hedge accounting	0	0	0	1,918	0	1,918
Remeasurement gain / (loss) on defined benefit plans	0	0	–3,439	0	0	–3,439
Total comprehensive income for the year	**0**	**0**	**75,630**	**1,918**	**141**	**77,689**
Dividends	0	0	–25,000	0	0	–25,000
At 31 December 2023	**16,000**	**5,000**	**438,133**	**–5,409**	**179**	**453,903**
At 1 January 2024	16,000	5,000	438,133	–5,409	179	453,903
Net profit for the year	0	0	86,250	0	0	86,250
Foreign currency translation	0	0	0	0	–250	–250
Cash flow hedge accounting	0	0	0	1,614	0	1,614
Remeasurement gain / (loss) on defined benefit plans	0	0	–2,109	0	0	–2,109
Total comprehensive income for the year	**0**	**0**	**84,141**	**1,614**	**–250**	**85,505**
Dividends	0	0	–25,000	0	0	–25,000
At 31 December 2024	**16,000**	**5,000**	**497,274**	**–3,795**	**–71**	**514,408**

Würth Finance International B.V. has authorised share capital of EUR 80 million consisting of 160,000 share certificates with a nominal value of EUR 500. Of this authorised share capital, 32,000 share certificates have been subscribed and fully paid in, corresponding to EUR 16 million.

The net profit for the year and other comprehensive income for the year are attributable to the equity holders of the parent.

In 2024, a dividend of TEUR 25,000 (EUR 781 per share) was paid for financial year 2023.

Consolidated cash flow statement
for the year ended at 31 December

in TEUR	2024	2023
Net profit for the year	**86,250**	**79,069**
Amortisation and impairments	515	501
Adjustment to provision for taxes	2,369	3,112
Deferred tax expense / (benefit)	586	781
Other expenses and revenues without cash flows	10,400	27,319
Foreign exchange gains and losses (long-term loans)	-14,291	3,132
Foreign exchange gains and losses (short-term loans)	-8,528	2,287
(Increase) / decrease in operating assets		
Redemption of long-term loans to related companies	62,318	69,167
Lending of long-term loans to related companies	-292,905	-303,882
Receivables from related companies	55,738	449,753
Positive fair values of derivative instruments	1,972	1,549
Income tax receivables	55	-3
Other assets, accrued income and prepaid expenses	-3,786	-2,615
Increase / (decrease) in operating liabilities		
Payables to related companies	-52,302	280,108
Negative fair values of derivative instruments	-3,447	6,169
Other liabilities, accrued expenses and deferred income	3,529	-6,253
Net cash flows from operating activities	**-151,527**	**610,194**
Purchase of property, plant and equipment, and intangible assets	-444	-335
Purchase of securities	-294,259	-154,587
Disposal of securities	217,735	32,224
Net cash flows from investing activities	**-76,968**	**-122,698**
Proceeds of borrowings	497,230	0
Repayment of borrowings	0	0
Commercial paper	0	-75,000
Dividend payments	-25,000	-25,000
Net cash flows from financing activities	**472,230**	**-100,000**
Net increase / (decrease) in cash and cash equivalents	**243,735**	**387,496**
Net cash and cash equivalents at the beginning of the year	**1,185,859**	**798,363**
Net cash and cash equivalents at the end of the year	**1,429,594**	**1,185,859**
Net increase / (decrease) in cash and cash equivalents	**243,735**	**387,496**
Additional information on operating cash flows		
Income taxes paid	**-18,428**	**-15,742**
Interest received	**179,163**	**154,701**
Interest paid	**-88,369**	**-88,707**

The funds for this cash flow statement are represented by cash and cash equivalents (net of payables to banks).

Notes to the consolidated Financial Statements
for the year ended at 31 December

1 Business activity

Würth Finance International B.V. (in these consolidated Financial Statements together with its subsidiaries referred to as the Würth Finance Group) was incorporated in 1987 and is domiciled in Amsterdam, the Netherlands. The address of the company is Het Sterrenbeeld 35, P. O. Box 344, NL-5201 AH's-Hertogenbosch. The company has a branch in Rorschach, Switzerland, and also has several subsidiaries in Switzerland.

The companies belonging to the Würth Finance Group (subsequently referred to as "the Group") are part of the internationally active Würth Group. All share certificates pertaining to Würth Finance International B.V., Amsterdam, are held by Reinhold Würth Holding GmbH, Künzelsau, Germany, which is ultimately owned by the family foundations.

The core activities and the goal of the Group include providing financing to and carrying out a wide range of financial activities with companies, both at home and abroad, belonging to the entire Würth Group, as well as providing consulting and other services in the area of pension funds and insurance to both private persons and small and medium-sized enterprises.

The Annual Report of the Group was approved by the Management on 30 April 2025 and can be obtained from Würth Finance International B.V., Amsterdam, or downloaded from the Würth Finance International B.V. website: wuerthfinance.net

Fully consolidated companies
The consolidated Financial Statements include the financial statements of Würth Finance International B.V., Amsterdam, and its subsidiaries, which are represented as a single business entity known as the Würth Finance Group. Subsidiaries that are controlled directly or indirectly by the Group have been consolidated. Control is achieved when the Würth Finance Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Control is assumed if the Würth Finance Group holds more than 50% of the voting rights of the investee.

Subsidiaries are consolidated from the date on which they were acquired by the Group and are deconsolidated from the date of disposal.

Method of consolidation
The consolidated Financial Statements comprise the financial statements of Würth Finance International B.V., Amsterdam, and its subsidiaries as at 31 December. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-Group balances and transactions as well as income and expenses resulting from intra-Group transactions are fully eliminated.

The scope of consolidation of the Group as at 31 December 2024 is composed as follows:

Company	Core activities	Chamber of commerce no.	Reporting currency	Share capital (in thousands)	Quota
Würth Finance International B.V., Amsterdam	Treasury activities for the Würth Group	008654700	EUR	16,000	100%
Würth Invest AG, Chur	Asset management	CH-350.3.007.992-6	CHF	23,000	100%
Würth Financial Services AG, Rorschach	Financial and pension plan consulting / insurance brokerage for corporate and private clients	CH-020.3.918.954-7	CHF	1,500	100%

2 Accounting principles

General
The annual report has been prepared in ESEF and is in accordance with the requirements as set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

The consolidated Financial Statements of the Group have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code. The main accounting principles are described in this section in order to show how their application influences the stated results and information for the Group.

The consolidated Financial Statements are presented in euros and all values are rounded to the nearest thousand (EUR 0,000), except when otherwise indicated.

The Group has prepared its consolidated financial statements on the basis that it will continue to operate as a going concern.

New and amended standards and interpretations
Several amendments and interpretations apply for the first time in 2024, but do not have an impact on the consolidated Financial Statements of the Group.

The following amendments are effective for the period beginning 1 January 2024:
- Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
- Non-current Liabilities with Covenants (Amendments to IAS 1)

The nature and effect of the changes as a result of the adoption of these new accounting standards are described below.

Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7)
The amendments had no impact on the consolidated financial statements of the Group.

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
The amendments had no impact on the consolidated financial statements of the Group.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
The amendments had no impact on the consolidated financial statements of the Group.

Non-current Liabilities with Covenants (Amendments to IAS 1)
The amendments had no impact on the consolidated financial statements of the Group.

Standards issued but not yet effective
The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards and interpretations, if applicable, when they become effective and has not adopted any standards early.

The following amendments are effective for the annual reporting period beginning 1 January 2025:
- Lack of Exchangeability (Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates)

The following amendments are effective for the annual reporting period beginning 1 January 2026:
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

The following standards and amendments are effective for the annual reporting period beginning 1 January 2027:
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

The Group is currently assessing the effect of these new accounting standards and amendments.

Assumptions and estimates
The IFRS include guidelines requiring the Group to make assumptions and estimates when preparing its consolidated Financial Statements. These assumptions and estimates are continuously reviewed and are based on past experience and other factors, including expectations regarding likely future developments. The most important assumptions and estimates relate to the actuarial calculations for pensions and other post-employment benefits, the expected credit loss, as well as the provisions.

Recognition
Purchases and sales of financial assets and liabilities are recognised on the settlement day. Transactions are thus recognised in the balance sheet mainly on the settlement date and not on the transaction date. Derivatives, however, are recognised on the trade date. All concluded transactions are recorded and evaluated. Any unrealised gains or losses resulting from valuing transactions at market value are recognised in the income statement.

Accrual of income and expenses
Interest income and interest expenses are accrued using the effective interest rate (EIR) method and recognised as income or expenses respectively. Dividends are recognised as of the date when they have been formally declared and approved. Premiums and discounts arising from the issuance of bonds are amortised over their residual term using the effective interest rate method. Factoring fees are recognised when the receivable is assigned to the Group.

Collection and delcredere charges are levied when the supplier's invoice is paid. Income from services is in principle recorded when the service is rendered. Brokerage, consulting fees and other such income are recognised on a pro rata basis throughout the time the service is rendered. Revenue from new brokerage mandates is recognised with effect from the signature date on the basis of past experience.

Foreign exchange translation

The Group's consolidated Financial Statements are presented in euros, which is the Group's presentation currency. Transactions in foreign currencies are initially recorded at the functional currency spot rate at the date the transaction first qualifies for recognition. Exchange differences arising from such transactions, as well as income resulting from converting monetary assets and monetary liabilities denominated in foreign currencies at the rate of exchange applicable at the balance sheet date, are recognised in the income statement.

Conversion rates at 31 December	2024	2023
US dollar (USD)	1.104	1.105
Swiss franc (CHF)	0.939	0.930
British pound (GBP)	0.827	0.867
Canadian dollar (CAD)	1.489	1.457
Chinese renminbi (CNH)	7.603	7.866
Norwegian krone (NOK)	11.763	11.218
Danish krone (DKK)	7.457	7.455
Swiss franc (CHF) – average exchange rate	0.953	0.972

On consolidation, all assets and liabilities of the subsidiaries – with the exception of shareholders' equity – are translated into euros at the rate of exchange prevailing at the reporting date, and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income (OCI). On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified in profit or loss as foreign currency translation.

Financial instruments

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

Recognition and measurement of financial instruments

Financial instruments are recognised when the Group becomes party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. Financial liabilities are derecognised when the related contractual obligations are extinguished, discharged/cancelled or expire. Financial instruments are recognised and derecognised using settlement date accounting.

On initial recognition, financial instruments are measured at fair value. Fair value on initial recognition includes transaction costs directly attributable to the acquisition or issue of financial instruments, except for financial instruments carried at fair value through profit or loss, for which transaction costs are recognised in net income in the period when they are incurred.

Financial instruments are measured in subsequent periods either at fair value or at amortised cost using the effective interest rate method, depending on the financial instrument classification.

The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability to its carrying amount. When calculating the effective interest rate, the Group estimates future cash flows, considering all contractual terms of the financial instrument.

Major types of financial and non-financial instruments and their classification

Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and cash equivalents are valued at amortised cost.

Securities at fair value through profit or loss

Within the scope of its management and performance measurement activities relating to a documented risk management and investment strategy, the Group measures securities as financial instruments at fair value through profit or loss. The fair value of securities that are actively traded in organised financial markets is determined by reference to quoted market prices. For securities where there is no active market, fair value is determined using valuation techniques such as price quotations from securities brokers or on the basis of price models. The valuations are by their very nature dependent on the assumptions on which they are based. Traded debt securities are carried at their clean price.

Securities at amortised cost

Securities at amortised cost are initially recognised at their actual cost, which corresponds to the fair value at the time of the purchase of the security. After initial recognition, subsequent measurement is at amortised cost using the EIR method. Securities at amortised cost are held to collect contractual cash flows that are solely payments of principal and interest.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. All loans and receivables are initially recognised at their actual cost, which corresponds to the fair value at the time of the loan being granted less transaction costs. After initial recognition, loans and receivables are subsequently measured at amortised cost less value adjustments using the effective interest rate method and less allowance for expected credit losses.

The loans are granted to related companies and the payments consist solely of interest and the principal (held to collect).

The Group records an allowance for expected credit loss (ECL) for all loans. The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit losses or LTECL), unless there has been no significant increase in credit risk since origination, in which case the allowance is based on the 12 months' expected credit losses (12mECL).

Derivative financial instruments

Derivative financial instruments are financial contracts that derive their value from underlying changes in interest rates, foreign exchange rates or other financial instruments. The Group acquires derivative financial instruments to manage exposures to interest, currency and other market risks. Derivative financial instruments are classified as held-for-trading financial assets / financial liabilities, unless they are included in hedge accounting as hedging instruments.

Derivative financial instruments are recognised at fair value at each balance sheet date and reported in the balance sheet under positive fair values of derivative instruments or negative fair values of derivative instruments. Financial assets and financial liabilities are offset according to the ISDA netting agreements based on the conditions set therein and thus the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

The fair values recognised in the balance sheet reflect the net fair value of the instruments after the cash settlement.

Derivative financial instruments and hedge accounting

The Group designates certain derivatives held for risk management purposes as cash flow hedges or fair value hedges:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is attributable either to a particular risk associated with a recognised asset or liability or to a highly probable forecasted transaction, or to the foreign currency risk in an unrecognised firm commitment

The Group documents all hedging relationships and its risk management objectives, along with its strategy for carrying out the hedge transactions.

The Group assesses whether the derivatives used in hedging transactions are highly effective in offsetting changes in the cash flow or the fair value of hedged items, both at inception and over the life of the hedge.

If these hedging instruments expire, are sold or no longer meet the criteria for hedge accounting, the amounts previously recognised in OCI are reclassified to the income statement as net gains or losses on other financial instruments during the periods when the variability in the cash flows or fair values of the hedged item affects net income. However, if a forecasted transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement under net gains or losses on other financial instruments.

Bonds issued

Issued bonds are initially recognised at the fair value of the consideration received, net of directly attributable transaction cost. They are subsequently reported in the balance sheet at amortised cost using the effective interest rate method. The amortisation of bond-issuing cost (discount) is recognised in the income statement over the duration of the term using the effective interest rate method. Bonds represent non-current liabilities. As soon as the remaining term is less than 12 months, the respective bond is reported as a current liability.

Property, plant and equipment

Property, plant and equipment comprise office furniture and equipment, interior installations, vehicles, ICT hardware and works of art. These assets are capitalised if their acquisition or production cost can be reliably determined, if they will bring future economic benefit, and if the anticipated usage extends beyond the reporting period.

Property, plant and equipment are stated at cost, net of accumulated amortisation and accumulated impairment losses, if any. Amortisation is calculated on a straight-line basis over the estimated useful life of the assets:

Office furniture and equipment	2–5 years
Interior installations	5 years
Vehicles	3–4 years
ICT hardware	2–3 years

No amortisation is calculated on works of art.
The amortisation periods and methods are reviewed at least at each financial year-end.

Intangible assets

Intangible assets comprise software, among other items. Intangible assets acquired separately are initially measured at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets are amortised over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Amortisation is calculated on a straight-line basis over the estimated useful lives of the assets:

EDP software	2 years
Activated customer base	10 years

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates.

The amortisation expense is recognised in the income statement in the expense category amortisation expenses. The amortisation period and amortisation method are reviewed at least at each financial year-end.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated amortisation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Impairment of assets

The value of property, plant and equipment and other fixed assets is reviewed for impairment at least once a year or if significant events or changes in circumstances suggest that their book value is too high. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash generating unit’s fair value less the cost to sell, and its value in use.

Provisions

Provisions are recognised in the balance sheet when the Group has a present obligation to a third party as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Taxes and deferred taxes

Current income taxes are calculated based on the taxable income in the fiscal year and in accordance with the applicable tax laws in the Netherlands and Switzerland, and are recognised as an expense in the period in which the income is earned. They are stated as income tax receivables and income tax payables in the balance sheet.

Tax effects arising from temporary differences between the carrying value of assets and liabilities reported in the balance sheet and their corresponding tax values are recognised separately as either deferred tax assets or deferred tax liabilities. Deferred income tax assets arising from temporary differences and from loss carryforwards eligible for offset are recognised only if it seems likely that in future sufficient taxable profits will be available against which those loss carryforwards can be offset.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset is realised or the liability is settled.

Pensions and other post-employment benefits

The Group operates a number of pension plans for its employees. These are treated as defined benefit plans in accordance with IAS 19. Actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. The impact of the effect is shown in the consolidated statement of comprehensive income.

For separately funded defined benefit plans, the degree of coverage of the fair value of the benefit obligations compared with the plan's assets, valued at market prices, is reported in the balance sheet as a liability or an asset, taking into consideration claims that still have to be offset and unrecorded actuarial gains or losses (the projected unit credit method).

Transactions with related companies

The Group is responsible for concentrating and optimising the worldwide cash flows within the Würth Group, managing the financial risks and handling the Würth Group financing. In this connection, by its very nature the Group carries out a very wide variety of transactions with associated companies, that is, with companies belonging to the Würth Group. Only a relatively small proportion of transactions are carried out with third parties outside the Würth Group.

Transactions performed within the Group are eliminated for the purpose of these consolidated Financial Statements. All group transactions are consolidated within the framework of the consolidated financial statements of the Würth Group.

Segments

The Group generates income through a wide range of activities, which are divided into the following segments:

- Inhouse Banking with Group Financing, Trading, Securities Investments, Central Settlement and Central Services
- External Financial Services with Pension Plans & Insurance

This structure forms the basis for the primary segment reporting. Segment reporting by geographic area is not considered meaningful as the services are provided only from the Netherlands and Switzerland.

The Group Financing segment borrows funds from the money and capital markets and places them at the disposal of the Würth Group companies in the form of loans and credits.

The Trading segment purchases and sells currency and interest rate instruments as well as securities for the purpose of generating financial income and capital gains. The activities relating to payment for goods purchased by Würth Group companies, together with the delcredere and collection services for suppliers of goods, are summarised under Central Settlement. Some of the Group's excess funds are allocated to a securities portfolio, which is managed through Würth Invest AG. The results of these asset management activities are disclosed in the segment Securities Investments. The Pension Plans & Insurance segment comprises the services provided by Würth Financial Services AG to third parties, which include financial and pension plan consulting and insurance brokerage for corporate and private clients.

Direct income and expense are allocated to the appropriate segment. Transfers between the business units are reported at fair value, which corresponds to the amounts that would be charged to third parties for similar services. Income and expense arising from activities that are not directly attributable to the segments are booked to Central Services.

Cash flow statement

The cash flow statement has been prepared in accordance with the indirect method.

3 Intangible assets / right-of-use assets / property, plant and equipment

Intangible assets / right-of-use assets / property, plant and equipment comprise the following items:

At 31 December 2024

in TEUR	Acquisition cost 2023	Additions (disposals) incl. asset retirement 2024	Acquisition cost 2024	Accum. amortisation 2023	Asset retirement 2024	Amortisation for the year 2024	Accum. amortisation 2024	Net book value 2024
Intangible assets								
Software	2,887	-274	2,613	-2,515	424	-156	-2,247	366
Activated customer base	17,778	-172	17,606	-16,715	158	-177	-16,734	872
Total intangible assets	**20,665**	**-446**	**20,219**	**-19,230**	**582**	**-333**	**-18,981**	**1,238**
Right-of-use assets								
Right-of-use land and buildings	7,746	2,048	9,794	-6,167	147	-1,551	-7,571	2,223
Right-of-use vehicles	69	-1	68	-27	0	-17	-44	24
Total right-of-use assets	**7,815**	**2,047**	**9,862**	**-6,194**	**147**	**-1,568**	**-7,615**	**2,247**
Property, plant and equipment								
Vehicles	643	143	786	-504	138	-115	-481	305
Art objects	34	0	34	0	0	0	0	34
Office equipment / installations	3,327	6	3,333	-3,229	21	-67	-3,275	58
Total property, plant and equipment	**4,004**	**149**	**4,153**	**-3,733**	**159**	**-182**	**-3,756**	**397**

At 31 December 2023

in TEUR	Acquisition cost 2022	Additions (disposals) incl. asset retirement 2023	Acquisition cost 2023	Accum. amortisation 2022	Asset retirement 2023	Amortisation for the year 2023	Accum. amortisation 2023	Net book value 2023
Intangible assets								
Software	2,579	308	2,887	-2,311	-65	-139	-2,515	372
Activated customer base	16,738	1,040	17,778	-15,565	-976	-174	-16,715	1,063
Total intangible assets	**19,317**	**1,348**	**20,665**	**-17,876**	**-1,041**	**-313**	**-19,230**	**1,435**
Right-of-use assets								
Right-of-use land and buildings	6,283	1,463	7,746	-4,589	-77	-1,500	-6,166	1,580
Right-of-use vehicles	65	4	69	-10	-1	-17	-28	41
Total right-of-use assets	**6,348**	**1,467**	**7,815**	**-4,599**	**-78**	**-1,517**	**-6,194**	**1,621**
Property, plant and equipment								
Vehicles	631	12	643	-400	-9	-95	-504	139
Art objects	34	0	34	0	0	0	0	34
Office equipment / installations	3,201	126	3,327	-3,035	-101	-93	-3,229	98
Total property, plant and equipment	**3,866**	**138**	**4,004**	**-3,435**	**-110**	**-188**	**-3,733**	**271**

in TEUR	Right-of-use assets
As at 1 January 2024	1,621
Additions	2,047
Amortisation expense	–1,421
As at 31 December 2024	**2,247**

in TEUR	Lease liabilities
As at 1 January 2024	1,645
Accretion of interest	–44
Payments	670
As at 31 December 2024	**2,271**

in TEUR	Lease expenses
Amortisation expense of right-of-use assets	–1,421
Interest expense on lease liabilities	–44
Expense relating to short-term leases (incl. in cost of sales)	0
Expense relating to leases of low-value assets (incl. admin. expenses)	0
Variable lease payments (incl. in cost of sales)	0
Total amount recognised in income statement	**–1,465**

4 Loans to related parties

in TEUR	2024	2023
Balance at 1 January (excl. ECL)	1,393,722	1,562,847
New loans granted, increase in existing loans	292,905	303,882
Repayments	–62,318	–69,167
Currency and other adjustments	14,291	–3,130
Term reclassification	–471,582	–400,710
Total loans to related parties (gross amount)	**1,167,018**	**1,393,722**
Expected credit loss	–2,367	–3,952
Total loans to related parties	**1,164,651**	**1,389,770**

Long-term loans to related companies, granted in foreign currencies, are translated into euros at the year-end conversion rates. The average interest rates for the major currencies at 31 December are:

	2024	2023
EUR	3.11%	2.56%
CHF	1.70%	1.40%
USD	3.70%	3.96%
DKK	1.61%	1.42%

5 Other assets

in TEUR	2024	2023
Receivables from third parties	5,255	5,567
Other assets	157	157
Total other assets	**5,412**	**5,724**

6 Securities at fair value through profit or loss

in TEUR	Market value 2024	Acquisition cost 2024	Market value 2023	Acquisition cost 2023
Equity / equity funds	13,428	13,399	11,314	9,807
Investment-grade bonds / bond funds	97,113	96,004	99,429	95,393
Sub-investment-grade bonds	1,153	1,127	1,990	1,901
Commodities	1,913	1,895	2,049	1,892
Total securities	**113,607**	**112,425**	**114,782**	**108,993**

7 Securities at amortised cost

The securities at amortised cost line item refers to investments in private placements issued by Swiss cities and cantons.

8 Bonds issued

The company issued a EUR 500 million bond under its EUR 4,000 million EMTN programme. The bond was issued on 28 October 2024 and has a term of 6⅚ years and an annual coupon of 3.000%.

Overview of bonds issued at 31 December 2024

in TEUR Maturity	Notional amount	Notional amount TEUR	Premium / discount	Total	Coupon
Short-term					
26.05.2025	TEUR 500.000	500,000	-1,377	498,623	1.000%
Total book value short-term bond liabilities				**498,623**	
Long-term					
16.11.2026	TCHF 300,000	306,639	15,765	322,404	2.100%
22.11.2027	TEUR 750,000	750,000	-1,510	748,490	0.750%
23.08.2030	TEUR 600,000	600,000	-12,030	587,970	2.125%
28.08.2031	TEUR 500,000	500,000	-3,100	496,900	3.000%
Total book value long-term bond liabilities				**2,155,764**	
Total book value bonds issued				**2,654,387**	

in TEUR Maturity	Notional amount	Market value	Coupon
26.05.2025	500,000	496,315	1.000%
16.11.2026	306,639	328,654	2.100%
22.11.2027	750,000	710,993	0.750%
23.08.2030	600,000	583,722	2.125%
28.08.2031	500,000	502,500	3.000%
Total market value at 31 December		**2,622,184**	

The notional amounts are presented based on the exchange rate as per issuance date.

Overview of bonds issued at 31 December 2023

in TEUR Maturity	Notional amount	Notional amount TEUR	Premium / discount	Total	Coupon
Long-term					
26.05.2025	TEUR 500,000	500,000	-5,502	494,498	1.000%
16.11.2026	TCHF 300,000	306,639	17,123	323,762	2.100%
22.11.2027	TEUR 750,000	750,000	-2,032	747,968	0.750%
23.08.2030	TEUR 600,000	600,000	-16,380	583,620	2.125%
Total book value long-term bond liabilities				**2,149,848**	
Total book value bonds issued				**2,149,848**	

in TEUR Maturity	Notional amount	Market value	Coupon
26.05.2025	500,000	484,820	1.000%
16.11.2026	306,639	328,153	2.100%
22.11.2027	750,000	693,870	0.750%
23.08.2030	600,000	566,214	2.125%
Total market value at 31 December		**2,073,057**	

The market values shown in the tables are based on quoted prices in active markets (source: Bloomberg).

The issued bonds are irrevocably and unconditionally guaranteed by joint and several guarantees of Adolf Würth GmbH & Co. KG, Künzelsau.

The effective interest rates do not significantly differ from the nominal interest rates.

9 Other liabilities

in TEUR	2024	2023
Payables for deliveries and services	1,658	2,673
of which to third parties	751	1,826
of which to related parties	907	847
Compensation-related liabilities	5,629	5,002
Other liabilities	4,284	2,760
Total other liabilities	**11,571**	**10,435**

Other liabilities primarily comprise accruals for services received but not invoiced during the financial year.

10 Interest income and expenses

2024

in TEUR	Total	Parent companies	Associated companies	Third parties
Interest income				
Interest income from financing activities at amortised cost	78,034	0	78,034	0
Interest income from financing leasing activities at amortised cost	3,329	0	3,329	0
Interest income from liquid assets at amortised cost	63,590	55	26,546	36,989
Interest income from current accounts	26,601	55	26,546	0
Interest income from bank accounts, time deposits and money market funds	36,989	0	0	36,989
Interest income from financial instruments at fair value through profit or loss	24,770	0	3,325	21,445
Valuation gains / (losses) from interest rate and cross-currency swaps (unrealised)	73	0	1,269	-1,196
Interest income from interest rate and cross-currency swaps	21,660	0	960	20,700
Other interest income from financial instruments	3,037	0	1,096	1,941
Total interest income	**169,723**	**55**	**111,234**	**58,434**
Interest expenses				
Interest expenses for current accounts and time deposits	40,876	15,299	25,577	0
Interest expenses for bonds issued	45,819	3,824	0	41,995
Interest expenses from financial instruments	18,429	208	2,612	15,609
Interest expenses from interest rate and cross-currency swaps	17,812	0	2,339	15,473
Other interest expenses from financial instruments	617	208	273	136
Other interest expenses (third parties)	702	0	3	699
Total interest expenses	**105,826**	**19,331**	**28,192**	**58,303**

2023

in TEUR	Total	Parent companies	Associated companies	Third parties
Interest income				
Interest income from financing activities at amortised cost	68,675	0	68,660	15
Interest income from financing leasing activities at amortised cost	3,118	0	3,118	0
Interest income from liquid assets at amortised cost	53,828	5	29,118	24,705
Interest income from current accounts	29,123	5	29,118	0
Interest income from bank accounts, time deposits and money market funds	24,705	0	0	24,705
Interest income from financial instruments at fair value through profit or loss	22,768	0	5,485	17,283
Valuation (gains) / losses from interest rate and cross-currency swaps (unrealised)	0	0	0	0
Interest income from interest rate and cross-currency swaps	20,524	0	4,613	15,911
Other interest income from financial instruments	2,244	0	872	1,372
Total interest income	**148,389**	**5**	**106,381**	**42,003**
Interest expenses				
Interest expenses for current accounts and time deposits	34,647	12,187	22,434	26
Interest expenses for bonds issued	38,108	2,769	0	35,339
Interest expenses from financial instruments	23,992	404	5,687	17,901
Interest expenses from interest rate and cross-currency swaps	22,002	0	4,560	17,442
Other interest expenses from financial instruments	1,990	404	1,127	459
Other interest expenses (third parties)	798	0	3	795
Total interest expenses	**97,545**	**15,360**	**28,124**	**54,061**

11 Income from commission and service fee activities

in TEUR	2024	2023
Acquisition commissions, brokerage fees	17,800	15,828
Collection and delcredere agreements	31,705	33,736
Total income from commission and service fee activities	**49,505**	**49,564**

12 Income from trading activities and financial instruments

in TEUR	2024	2023
Income from securities transactions	6,577	8,315
Income from foreign exchange transactions	16,963	12,061
Total income from trading activities and financial instruments	**23,540**	**20,376**

13 Other ordinary income from related parties

Other ordinary income comprised TEUR 910 (2023: TEUR 592) in income from the e-payment services provided to other Würth Group companies, as well as fees charged for other services rendered.

14 Personnel expenses

At 31 December personnel expenses were as follows:

in TEUR	2024	2023
Wages and salaries	22,724	20,341
Pension cost	1,247	898
Social security cost	1,829	1,678
Other employee cost	938	818
Total personnel expenses	**26,738**	**23,735**

Pension plan
The Group had no direct or indirect share or option-based remuneration in favour of employees.

The pension plan in the Netherlands consists of a defined contribution plan. The salary over which pension was built up was maximised at TEUR 120 (2023: TEUR 112).
The premium was partly paid by the employer.

In Switzerland, the individual Group companies participated in a semi-autonomous pension scheme in which several Swiss Würth entities participated. In this plan, actuarial risks (longevity, disability and death) are vested in an insurance company.

The investment risks remained with the pension scheme, which was responsible for the asset management. The pension scheme was an addition to the statutory social security insurance.

The employees paid a savings contribution amounting to 1.5%–10% of their insured annual salary. The employees' contribution amount is age-related. In addition, the employees had the option of paying voluntary contributions.

In another scheme for authorised representatives and Managing Directors in Switzerland, the annual employee contributions amounted to 50% of the total sum.

The following figures provide an overview of the financial situation regarding the defined benefit plans as at 31 December:

in TEUR	2024	2023
Pension cost		
Current service cost	1,286	904
Past service cost related to plan amendments	–56	0
Net interest expense / (income)	67	35
Foreign currency translation	–50	–41
Pension cost recognised in income statement	**1,247**	**898**
Revaluation of defined benefit plan		
Actuarial (gains) / losses due to changes in demographic assumptions	3,578	3,324
Actuarial (gains) / losses due to changes based on experience	1,251	1,619
Return on plan assets (less interest income)	–2,727	–1,739
Foreign currency translation	7	235
Revaluation recognised in OCI	**2,109**	**3,439**
Liabilities for pension plan		
Defined benefit obligation at 31 December	57,414	52,364
Fair value of plan assets at 31 December	–50,187	–47,072
Net liabilities at 31 December	**7,227**	**5,292**
Changes in the benefit obligations		
Benefit obligation at 1 January	52,364	42,106
Interest expense	756	947
Current service cost	1,286	904
Plan participant contributions	1,226	1,153
Actuarial (gains) / losses due to changes in demographic assumptions	3,578	3,324
Actuarial (gains) / losses due to changes based on experience	1,251	1,619
Past service cost related to plan amendments	–56	0
Benefit payments	–2,567	–637
Foreign currency translation	–424	2,948
Benefit obligation at 31 December	**57,414**	**52,364**
Changes in the plan assets		
Fair value of plan assets at 1 January	47,081	39,946
Interest income	689	912
Return on plan assets (less interest income)	2,727	1,739
Plan participant contributions	1,226	1,153
Employer contributions	1,366	1,285
Benefit payments	–2,567	–637
Foreign currency translation	–335	2,674
Fair value of plan assets at 31 December	**50,187**	**47,072**
Assumptions		
Discount rate	1.50%	1.50%
Expected return on plan assets	1.50%	2.20%
Future salary increases up to age 54 P / A	1.50%	1.50%
Future salary increases from age 55 P / A	0.00%	0.00%
Future pension increases	0.00%	0.00%
Probability of termination of service	BVG 2020 / Generation table	

Sensitivity of benefit obligation

in TEUR Defined changes in assumptions	Defined benefit obligation	Gross service cost
Assumption at 31.12.2024	57,414	2,868
Discount rate		
Increase by 25 basis points	54,958	2,765
Decrease by 25 basis points	59,152	2,978
Rate of salary increase		
Increase by 50 basis points	57,575	2,868
Decrease by 50 basis points	56,430	2,868

Plan asset allocation by category:

	2024	2023
Equities	26.8%	23.1%
Bonds	37.8%	40.1%
Real estate	24.6%	26.7%
Other	10.8%	10.1%
Total of plan asset allocation	**100.0%**	**100.0%**

The plan assets of the pension funds consisted either of credit balances with an insurance company or a semi-autonomous pension scheme.

For financial year 2025, the Group anticipates contributions to defined benefit pension plans amounting to approximately TEUR 2,868. The average duration of the defined benefit plan obligation at the end of the reporting period is 14.9 years (2023: 14.2 years).

Compensation of key management personnel of the Group
In 2024, fees of TEUR 400 were paid to members of the Board of Directors (2023: TEUR 350).

The key management comprised the Managing Directors of the Group companies (2024: 6 persons; 2023: 6 persons).

Remuneration for the Managing Directors of the Group companies totalled TEUR 3,427 in 2024 (2023: TEUR 3,229).

In 2024 and 2023, no other forms of compensation were paid to key management staff.

in TEUR	2024	2023
Short-term employee benefits	3,427	3,229
Total compensation paid to key management personnel	**3,427**	**3,229**

15 Income tax

Tax positions are, inherently to operating internationally and across borders, in certain cases uncertain. Accruals and/or provisions were made where deemed necessary. The Würth Finance Group is exposed to tax risks which amongst others could result in double taxation. The source of these risks could originate from local tax rules and regulations as well as international and EU regulatory frameworks. These include transfer pricing risks on internal cross-border deliveries of services, tax risks related to acquisitions and divestments, tax risks related to permanent establishments, tax risks relating to tax losses, interest and tax credits carried forward and potential changes in tax law that could result in higher tax expenses and payments.

The Group is subject to income tax in the Netherlands and in Switzerland. All taxes that were due or are payable in the future relating to the financial years up to and including 2024 are accrued as at 31 December 2024.

The relevant tax rate for the Netherlands was 25.8% (2023: 25.8%). Due to separate taxation of the head office in the Netherlands, the branch office in Switzerland and the subsidiaries in accordance with valid legislation in the corresponding countries, there was a difference between the effective tax rate and the relevant tax rate for the Netherlands. The relevant tax rates in Switzerland were 8.5% (2023: 8.5%) on a federal level and 8.2% (2023: 8.2%) on a cantonal level.

The withholding tax credits not utilised in the Netherlands amounted to TEUR 5,822 (2023: TEUR 6,262) and are available for carryforward indefinitely.

The reconciliation of income taxes is composed as follows:

in TEUR	2024	2023
Income before taxes	**108,180**	**98,201**
Tax expense using the assumed average tax rate	27,910	25,337
Difference between actual and assumed tax rates	-5,529	–6,917
Withholding tax payments	0	160
(De)recognition deferred taxes	0	–165
Tax effects related to prior years	-451	717
Net effective tax expenses	**21,930**	**19,132**

The assumed average tax rate above is 25.8% (2023: 25.8%), while the net effective tax rate is 20.3% (2023: 19.5%).

in TEUR	2024	2023
Deferred tax assets on cash flow hedges	935	1,265
Deferred tax assets from loss carryforwards	248	516
Deferred tax assets	**1,183**	**1,781**

in TEUR	2024	2023
Deferred tax liabilities on intangible assets	385	397
Deferred tax liabilities	**385**	**397**

16 Transactions with related parties

As the operative treasury unit of the Würth Group, the Group is responsible for concentrating and optimising the worldwide flow of payments, managing the financial risks and handling the financing of the Würth Group companies.
In addition to all the companies belonging to the Würth Group, the related parties also included the members of the Board of Directors and Management of the Group, as well as their families and companies closely associated with them. Related party transactions were based on arm's length terms and conditions.

At 31 December 2024

in TEUR	Total	Parent companies	Associated companies
Receivables from related parties			
Loans to related companies	1,164,651	0	1,164,651
Receivables from related companies	1,723,063	26,938	1,696,125
Current accounts	604,728	17,082	587,646
Short-term loans	935,917	0	935,917
Factoring	182,418	9,856	172,562
Total receivables from related parties	**2,887,714**	**26,938**	**2,860,776**
Payables to related parties			
Payables to related companies	1,422,468	401,593	1,020,875
Current accounts	697,194	1,593	695,601
Fixed-term deposits	725,274	400,000	325,274
Other payables to related parties	907	0	907
Total payables to related parties	**1,423,375**	**401,593**	**1,021,782**

At 31 December 2023

in TEUR	Total	Parent companies	Associated companies
Receivables from related parties			
Loans to related companies	1,389,770	0	1,389,770
Receivables from related companies	1,297,954	11,457	1,286,497
Current accounts	478,638	0	478,638
Short-term loans	610,300	0	610,300
Factoring	209,016	11,457	197,559
Total receivables from related parties	**2,687,724**	**11,457**	**2,676,267**
Payables to related parties			
Payables to related companies	1,474,770	598,164	876,606
Current accounts	829,508	198,164	631,344
Fixed-term deposits	645,262	400,000	245,262
Other payables to related parties	847	0	847
Total payables to related parties	**1,475,617**	**598,164**	**877,453**

The receivables from related companies (short-term loans) above include an amount of TEUR 737 (2023: TEUR 894) related to the expected credit loss (ECL). Reference is made to Note 18.

17 Commitments and contingencies

The Group has issued guarantees, letters of comfort and letters of credit. These represent commitments and contingencies in favour of third parties for related company liabilities. As at 31 December 2023, the contingent liabilities included contractual guarantees in connection with a planned acquisition by the Würth Group. The lending commitments, which had been guaranteed but not yet utilised, are disclosed at nominal value.

in TEUR	2024	2023
Guarantees, letters of comfort, letters of credit	211,397	458,972
Total contingent liabilities	**211,397**	**458,972**

in TEUR	2024	2023
Unutilised lending commitments	79,513	3,785
Total unutilised lending commitments	**79,513**	**3,785**

18 Financial instruments and risk management

a) Financial risk management
Financial risks are inherent in the Group's business activities but are carefully measured, controlled and monitored by means of a systematic risk management process. To provide secure auditing and transparent information, a strict segregation was made between the functions of bodies that take risks and those that monitor risks. The financial risks were measured and monitored without restriction by the Group's risk controlling bodies. The control of financial risks was effected on the basis of internal directives defined in writing or with reference to strategic guidelines for action. Amendments to the internal directives were made by a defined process and must be approved by the Group's supervisory bodies.

In order to mitigate the financial risks and optimise income on the financial resources, the Group entered into transactions with derivative financial instruments. The Group expected that any reduction in value of one such instrument will generally be compensated by a corresponding increase in the value of the underlying hedged transaction.

The financial risks were limited by determining the authorised instruments and by adhering to a limit system on a daily basis. Corresponding reporting by the bodies which control the risk for the attention of management was effected daily. The management of market risks (foreign currency, interest rate, security price), credit risks and liquidity risks is described below.

Foreign currency risk
Due to its operating activities, the Group enters into foreign currency transactions for companies of the Würth Group worldwide and was therefore exposed to exchange rate fluctuations. The Group deems foreign currency risks to mean the loss risk on the reported assets and income arising from the change in the relationship between the exchange rates of the exposure currency and the reporting/functional currency.

The Group set individual limits for each currency or for each geographical region in order to control foreign currency risks. The instruments used to control these risks included spot transactions, forward transactions, currency swaps, cross-currency swaps and currency options. The positions were valued and monitored on a daily basis.

Sensitivity analysis for material foreign currency positions at 31 December
The following table discloses the sensitivity of the Group's profit before tax to changes in the fair value of monetary assets and liabilities triggered by a reasonably possible change in the exchange rate, with all other variables held constant. The table reflects the most important currencies for loans and deposits for the Würth Finance Group.

	2024		2023	
Currency	Market scenario	Impact on profit (in TEUR)	Market scenario	Impact on profit (in TEUR)
CHF	10% - 10%	1,767 -1,767	10% - 10%	1,837 -1,837
USD	10% - 10%	1,509 -1,509	10% - 10%	2,451 -2,451
GBP	10% - 10%	7 -7	10% - 10%	1 -1
CAD	10% - 10%	64 -64	10% - 10%	62 -62
CNY	10% - 10%	-4 4	10% - 10%	4 -4
DKK	10% - 10%	38 -38	10% - 10%	61 -61
NOK	10% - 10%	76 -76	10% - 10%	80 -80

Balance sheet by currency at 31 December 2024

This overview is included in the financial statements to reconcile the translation to the presentation currency of the consolidated Financial Statements.

		Amounts in TEUR countervalue				
in TEUR	Total	EUR	USD	CHF	DKK	Others
ASSETS						
Non-current assets						
Intangible assets	1,238	366	0	872	0	0
Right-of-use assets	2,247	1,388	0	859	0	0
Property, plant and equipment	397	80	0	317	0	0
Loans to related companies	1,164,651	750,286	301,165	93,362	3,212	16,626
Positive fair values of derivative instruments	5,293	2,087	0	3,133	10	63
Deferred tax assets	1,183	935	0	248	0	0
Total non-current assets	**1,175,009**	**755,142**	**301,165**	**98,791**	**3,222**	**16,689**
Current assets						
Receivables from related companies	1,723,063	1,062,480	230,748	165,711	51,327	212,797
Positive fair values of derivative instruments	12,713	-1,206	2,843	5,581	14	5,481
Other assets	5,412	1,800	15	3,596	0	1
Income tax receivables	0	0	0	0	0	0
Accrued income and prepaid expenses	16,186	13,592	-617	1,375	9	1,827
Securities at amortised cost	186,426	0	0	186,426	0	0
Securities at fair value through profit or loss	113,607	80,940	7,457	25,210	0	0
Cash and cash equivalents	1,430,269	681,962	9,961	645,366	0	92,980
Total current assets	**3,487,676**	**1,839,568**	**250,407**	**1,033,265**	**51,350**	**313,086**
Total assets	**4,662,685**	**2,594,710**	**551,572**	**1,132,056**	**54,572**	**329,775**
EQUITY AND LIABILITIES						
Shareholders' equity						
Issued capital	16,000	16,000	0	0	0	0
Additional paid-in capital	5,000	5,000	0	0	0	0
Retained earnings	497,274	497,274	0	0	0	0
Other comprehensive income from cash flow hedges	-3,795	-3,795	0	0	0	0
Foreign currency translation	-71	-71	0	0	0	0
Total shareholders' equity	**514,408**	**514,408**	**0**	**0**	**0**	**0**
Non-current liabilities						
Bonds issued	2,155,764	2,155,764	0	0	0	0
Liabilities for pension plans	7,227	0	0	7,227	0	0
Lease liabilities	1,054	245	0	809	0	0
Negative fair values of derivative instruments	12,561	-161,852	167,254	7,064	0	95
Deferred tax liabilities	385	0	0	385	0	0
Total non-current liabilities	**2,176,991**	**1,994,157**	**167,254**	**15,485**	**0**	**95**
Current liabilities						
Bonds issued	498,623	498,623	0	0	0	0
Payables to related companies	1,422,468	1,159,788	72,995	51,431	5,738	132,516
Lease liabilities	1,217	1,158	0	59	0	0
Payables to banks	675	31	0	0	458	186
Income tax payables	14,791	3,714	0	11,077	0	0
Negative fair values of derivative instruments	10,168	-50,186	55,826	1,894	1	2,633
Other liabilities	11,571	2,244	1,309	7,350	0	668
Accrued expenses and deferred income	11,773	10,840	88	845	0	0
Total current liabilities	**1,971,286**	**1,626,212**	**130,218**	**72,656**	**6,197**	**136,003**
Total equity and liabilities	**4,662,685**	**4,134,777**	**297,472**	**88,141**	**6,197**	**136,098**
Balance sheet position	**0**	**-1,540,067**	**254,100**	**1,043,915**	**48,375**	**193,677**

Balance sheet by currency at 31 December 2023

		Amounts in TEUR countervalue				
in TEUR	Total	EUR	USD	CHF	DKK	Others
ASSETS						
Non-current assets						
Intangible assets	1,435	-190	0	1,625	0	0
Right-of-use assets	1,621	1,361	0	260	0	0
Property, plant and equipment	271	-134	0	405	0	0
Loans to related companies	1,389,770	849,804	379,870	131,269	3,178	25,649
Positive fair values of derivative instruments	10,193	162,284	-153,865	1,597	5	172
Deferred tax assets	1,781	1,265	0	516	0	0
Total non-current assets	**1,405,071**	**1,014,390**	**226,005**	**135,672**	**3,183**	**25,821**
Current assets						
Receivables from related companies	1,297,954	878,115	94,435	56,605	50,662	218,137
Positive fair values of derivative instruments	9,785	12,676	-9,444	1,959	40	4,554
Other assets	5,724	4,291	0	1,432	0	1
Income tax receivables	55	0	0	55	0	0
Accrued income and prepaid expenses	12,088	9,321	-618	2,129	5	1,251
Securities at amortised cost	112,949	0	0	112,949	0	0
Securities at fair value through profit or loss	114,782	81,515	4,536	26,936	0	1,795
Cash and cash equivalents	1,191,590	631,599	1,068	543,849	2	15,072
Total current assets	**2,744,927**	**1,617,517**	**89,977**	**745,914**	**50,709**	**240,810**
Total assets	**4,149,998**	**2,631,907**	**315,982**	**881,586**	**53,892**	**266,631**
EQUITY AND LIABILITIES						
Shareholders' equity						
Issued capital	16,000	16,000	0	0	0	0
Additional paid-in capital	5,000	5,000	0	0	0	0
Retained earnings	438,133	438,133	0	0	0	0
Other comprehensive income from cash flow hedges	-5,409	-5,409	0	0	0	0
Foreign currency translation	179	179	0	0	0	0
Total shareholders' equity	**453,903**	**453,903**	**0**	**0**	**0**	**0**
Non-current liabilities						
Bonds issued	2,149,847	2,149,847	0	0	0	0
Liabilities for pension plans	5,292	0	0	5,292	0	0
Lease liabilities	341	240	0	101	0	0
Negative fair values of derivative instruments	12,949	61,909	-36,472	-12,194	0	-294
Deferred tax liabilities	397	0	0	397	0	0
Total non-current liabilities	**2,168,826**	**2,211,996**	**-36,472**	**-6,404**	**0**	**-294**
Current liabilities						
Bonds issued	0	0	0	0	0	0
Payables to related companies	1,474,770	1,224,990	103,252	23,973	4,134	118,421
Lease liabilities	1,304	1,139	0	165	0	0
Payables to banks	5,731	84	4,777	0	173	697
Income tax payables	12,422	2,121	0	10,301	0	0
Negative fair values of derivative instruments	13,227	55,030	-20,593	-15,187	-6	-6,017
Other liabilities	10,435	1,603	1,149	6,692	2	989
Accrued expenses and deferred income	9,380	8,422	102	856	0	0
Total current liabilities	**1,527,269**	**1,293,389**	**88,687**	**26,800**	**4,303**	**114,090**
Total equity and liabilities	**4,149,998**	**3,959,288**	**52,215**	**20,396**	**4,303**	**113,796**
Balance sheet position	**0**	**-1,327,381**	**263,767**	**861,190**	**49,589**	**152,835**

Balance sheet by interest rate exposure at 31 December 2024

in TEUR	Total	Fixed interest rate	Variable interest rate	Non-interest bearing
ASSETS				
Non-current assets				
Intangible assets	1,238	0	0	1,238
Right-of-use assets	2,247	0	0	2,247
Property, plant and equipment	397	0	0	397
Loans to related companies	1,164,651	1,164,651	0	0
Positive fair values of derivative instruments	5,293	0	0	5,293
Deferred tax assets	1,183	0	0	1,183
Total non-current assets	**1,175,009**	**1,164,651**	**0**	**10,358**
Current assets				
Receivables from related companies	1,723,063	935,917	604,728	182,418
Positive fair values of derivative instruments	12,713	0	0	12,713
Other assets	5,412	0	5,412	0
Income tax receivables	0	0	0	0
Accrued income and prepaid expenses	16,186	0	0	16,186
Securities at amortised cost	186,426	186,426	0	0
Securities at fair value through profit or loss	113,607	91,007	7,260	15,340
Cash and cash equivalents	1,430,269	0	1,430,269	0
Total current assets	**3,487,676**	**1,213,350**	**2,047,669**	**226,657**
Total assets	**4,662,685**	**2,378,001**	**2,047,669**	**237,015**
EQUITY AND LIABILITIES				
Shareholders' equity				
Issued capital	16,000	0	0	16,000
Additional paid-in capital	5,000	0	0	5,000
Retained earnings	497,274	0	0	497,274
Other comprehensive income from cash flow hedges	-3,795	0	0	-3,795
Foreign currency translation	-71	0	0	-71
Total shareholders' equity	**514,408**	**0**	**0**	**514,408**
Non-current liabilities				
Bonds issued	2,155,764	2,155,764	0	0
Liabilities for pension plans	7,227	0	7,227	0
Lease liabilities	1,054	1,054	0	0
Negative fair values of derivative instruments	12,561	0	0	12,561
Deferred tax liabilities	385	0	0	385
Total non-current liabilities	**2,176,991**	**2,156,818**	**7,227**	**12,946**
Current liabilities				
Bonds issued	498,623	498,623	0	0
Payables to related companies	1,422,468	725,274	697,194	0
Lease liabilities	1,217	1,217	0	0
Payables to banks	675	0	675	0
Income tax payables	14,791	0	0	14,791
Negative fair values of derivative instruments	10,168	0	0	10,168
Other liabilities	11,571	0	0	11,571
Accrued expenses and deferred income	11,773	0	0	11,773
Total current liabilities	**1,971,286**	**1,225,114**	**697,869**	**48,303**
Total equity and liabilities	**4,662,685**	**3,381,932**	**705,096**	**575,657**
Balance sheet position	**0**	**-1,003,931**	**1,342,573**	**-338,642**

Balance sheet by interest rate exposure at 31 December 2023

in TEUR	Total	Fixed interest rate	Variable interest rate	Non-interest bearing
ASSETS				
Non-current assets				
Intangible assets	1,435	0	0	1,435
Right-of-use assets	1,621	0	0	1,621
Property, plant and equipment	271	0	0	271
Loans to related companies	1,389,770	1,389,770	0	0
Positive fair values of derivative instruments	10,193	0	0	10,193
Deferred tax assets	1,781	0	0	1,781
Total non-current assets	**1,405,071**	**1,389,770**	**0**	**15,301**
Current assets				
Receivables from related companies	1,297,954	610,300	478,638	209,016
Positive fair values of derivative instruments	9,785	0	0	9,785
Other assets	5,724	0	5,724	0
Income tax receivables	55	0	0	55
Accrued income and prepaid expenses	12,088	0	0	12,088
Securities at amortised cost	112,949	112,949	0	0
Securities at fair value through profit or loss	114,782	92,847	8,572	13,363
Cash and cash equivalents	1,191,590	0	1,191,590	0
Total current assets	**2,744,927**	**816,096**	**1,684,524**	**244,307**
Total assets	**4,149,998**	**2,205,866**	**1,684,524**	**259,608**
EQUITY AND LIABILITIES				
Shareholders' equity				
Issued capital	16,000	0	0	16,000
Additional paid-in capital	5,000	0	0	5,000
Retained earnings	438,133	0	0	438,133
Other comprehensive income from cash flow hedges	-5,409	0	0	-5,409
Foreign currency translation	179	0	0	179
Total shareholders' equity	**453,903**	**0**	**0**	**453,903**
Non-current liabilities				
Bonds issued	2,149,847	2,149,847	0	0
Liabilities for pension plans	5,292	0	5,292	0
Lease liabilities	341	341	0	0
Negative fair values of derivative instruments	12,949	0	0	12,949
Deferred tax liabilities	397	0	0	397
Total non-current liabilities	**2,168,826**	**2,150,188**	**5,292**	**13,346**
Current liabilities				
Bonds issued	0	0	0	0
Payables to related companies	1,474,770	645,262	829,508	0
Lease liabilities	1,304	1,304	0	0
Payables to banks	5,731	0	5,731	0
Income tax payables	12,422	0	0	12,422
Negative fair values of derivative instruments	13,227	0	0	13,227
Other liabilities	10,435	0	0	10,435
Accrued expenses and deferred income	9,380	0	0	9,380
Total current liabilities	**1,527,269**	**646,566**	**835,239**	**45,464**
Total equity and liabilities	**4,149,998**	**2,796,754**	**840,531**	**512,713**
Balance sheet position	**0**	**–590,888**	**844,056**	**–253,169**

Interest rate risk

The Group finances Würth Group companies all over the world and is consequently exposed to interest rate risks. The Group deems interest rate risk to mean the negative impact on the financial position and the earnings situation arising from changes in the interest rates in all currencies. Loans to Würth Group companies were partially refinanced by fixed-interest bonds with similar interest and maturity structures. The maximum willingness to take risks in the interest rate sector is defined by a sensitivity in relation to the equity capital. In the event of adverse changes in the interest rates on the individual currencies by 100 basis points, the maximum loss potential is related to equity. The Group keeps the impact of interest rate changes on the equity capital base or on the asset and income situation relatively low and is guided in the medium term by the target value of 5% for the equity sensitivity. Furthermore, the Group enters into derivative financial instruments to optimise its interest rate exposure.

Sensitivity analysis of equity as at 31 December

The following table discloses the sensitivity of the Group's equity to a parallel shift of interest rates, with all other variables held constant. Compared to last year the interest rate sensitivity has increased due to the new bond issued in the amount of EUR 500 million. The table reflects the most important currencies for loans and deposits in terms of volumes for the Würth Finance Group. Compared to the previous year volumes in currencies exposure other than the euro have decreased in total. However, interest rate risks have been kept minimal.

Sensitivity of equity 2024

in TEUR			Duration									
Currency	Change in basis points		≤6 months		6 months to 1 year		1–5 years		>5 years		Total	
EUR	100	−100	−1,759	1,835	−1,733	1,797	1,604	−1,653	30,345	−32,416	28,457	−30,437
USD	100	−100	−86	90	7	−7	−1,806	1,897	0	0	−1,885	1,980
CHF	100	−100	−380	390	−246	254	2,100	−2,134	−353	374	1,121	−1,116
DKK	100	−100	25	−26	0	0	−5	5	−3	3	17	−18
CNH	100	−100	−9	9	1	−1	0	0	0	0	−8	8
NOK	100	−100	−10	10	5	−5	0	0	0	0	−5	5
CAD	100	−100	4	−3	−9	10	2	−2	0	0	−3	5
GBP	100	−100	−3	3	−6	6	0	0	0	0	−9	9
Others	100	−100	−19	20	−86	89	−51	52	0	0	−156	161

Sensitivity of equity 2023

in TEUR			Duration									
Currency	Change in basis points		≤6 months		6 months to 1 year		1–5 years		>5 years		Total	
EUR	100	−100	−724	766	−1,945	2,029	9,466	−9,996	15,507	−16,622	22,304	−23,823
USD	100	−100	43	−46	−195	204	59	−60	−2,046	2,156	−2,139	2,254
CHF	100	−100	−540	560	−66	68	4,593	−4,767	−1,072	1,328	2,915	−2,811
DKK	100	−100	6	−7	0	0	27	−27	0	0	33	−34
CNH	100	−100	6	−7	10	−10	0	0	0	0	16	−17
NOK	100	−100	1	−2	−12	13	0	0	0	0	−11	11
CAD	100	−100	0	0	1	−1	0	0	0	0	1	−1
GBP	100	−100	−6	7	−25	26	0	0	0	0	−31	33
Others	100	−100	−4	5	−47	49	−145	150	0	0	−196	204

Security price risk
Due to its investment activities, the Group is exposed to security price risks. The Group deems security price risks to mean the exposure to loss resulting from changes in the prices of listed securities at fair value through profit or loss.

Basically, a minimum rating of BBB– (Standard & Poor's) is required when selecting bonds. The trend of the rating is monitored on a daily basis. In the event of the bond being downgraded, it is immediately disposed of. However, the Group has a maximum limit of EUR 15 million in market value for sub-investment-grade bonds. Furthermore, the Group uses derivative instruments to economically hedge security price risks.

The composition of the portfolio is monitored on a daily basis. The allocation is shown in the table below:

Asset allocation at 31 December 2024

in TEUR	Market value	Share
Equity / equity funds	13,428	11.8%
Investment-grade bonds / bond funds	97,113	85.5%
Sub-investment-grade bonds	1,153	1.0%
Commodities	1,913	1.7%
Total asset allocation	**113,607**	**100.0%**

Asset allocation at 31 December 2023

in TEUR	Market value	Share
Equity / equity funds	11,314	9.9%
Investment-grade bonds / bond funds	99,429	86.6%
Sub-investment-grade bonds	1,990	1.7%
Commodities	2,049	1.8%
Total asset allocation	**114,782**	**100.0%**

Credit risk
In order to minimise credit risks, transactions are conducted only with external counterparties that meet internal criteria. For each rating level, binding counterparty limits are defined. Their absolute value is subject to regular critical reviews by the supervisory bodies and is adjusted if necessary. Würth Group counterparties are monitored by Würth Finance International B.V. together with the appropriate member of the Würth Group's Central Management Board, and granted a credit limit. ISDA agreements are concluded with external counterparties with whom the Group carries out transactions within the framework of financial risk management.

The corresponding credit rating of the internal and external counterparties and the limitation on aggregated individual counterparty risks are constantly monitored.

The counterparty risks relating to delcredere business were transferred in full to insurance companies.

The maximum credit risk corresponds to the value of all the financial assets, contingent liabilities and unused irrevocable credit commitments stated in the annual accounts. Credit risks relating to loans to individual Würth Group companies with negative equity as at 31 December are covered at least up to the amount of the negative equity of the subsidiary by letters of comfort from the superordinate parent company.

in TEUR	2024	2023
Credit risks at 31 December		
Total Würth Group long-term	**1,167,018**	**1,393,722**
Total Würth Group short-term	**1,723,800**	**1,298,848**
On-balance exposure		
Cash and cash equivalents	1,430,269	1,191,590
Securities at amortised cost	186,426	112,949
Positive fair values of derivative instruments	18,006	19,978
Other assets	5,412	5,724
Off-balance exposure		
Contingent liabilities	211,397	458,972
Lending commitments	79,513	3,785
Total credit risk exposure	**4,821,841**	**4,485,568**

There is a difference only between the gross and net credit risk exposure for derivative transactions, which can be netted based on ISDA agreements. In principle, cash and cash equivalents are invested at banks with a minimal rating of BBB.

Credit losses are inherent costs of the Group's operations and their occurrence and amount may be irregular in nature. Possible credit risk losses are reported in the Financial Statements using the approach for determining impairments based on forward-looking expected credit losses (ECLs) introduced in IFRS 9. From a credit risk modelling perspective, the ECL parameters are the following three parameters: exposure at default (EAD), probability of default (PD) and loss given default (LGD). The EAD reflects the financial assets as potential credit risk at the reporting date. It represents the outstanding cash flows, taking into account expected repayments, interest payments and provisions, discounted at the effective interest rate.

The PD represents the probability of a default over a certain period of time. The third component, the LGD, represents an estimate of the loss at the time of a potential default during the life of a financial instrument.

The Group's impairment approach applied to long-term loans and short-term receivables from related and external companies that are not measured at fair value through profit or loss. The methodology the Group applied to calculate an individual probability-weighted unbiased ECL is by using LGD amounting to 60% and PD based on the Global Corporate Average Cumulative Default Rates (Bloomberg). In accordance with IFRS 9, a three-stage model is used to calculate the ECL, which takes into account the change in credit quality since initial recognition using different impairment models. A shift from Stage 1 to Stage 2 reflects a significant increase in credit risk. A shift from Stage 2 to Stage 3 is made if there are objective indications of impairment as at the balance sheet date.

Expected credit loss

in TEUR	31.12.2024	31.12.2023
Loans to related companies	2,367	3,952
Short-term receivables from related companies	737	894
Total expected credit loss	**3,104**	**4,846**

ECL movements (in TEUR)	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2024	4,526	320	0	4,846
Changes due to				
Net movements from new and derecognised transactions	–428	–271	0	–699
Stage migration	–8	18	0	10
Remeasurements	–1,036	–17	0	–1,053
Balance as at 31 December 2024	**3,054**	**50**	**0**	**3,104**

Legend

Net movements from new and derecognised transactions	Effects resulting from the change in volume; calculated using the current closing balance of the assets multiplied by the PD of the previous year
Stage migration	Shifts between the stages due to reassessment of the credit risk
Remeasurements	Residual amount represents the influence of the changed PD

The PD at year-end amounted to 0.3343% (2023: 0.4477%), which caused the reduced impairment credit amount of TEUR 1,742 over 2024. The reduction is mainly driven by the impact of the changed PD of TEUR 1,053.

Liquidity risk
The Würth Group needs sufficient liquidity to fulfil its financial obligations. In compliance with the superordinate Würth Group policy, Würth Group companies are required to transfer their excess liquidity to Würth Finance International B.V. and, with the latter's support, to make it available to other Würth Group companies to bridge any potential shortages in liquidity.

The objective of liquidity management is to ensure that the Würth Group is able to meet its payment obligations.
The liquidity situation is monitored by the Cash Management department of Würth Finance International B.V.

The high international creditworthiness of the Würth Group (Standard & Poor's has awarded a Senior Unsecured "A" rating to Adolf Würth GmbH & Co. KG) allows the Group to raise liquid funds in the international capital markets on favourable conditions. Würth Finance International B.V. has established a committed credit line of EUR 500 million.
The syndicate providing the funds consists of 12 banks. The credit line is granted until 16 September 2029 and is guaranteed by Adolf Würth GmbH & Co. KG, Künzelsau. Additionally the Group has arranged credit lines with various banks to cover any potential liquidity requirements.

Contractually agreed remaining terms to maturity from financial liabilities

At 31 December 2024

		Cashflow		
in TEUR	Carrying amounts	< 1 year	1–5 years	> 5 years
On-balance liabilities				
Financial liabilities				
Bonds	2,654,387	542,581	1,198,549	1,142,750
Payables to banks	675	675	0	0
Derivative financial liabilities				
Inflows from foreign currency instruments		25,119	68,307	0
Outflows from foreign currency instruments	24,217	26,261	77,174	0
Inflows from interest rate instruments		52,636	170,757	0
Outflows from interest rate instruments	20,420	62,700	196,030	2,342
Off-Balance liabilities				
Contingent liabilities	211,397	211,397	0	0

At 31 December 2023

		Cashflow		
in TEUR	Carrying amounts	< 1 year	1–5 years	> 5 years
On-balance liabilities				
Financial liabilities				
Bonds	2,149,847	30,152	1,659,141	625,500
Payables to banks	5,731	5,731	0	0
Derivative financial liabilities				
Inflows from foreign currency instruments		1,213,884	77,005	12,696
Outflows from foreign currency instruments	29,892	1,235,486	82,632	13,578
Inflows from interest rate instruments		28,331	183,612	0
Outflows from interest rate instruments	22,142	40,417	200,720	4,157
Off-Balance liabilities				
Contingent liabilities	458,972	458,972	0	0

b) Derivative financial instruments

Positions at 31 December 2024

in TEUR	Contract value or notional value	Positive fair value	Negative fair value
Foreign currency instruments			
Forward currency contracts	2,143,290	14,230	–24,217
Options	150,465	591	–591
Total foreign currency instruments	**2,293,755**	**14,821**	**–24,808**
Interest rate instruments			
Interest rate swaps	822,973	6,543	–11,108
Cross-currency swaps	223,644	0	–9,312
Financial futures	6,103	0	0
Total interest rate instruments	**1,052,720**	**6,543**	**–20,420**
Reduction due to CSA	0	–3,358	22,499
Total derivative financial instruments	**3,346,475**	**18,006**	**–22,729**

Positions at 31 December 2023

in TEUR	Contract value or notional value	Positive fair value	Negative fair value
Foreign currency instruments			
Forward currency contracts	2,180,701	11,321	–29,892
Options	56,658	2,795	–108
Total foreign currency instruments	**2,237,359**	**14,116**	**–30,000**
Interest rate instruments			
Interest rate swaps	687,034	8,555	–19,951
Cross-currency swaps	245,348	7,252	–2,191
Financial futures	2,182	0	0
Total interest rate instruments	**934,564**	**15,807**	**–22,142**
Reduction due to CSA	0	–9,945	25,966
Total derivative financial instruments	**3,171,923**	**19,978**	**–26,176**

The total derivative financial instruments were presented gross per counterparty.

ISDA master agreements with a CSA (Credit Support Annex) are concluded with those counterparties with whom transactions are carried out within the framework of financial risk management. For this reason, the positive and negative fair values of the derivative financial instruments are recorded in the Financial Statements (balance sheet, income statement) in net terms, considering also the cash settlement based on the CSAs.

The foreign currency instruments were mainly used to hedge the currency positions in USD and CHF recorded in the balance sheet. The net positions of the fair values were as follows: EUR –1.6 million (2023: EUR –15.1 million) had a maturity date of less than 12 months and EUR –8.4 million (2023: EUR –3.4 million) mature in 1–5 years.

The interest rate instruments were mainly used to hedge currency and interest rate risks on non-congruent asset and liability positions in EUR, USD and CHF. The maximum maturity was 8¼ years.

Offsetting financial instruments

Positions at 31 December 2024

in TEUR	Gross carrying amounts (before offsetting)	Gross amounts offset in accordance with the offsetting criteria	Net amount presented in balance sheet
FINANCIAL ASSETS			
Derivative financial instruments	21,364	–3,358	18,006
Total	**21,364**	**–3,358**	**18,006**
FINANCIAL LIABILITIES			
Derivative financial instruments	–45,228	22,499	–22,729
Total	**–45,228**	**22,499**	**–22,729**

Positions at 31 December 2023

in TEUR	Gross carrying amounts (before offsetting)	Gross amounts offset in accordance with the offsetting criteria	Net amount presented in balance sheet
FINANCIAL ASSETS			
Derivative financial instruments	29,923	–9,945	19,978
Total	**29,923**	**–9,945**	**19,978**
FINANCIAL LIABILITIES			
Derivative financial instruments	–52,142	25,966	–26,176
Total	**–52,142**	**25,966**	**–26,176**

Offsetting rights that do not meet some or all of the criteria for offsetting in the balance sheet are not disclosed since the effects are considered immaterial.

c) Fair value of financial instruments at 31 December

	Carrying amount		Fair value	
in TEUR	2024	2023	2024	2023
ASSETS				
Non-current assets				
Loans to related companies	1,164,651	1,389,770	1,197,298	1,401,428
Positive fair values of derivative instruments	5,293	10,193	5,293	10,193
Total non-current assets	**1,169,944**	**1,399,963**	**1,202,591**	**1,411,621**
Current assets				
Receivables from related companies	1,723,063	1,297,954	1,723,063	1,297,954
Positive fair values of derivative instruments	12,713	9,785	12,713	9,785
Securities at amortised cost	186,426	112,949	186,772	113,214
Securities at fair value through profit or loss	113,607	114,782	113,607	114,782
Cash and cash equivalents	1,430,269	1,191,590	1,430,269	1,191,590
Total current assets	**3,466,078**	**2,727,060**	**3,466,424**	**2,727,325**
LIABILITIES				
Non-current liabilities				
Bonds issued	2,155,764	2,149,847	2,125,869	2,073,057
Negative fair values of derivative instruments	12,561	12,949	12,561	12,949
Total non-current liabilities	**2,168,325**	**2,162,796**	**2,138,430**	**2,086,006**
Current liabilities				
Bond issued	498,623	0	496,315	0
Payables to related companies	1,422,468	1,474,770	1,420,769	1,471,927
Payables to banks	675	5,731	675	5,731
Negative fair values of derivative instruments	10,168	13,227	10,168	13,227
Total current liabilities	**1,931,934**	**1,493,728**	**1,927,927**	**1,490,885**

Upon initial recognition, the Group recognised derivative financial instruments at fair value and non-derivative financial assets that are held to collect contractual cash flows that are solely payments of principal and interest, as well as non-derivative financial liabilities, at their amortised cost using the effective interest rate method.

In order to calculate the fair value of non-derivative financial instruments that are not actively traded and quoted, the valuation technique of a discounted cash flow model is used (fair value hierarchy level 2). The discounted cash flow valuation technique calculates fair values by using estimated expected or contractual future cash flows and then discounts these cash flows with a discount rate that reflects the credit spreads required by the market for instruments with similar risk and liquidity profiles to produce a present value. The discount factors within the calculation are generated using industry standard yield curve modelling techniques.

Assets and liabilities measured at fair value at 31 December 2024

in TEUR	Level 1	Level 2	Level 3	Total fair value
ASSETS				
Derivative financial instruments				
Interest rate swaps	0	6,543	0	6,543
Cross-currency swaps	0	0	0	0
Options	0	591	0	591
Forward currency contracts	0	14,230	0	14,230
Reduction due to CSA	0	–3,358	0	–3,358
Financial instruments at fair value through profit or loss				
Securities at fair value through profit or loss	113,607	0	0	113,607
Financial instruments at amortised cost				
Loans to related companies	0	1,197,298	0	1,197,298
Securities at amortised cost	0	186,426	0	186,426
LIABILITIES				
Derivative financial instruments				
Interest rate swaps	0	11,108	0	11,108
Cross-currency swaps	0	9,312	0	9,312
Options	0	591	0	591
Foreign currency contracts	0	24,217	0	24,217
Reduction due to CSA	0	–22,499	0	–22,499
Other liabilities at amortised cost				
Bonds issued	2,622,184	0	0	2,622,184
Payables to related companies	0	1,420,769	0	1,420,769

Fair value is the price at the reporting date that would be received for an asset sale or paid to transfer a liability in an orderly transaction between market participants in the market. All financial instruments measured at fair value are categorised into one of the three fair value hierarchy levels. The levels of the fair value hierarchy as defined below are an indication of the availability of market prices or price valuation inputs. For financial instruments where the carrying amount is a reasonable approximation of fair value, the exemption in IFRS 7.29 was used.

Level 1 financial instruments are those financial instruments whose fair value is based on quoted prices in active markets. This category comprises bonds issued by the Group and securities issued by public sector entities and corporates.

Level 2 financial instruments are those whose fair values must be derived using valuation techniques for which all significant inputs are based on observable market data. The fair value is calculated using a discounted cash flow analysis in which expected future cash flows are discounted. The fair value of financial instruments that are actively traded on organised financial markets is determined by reference to quoted market prices. For financial instruments where there is no active market, fair value is determined using valuation techniques such as price quotations from securities brokers, discounted cash flows or the Black-Scholes pricing model.

These valuations are by their nature dependent on the assumptions on which they are based. This category comprises all derivative financial instruments, receivables from related companies, loans to family foundations, bonds issued and payables to related companies.

For all financial instruments categorised within level 2, a description of the valuation techniques and the inputs used in the valuation (e.g. interest rates, volatilities, market price of the underlying, price in a similar transaction, etc.) are transparently documented. If there is a change in valuation technique, the reason for it has to be disclosed.

Level 3 financial instruments are those whose fair value is based on a valuation method that uses at least one significant input parameter that cannot be observed directly or indirectly in the market. At the balance sheet date, the Group had no assets and liabilities measured at fair value level 3.

During the reporting period ending 31 December 2024, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into or out of level 3 fair value measurements.

Assets and liabilities measured at fair value at 31 December 2023

in TEUR	Level 1	Level 2	Level 3	Total fair value
ASSETS				
Derivative financial instruments				
Interest rate swaps	0	8,555	0	8,555
Cross-currency swaps	0	7,252	0	7,252
Options	0	2,795	0	2,795
Forward currency contracts	0	11,321	0	11,321
Reduction due to CSA	0	–9,945	0	–9,945
Financial instruments at fair value through profit or loss				
Securities at fair value through profit or loss	114,782	0	0	114,782
Financial instruments at amortised cost				
Loans to related companies	0	1,401,428	0	1,401,428
Securities at amortised cost	0	112,949	0	112,949
LIABILITIES				
Derivative financial instruments				
Interest rate swaps	0	19,951	0	19,951
Cross-currency swaps	0	2,191	0	2,191
Options	0	108	0	108
Foreign currency contracts	0	29,892	0	29,892
Reduction due to CSA	0	–25,966	0	–25,966
Other liabilities at amortised cost				
Bonds issued	2,073,057	0	0	2,073,057
Payables to related companies	0	1,471,927	0	1,471,927

Capital management

The primary objective of the Group's capital management is to ensure a strong credit rating towards external parties. The Group manages its capital structure and makes adjustments to it based on the equity ratio and the return on equity.

d) Hedge accounting

Cash flow hedges

The Group designates cash flow hedges as part of its strategy to mitigate its interest rate and foreign currency revaluation fluctuations within its established limits and to reduce the cash flow fluctuations arising from foreign exchange and interest rate risk for an instrument or a group of instruments.

The Group mainly uses interest rate swaps to hedge the cash flows associated with its highly probable forecasted transactions and cross-currency swaps to hedge the cash flows associated with its foreign currency loans to related parties.

The table below sets out the results of the Group's hedging strategy, in particular the notional and carrying amount of the derivatives the Group uses as hedging instruments:

in TEUR	Transaction currency	Notional amount	Carrying amount 2024 Assets	Carrying amount 2024 Liabilities	Carrying amount 2023 Assets	Carrying amount 2023 Liabilities
Micro cash flow hedges						
Hedges to related parties	USD	20,000	0	0	0	401
Hedges to related parties	USD	37,500	0	1,990	0	173
Hedges to related parties	USD	15,000	0	0	330	0
Hedges to related parties	USD	7,000	0	265	201	0
Hedges to related parties	USD	15,000	0	651	300	0
Hedges to related parties	CHF	19,937	0	1,008	0	1,617
Forecasted – new bond issued 2018[1]	EUR		0	31	0	108
Forecasted – new bond issued 2020[2]	EUR		0	4,740	0	6,732
Forecasted – new bond issued 2022[3]	EUR		403	0	474	0
Forecasted – new bond issued 2024[4]	EUR		0	510	0	0

The following table shows the maturity and interest rate risk profile of the Group's hedging instruments used in its cash flow hedges. As the Group applied only micro hedges with one-to-one hedging ratios, the table below effectively shows the cash flow hedges:

in TEUR Carrying amount	< 1 year	1–5 years	> 5 years
At 31 December 2024			
Hedges to related parties USD 37,500	0	1,990	0
Hedges to related parties USD 7,000	265	0	0
Hedges to related parties USD 15,000	651	0	0
Hedges to related parties CHF 19,937	0	1,008	0

Since the issuance of the bonds and the subsequent recognition of interest expense result in the forecasted transaction affecting profit and loss, the associated gains or losses recognised in other comprehensive income are reclassified into profit and loss.

For designated and qualifying cash flow hedges, the effective portion of the gain or loss on the hedging instrument is initially recognised directly in OCI within equity in the cash flow hedge reserve, while any ineffective portion of the gain or loss on the hedging instrument is recognised immediately in the income statement. The terms of the current cross-currency swap contracts match the terms of the expected highly probable forecasted transactions. As a result, there is no hedge ineffectiveness to be recognised in the statement of profit or loss.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting under IFRS 9, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecasted transaction is ultimately recognised in the income statement. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the income statement.

Fair value hedges
The Group designates fair value hedges as part of an overall interest rate risk management strategy that enables the Group to keep interest rate sensitivities within its defined limits and to reduce fair value fluctuations of fixed-rate financial assets as if they were floating-rate instruments linked to the attributable benchmark rates.

[1] This micro cash flow hedge is related to the bond issued in May 2018. The loss resulting from the termination of the hedging instruments will be amortised to the income statement from OCI (cash flow hedge reserve) starting May 2019 over the actual swap term.
[2] This micro cash flow hedge is related to the bond issued in May 2020. The loss resulting from the termination of the hedging instruments will be amortised to the income statement from OCI (cash flow hedge reserve) starting May 2020 over the actual swap term.
[3] This micro cash flow hedge is related to the bond issued in May 2022. The profit resulting from the termination of the hedging instruments will be amortised to the income statement from OCI (cash flow hedge reserve) starting May 2022 over the actual swap term.
[4] This micro cash flow hedge is related to the issued bond in October 2024. The loss resulting from the termination of the hedging instruments will be amortised to the income statement from OCI (cash flow hedge reserve) starting November 2024 over the actual swap term.

The Group's fair value hedges principally consist of interest rate swaps that are used to protect against changes in the fair value of the fixed-rate Würth bonds as well as the loans to related parties in EUR, and cross-currency swaps that are used to protect against changes in the fair value of the fixed-rate foreign currency loans.

The table below sets out the result of the Group's hedging strategy, in particular the notional and carrying amount of the derivatives the Group uses as hedging instruments:

in TEUR	Transaction currency	Notional amount	Carrying amount 2024 Assets	Carrying amount 2024 Liabilities	Carrying amount 2023 Assets	Carrying amount 2023 Liabilities
Micro fair value hedges						
Würth bond 2025	EUR	150,000	0	1,231	0	4,992
Würth bond 2026	CHF	100,000	3,123	0	1,528	0
Würth bond 2030	EUR	250,000	0	9,405	0	13,291
Würth bond 2031	EUR	200,000	0	77	0	0
Hedges to related parties	EUR	30,000	307	0	1,099	0
Hedges to related parties	EUR	10,000	716	0	1,021	0
Hedges to related parties	USD	130,000	0	3,856	5,030	0
Hedges to related parties	EUR	40,000	2,047	0	3,362	0
Hedges to related parties	USD	10,000	0	159	569	0
Hedges to related parties	USD	25,000	0	1,383	822	0

The following table shows the maturity and interest rate risk profile of the Group's hedging instruments used in its fair value hedges. As the Group applied only micro hedges with one-to-one hedging ratios, the table below effectively shows the outcome of the fair value hedges:

in TEUR Carrying amount	< 1 year	1–5 years	> 5 years
At 31 December 2024			
Würth bond 2025 EUR 150,000	1,231	0	0
Würth bond 2026 CHF 100,000	0	3,123	0
Würth bond 2030 EUR 250,000	0	0	9,405
Würth bond 2031 EUR 200,000	0	0	77
Hedges to related parties EUR 30,000	307	0	0
Hedges to related parties EUR 10,000	0	716	0
Hedges to related parties USD 130,000	0	3,856	0
Hedges to related parties EUR 40,000	0	2,047	0
Hedges to related parties USD 10,000	0	159	0
Hedges to related parties USD 25,000	1,383	0	0

For derivatives that are designated and qualified as fair value hedges, the carrying value of the underlying hedged items is adjusted to fair value for the risk being hedged. Changes in the fair value of these derivatives are recorded in the same line item of the consolidated income statement as the change in fair value of the risk being hedged for the hedged assets or liabilities to the extent the hedge is effective. The change in fair value representing hedge ineffectiveness is recorded separately in trading income.

In accordance with its hedging strategy, the Group matches the principal of the hedging instruments to the principal of the hedged items. The Group uses fixed-rate payer interest rate swaps to hedge its fixed-rate debt instruments and loans, and fixed-rate receiver interest rate swaps to hedge its fixed-rate liabilities.

As at the end of 2024, hedge ineffectiveness resulting from credit valuation adjustment / debit valuation adjustment is marginal.

If the hedging instrument expires or is sold, terminated or exercised, or when the hedge no longer meets the criteria for hedge accounting, the hedge relationship is discontinued prospectively. If the relationship does not meet the hedge effectiveness criteria, the Group discontinues hedge accounting from the last date on which compliance with hedge effectiveness is demonstrated. If the hedge accounting relationship is terminated for an item recorded at amortised cost, the accumulated fair value hedge adjustment to the carrying amount of the hedged item is amortised over the remaining term of the original hedge by recalculating the EIR. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the income statement.

19 Segment information

The Group provides segment reporting by business line.

Income statement by segment at 31 December 2024

	Inhouse Banking						External Financial Services		
in TEUR	Group Financing	Trading	Securities Investments	Central Settlement	Central Services	Total Inhouse Banking	Insurance Brokerage	Elimination	Total Würth Finance Group
Income									
Interest income	168,605	0	2,295	0	0	170,900	14	-1,191	169,723
Interest expenses	-106,852	0	-152	0	0	-107,004	-13	1,191	-105,826
Net interest income	**61,753**	**0**	**2,143**	**0**	**0**	**63,896**	**1**	**0**	**63,897**
Income from factoring activities	13,613	0	0	0	0	13,613	0	0	13,613
Income from commission and service fee activities	0	0	0	31,705	0	31,705	17,800	0	49,505
Income from trading activities and financial instruments	0	20,449	3,119	0	0	23,568	-278	250	23,540
Other ordinary income	732	0	0	0	0	732	178	0	910
Expected credit loss (expenses) / recovery	1,742	0	0	0	0	1,742	0	0	1,742
Total segment income	**77,840**	**20,449**	**5,262**	**31,705**	**0**	**135,256**	**17,701**	**250**	**153,207**
Expenses									
Personnel expenses	0	0	0	0	-13,391	-13,391	-13,347	0	-26,738
Other administrative expenses	0	0	0	0	-13,850	-13,850	-2,357	0	-16,207
Amortisation	0	0	0	0	-1,208	-1,208	-874	0	-2,082
Segment expenses	**0**	**0**	**0**	**0**	**-28,449**	**-28,449**	**-16,578**	**0**	**-45,027**
Segment result	**77,840**	**20,449**	**5,262**	**31,705**	**-28,449**	**106,807**	**1,123**	**250**	**108,180**
Income tax expense	0	0	0	0	-21,699	-21,699	-231	0	-21,930
Net profit for the year	**77,840**	**20,449**	**5,262**	**31,705**	**-50,148**	**85,108**	**892**	**250**	**86,250**

Income statement by segment at 31 December 2023

in TEUR	Inhouse Banking: Group Financing	Inhouse Banking: Trading	Inhouse Banking: Securities Investments	Inhouse Banking: Central Settlement	Inhouse Banking: Central Services	Total Inhouse Banking	External Financial Services: Insurance Brokerage	Elimination	Total Würth Finance Group
Income									
Interest income	146,608	0	1,930	0	0	148,538	16	–165	148,389
Interest expenses	–97,566	0	–141	0	0	–97,707	–3	165	–97,545
Net interest income	**49,042**	**0**	**1,789**	**0**	**0**	**50,831**	**13**	**0**	**50,844**
Income from factoring activities	13,573	0	0	0	0	13,573	0	0	13,573
Income from commission and service fee activities	0	0	0	33,736	0	33,736	15,828	0	49,564
Income from trading activities and financial instruments	0	15,178	4,898	0	0	20,076	440	–140	20,376
Other ordinary income	410	0	0	0	0	410	182	0	592
Expected credit loss (expenses) / recovery	4,273	0	0	0	0	4,273	0	0	4,273
Total segment income	**67,298**	**15,178**	**6,687**	**33,736**	**0**	**122,899**	**16,463**	**–140**	**139,222**
Expenses									
Personnel expenses	0	0	0	0	–11,590	–11,590	–12,145	0	–23,735
Other administrative expenses	0	0	0	0	–13,131	–13,131	–2,137	0	–15,268
Amortisation	0	0	0	0	–1,144	–1,144	–874	0	–2,018
Segment expenses	**0**	**0**	**0**	**0**	**–25,865**	**–25,865**	**–15,156**	**0**	**–41,021**
Segment result	**67,298**	**15,178**	**6,687**	**33,736**	**–25,865**	**97,034**	**1,307**	**–140**	**98,201**
Income tax expense	0	0	0	0	–18,978	–18,978	–154	0	–19,132
Net profit for the year	**67,298**	**15,178**	**6,687**	**33,736**	**–44,843**	**78,056**	**1,153**	**–140**	**79,069**

Balance sheet by segment at 31 December 2024

in TEUR	Inhouse Banking: Group Financing	Inhouse Banking: Trading	Inhouse Banking: Securities Investments	Inhouse Banking: Central Settlement	Inhouse Banking: Central Services	Total Inhouse Banking	External Financial Services: Insurance Brokerage	Elimination	Total Würth Finance Group
Balance sheet									
Segment assets	4,513,857	17,772	115,157	0	39,292	4,686,078	9,949	–33,342	4,662,685
Segment liabilities	4,174,406	22,631	27,355	0	461,686	4,686,078	9,949	–33,342	4,662,685
Additional segment information									
Capital expenditures	0	0	0	0	290	290	194	0	484

Balance sheet by segment at 31 December 2023

in TEUR	Inhouse Banking: Group Financing	Inhouse Banking: Trading	Inhouse Banking: Securities Investments	Inhouse Banking: Central Settlement	Inhouse Banking: Central Services	Total Inhouse Banking	External Financial Services: Insurance Brokerage	Elimination	Total Würth Finance Group
Balance sheet									
Segment assets	4,032,222	19,928	115,349	0	35,789	4,203,288	8,750	–62,040	4,149,998
Segment liabilities	3,746,599	25,518	22,637	0	408,534	4,203,288	8,750	–62,040	4,149,998
Additional segment information									
Capital expenditures	8	0	0	0	0	8	327	0	335

20 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities presented according to when they are expected to be recovered or settled. Trading assets and liabilities have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products.

At 31 December 2024

		Maturity	
in TEUR	Total	< 12 months	> 12 months
ASSETS			
Non-current assets			
Intangible assets	1,238	366	872
Right-of-use assets	2,247	0	2,247
Property, plant and equipment	397	397	0
Loans to related companies	1,164,651	0	1,164,651
Positive fair values of derivative instruments	5,293	0	5,293
Deferred tax assets	1,183	1,183	0
Total non-current assets	**1,175,009**	**1,946**	**1,173,063**
Current assets			
Receivables from related companies	1,723,063	1,723,063	0
Positive fair values of derivative instruments	12,713	12,713	0
Other assets	5,412	5,412	0
Income tax receivables	0	0	0
Accrued income and prepaid expenses	16,186	16,186	0
Securities at amortised cost	186,426	186,426	0
Securities at fair value through profit or loss	113,607	113,607	0
Cash and cash equivalents	1,430,269	1,430,269	0
Total current assets	**3,487,676**	**3,487,676**	**0**
Total assets	**4,662,685**	**3,489,622**	**1,173,063**
Non-current liabilities			
Bonds issued	2,155,764	0	2,155,764
Liabilities for pension plans	7,227	0	7,227
Lease liabilities	1,054	0	1,054
Negative fair values of derivative instruments	12,561	0	12,561
Deferred tax liabilities	385	385	0
Total non-current liabilities	**2,176,991**	**385**	**2,176,606**
Current liabilities			
Bonds issued	498,623	498,623	0
Payables to related companies	1,422,468	1,422,468	0
Lease liabilities	1,217	1,217	0
Payables to banks	675	675	0
Income tax payables	14,791	14,791	0
Negative fair values of derivative instruments	10,168	10,168	0
Other liabilities	11,571	11,571	0
Accrued expenses and deferred income	11,773	11,773	0
Total current liabilities	**1,971,286**	**1,971,286**	**0**
Total liabilities	**4,148,277**	**1,971,671**	**2,176,606**

At 31 December 2023

in TEUR	Total	Maturity < 12 months	Maturity > 12 months
ASSETS			
Non-current assets			
Intangible assets	1,435	372	1,063
Right-of-use assets	1,621	0	1,621
Property, plant and equipment	271	271	0
Loans to related companies	1,389,770	0	1,389,770
Positive fair values of derivative instruments	10,193	0	10,193
Deferred tax assets	1,781	1,781	0
Total non-current assets	**1,405,071**	**2,424**	**1,402,647**
Current assets			
Receivables from related companies	1,297,954	1,297,954	0
Positive fair values of derivative instruments	9,785	9,785	0
Other assets	5,724	5,724	0
Income tax receivables	55	55	0
Accrued income and prepaid expenses	12,088	12,088	0
Securities at amortised cost	112,949	112,949	0
Securities at fair value through profit or loss	114,782	114,782	0
Cash and cash equivalents	1,191,590	1,191,590	0
Total current assets	**2,744,927**	**2,744,927**	**0**
Total assets	**4,149,998**	**2,747,351**	**1,402,647**
Non-current liabilities			
Bonds issued	2,149,847	0	2,149,847
Liabilities for pension plans	5,292	0	5,292
Lease liabilities	341	0	341
Negative fair values of derivative instruments	12,949	0	12,949
Deferred tax liabilities	397	397	0
Total non-current liabilities	**2,168,826**	**397**	**2,168,429**
Current liabilities			
Bonds issued	0	0	0
Payables to related companies	1,474,770	1,474,770	0
Lease liabilities	1,304	1,304	0
Payables to banks	5,731	5,731	0
Income tax payables	12,422	12,422	0
Negative fair values of derivative instruments	13,227	13,227	0
Other liabilities	10,435	10,435	0
Accrued expenses and deferred income	9,380	9,380	0
Total current liabilities	**1,527,269**	**1,527,269**	**0**
Total liabilities	**3,696,095**	**1,527,666**	**2,168,429**

21 Payables to banks

The payables to banks line item refers to current account overdraft.

22 Events after the reporting period

There were no significant events after the reporting period.

Würth Finance International B.V.

FINANCIAL STATEMENTS 2024

Company income statement
for the year ended at 31 December

in TEUR	Notes	2024	2023
Net income	23	**66,698**	**65,432**
Other operating income	13	731	410
Total operating income		**67,429**	**65,842**
Wages and salaries	34	-12,322	-10,653
Social security charges		-1,069	-937
Amortisation of intangible and tangible fixed assets	24	-1,208	-1,144
Other operating expenses	35	-13,732	-13,035
Total operating expenses		**–28,331**	**–25,769**
		39,098	**40,073**
Financial income	27	170,970	147,576
Impairments of assets	18a	1,742	4,273
Financial expenses	27	-105,725	-97,473
Profit before taxes		**106,085**	**94,449**
Income tax expense		-21,437	-18,634
Share in result from participating interests	25	1,602	3,254
Net profit for the year		**86,250**	**79,069**

Company balance sheet
for the year ended at 31 December

Before appropriation of profit

in TEUR	Notes	2024	2023
ASSETS			
Non-current assets			
Intangible assets			
Software	24	0	0
Right-of-use assets			
Right-of-use land and buildings	24	1,388	1,361
Property, plant and equipment			
Operating equipment and furnishings	24	301	87
Financial assets			
Participations in Group companies	25	32,391	32,017
Loans to related companies	4, 26	1,164,651	1,389,770
Positive fair values of derivative instruments	18b, 18c	5,293	10,193
Deferred tax assets	28	935	1,265
Total non-current assets		**1,204,959**	**1,434,693**
Current assets			
Receivables from related companies	26	1,732,946	1,337,668
Positive fair values of derivative instruments	18b, 18c	12,542	9,785
Other assets	29	4,260	4,458
Accrued income and prepaid expenses		15,658	11,340
Securities at amortised cost	7	186,426	112,949
Securities at fair value through profit or loss	6, 18a	72,541	44,865
Cash		1,430,125	1,191,521
Total current assets		**3,454,498**	**2,712,586**
Total assets		**4,659,457**	**4,147,279**

in TEUR	Notes	2024	2023
EQUITY AND LIABILITIES			
Shareholders' equity			
Issued capital		16,000	16,000
Additional paid-in capital		5,000	5,000
Retained earnings		407,158	353,834
Net profit for the year		86,250	79,069
Total shareholders' equity	32	**514,408**	**453,903**
Provisions			
Liabilities for pension plans	14	3,571	2,487
Total provisions		**3,571**	**2,487**
Non-current liabilities			
Bonds issued	30	2,155,764	2,149,847
Lease liabilities		245	240
Negative fair values of derivative instruments	18b, 18c	12,513	12,896
Total non-current liabilities		**2,168,522**	**2,162,983**
Current liabilities			
Bonds issued	30	498,623	0
Payables to related companies	26	1,428,661	1,479,753
Lease liabilities		1,158	1,139
Payables to banks	33	675	5,731
Income tax payables	15	14,548	12,237
Negative fair values of derivative instruments	18b, 18c	10,168	12,693
Other liabilities	31	7,350	6,973
Accrued expenses and deferred income		11,773	9,380
Total current liabilities		**1,972,956**	**1,527,906**
Total equity and liabilities		**4,659,457**	**4,147,279**

Accounting policies used in preparing the company Financial Statements
for the year ended at 31 December

Basis of preparation
The company Financial Statements have been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code. In accordance with the provisions of Section 362-8 of Book 2 of the Dutch Civil Code the accounting policies used are the same as those used in the notes to the consolidated Financial Statements, prepared under IFRS as adopted by the European Union, unless stated otherwise below. The Financial Statements were prepared on 30 April 2025. Where the notes in the company Financial Statements were similar to the notes in the consolidated Financial Statements, we refer to the notes in the consolidated Financial Statements.

Participations in related companies
Investments in subsidiaries are valued using the net asset value method, determined by applying the IFRS accounting policies as described in the consolidated Financial Statements. Under this method, subsidiaries are carried at the company's share in their net asset value plus its share in the results of the subsidiaries and its share of changes recognised directly in the equity of the subsidiaries as from the acquisition date, determined in accordance with the IFRS accounting policies disclosed in the consolidated Financial Statements, less its share in the dividend distributions from the subsidiaries. The company's share in the results of the subsidiaries is recognised in the income statement. Since the distribution of profits is not subject to restrictions, no legal reserve is included.

In connection with this, long-term interests are included if they, in substance, form part of the investor's net investment in the subsidiary.

A subsequent share of the profit of the subsidiary is recognised only if and to the extent that the accumulated share of the previously unrecognised loss has been made good. Information on the use of financial instruments and on related risks for the Group was provided in the notes to the consolidated Financial Statements.

The company Financial Statements are presented in EUR thousands unless otherwise stated.

Changes in accounting policies
For details of changes in accounting policies, please refer to the consolidated accounting principles.

The company made use of the option to eliminate intercompany expected credit losses against the book value of loans and receivables to Group companies, instead of elimination against the investments in Group companies.

Equity interests
Parent company
Würth Finance International B.V., Amsterdam, is the parent company of the companies as listed below and includes the financial data of these companies in its consolidated Financial Statements, copies of which are available at cost from the head office of Würth Finance International B.V., Amsterdam.

Fully owned companies
- Würth Financial Services AG, Rorschach, Switzerland: wholly owned subsidiary (2023: 100%)

- Würth Invest AG, Chur, Switzerland: wholly owned subsidiary (2023: 100%)

The percentages stated represent the equity interests held.

Notes to the company Financial Statements
for the year ended at 31 December

23 Net income

The net income consists of income from factoring activities amounting to TEUR 13,613 (2023: TEUR 13,573), commission and service fee activities amounting to TEUR 32,168 (2023: TEUR 34,406) and trading activities amounting to TEUR 20,917 (2023: TEUR 17,453).

24 Intangible assets / right-of-use assets / property, plant and equipment

Intangible assets / right-of-use assets / property, plant and equipment are composed as follows:

At 31 December 2024

in TEUR	Acquisition cost 2023	Additions (disposals) incl. asset retirement 2024	Acquisition cost 2024	Accum. amortisation 2023	Asset retirement 2024	Amortisation for the year 2024	Accum. amortisation 2024	Net book value 2024
Intangible assets								
Software	1,470	-423	1,047	-1,470	423	0	-1,047	0
Total intangible assets	**1,470**	**-423**	**1,047**	**-1,470**	**423**	**0**	**-1,047**	**0**
Right-of-use assets								
Right-of-use land and buildings	6,087	1,159	7,246	-4,726	0	-1,132	-5,858	1,388
Total right-of-use assets	**6,087**	**1,159**	**7,246**	**-4,726**	**0**	**-1,132**	**-5,858**	**1,388**
Property, plant and equipment								
Vehicles	442	145	587	-395	143	-71	-323	264
Art objects	34	0	34	0	0	0	0	34
Office equipment / installations	537	2	539	-531	0	-5	-536	3
Total property, plant and equipment	**1,013**	**147**	**1,160**	**-926**	**143**	**-76**	**-859**	**301**

At 31 December 2023

in TEUR	Acquisition cost 2022	Additions (disposals) incl. asset retirement 2023	Acquisition cost 2023	Accum. amortisation 2022	Asset retirement 2023	Amortisation for the year 2023	Accum. amortisation 2023	Net book value 2023
Intangible assets								
Software	1,470	0	1,470	-1,470	0	0	-1,470	0
Total intangible assets	**1,470**	**0**	**1,470**	**-1,470**	**0**	**0**	**-1,470**	**0**
Right-of-use assets								
Right-of-use land and buildings	4,941	1,146	6,087	-3,652	0	-1,074	-4,726	1,361
Total right-of-use assets	**4,941**	**1,146**	**6,087**	**-3,652**	**0**	**-1,074**	**-4,726**	**1,361**
Property, plant and equipment								
Vehicles	442	0	442	-345	0	-50	-395	47
Art objects	34	0	34	0	0	0	0	34
Office equipment / installations	590	-53	537	-572	61	-20	-531	6
Total property, plant and equipment	**1,066**	**-53**	**1,013**	**-917**	**61**	**-70**	**-926**	**87**

25 Participations in Group companies

in TEUR	
Net book value at 1 January 2023	**30,674**
OCI	–1,911
Share in profit / (loss) of participating interests	3,254
Net book value at 31 December 2023	**32,017**
Net book value at 1 January 2024	**32,017**
OCI	–1,228
Share in profit / (loss) of participating interests	1,602
Net book value at 31 December 2024	**32,391**

26 Transactions with related parties

Related party transactions were based on arm's length terms and conditions.

At 31 December 2024

in TEUR	Total	Parent companies	Subsidiaries	Associated companies
Receivables from related parties				
Loans to related companies	1,164,651	0	0	1,164,651
Receivables from related companies	1,732,946	26,938	9,887	1,696,121
Current accounts	605,186	17,082	462	587,642
Short-term loans	945,342	0	9,425	935,917
Factoring	182,418	9,856	0	172,562
Total receivables from related parties	**2,897,597**	**26,938**	**9,887**	**2,860,772**
Payables to related parties				
Payables to related companies	1,428,661	401,593	13,101	1,013,967
Current accounts	703,387	1,593	6,306	695,488
Fixed-term deposits	725,274	400,000	6,795	318,479
Other payables to related parties	907	0	0	907
Total payables to related parties	**1,429,568**	**401,593**	**13,101**	**1,014,874**

At 31 December 2023

in TEUR	Total	Parent companies	Subsidiaries	Associated companies
Receivables from related parties				
Loans to related companies	1,389,770	0	0	1,389,770
Receivables from related companies	1,337,668	11,457	39,900	1,286,311
Current accounts	479,121	0	669	478,452
Short-term loans	649,531	0	39,231	610,300
Factoring	209,016	11,457	0	197,559
Total receivables from related parties	**2,727,438**	**11,457**	**39,900**	**2,676,081**
Payables to related parties				
Payables to related companies	1,479,753	598,164	4,992	876,597
Current accounts	832,339	198,164	2,841	631,334
Fixed-term deposits	647,414	400,000	2,151	245,263
Other payables to related parties	847	0	0	847
Total payables to related parties	**1,480,600**	**598,164**	**4,992**	**877,444**

27 Financial income and expenses

At 31 December 2024

in TEUR	Total	Parent	Subsidiaries	Associated	Third parties
Financial income					
Interest income from financing activities at amortised cost	78,047	0	0	78,047	0
Interest income from financing leasing activities at amortised cost	3,329	0	0	3,329	0
Interest income from liquid assets at amortised cost	64,736	55	1,178	26,541	36,962
Interest income from current accounts	27,774	55	1,178	26,541	0
Interest income from bank accounts, time deposits and money market funds	36,962	0	0	0	36,962
Interest income from financial instruments at fair value through profit or loss	23,849	0	0	3,325	20,524
Valuation gains / (losses) from interest rate and cross-currency swaps (unrealised)	73	0	0	1,269	-1,196
Interest income from interest rate and cross-currency swaps	21,660	0	0	960	20,700
Other interest income from financial instruments	2,116	0	0	1,096	1,020
Dividends received	1,009	0	1,009	0	0
Total financial income	**170,970**	**55**	**2,187**	**111,242**	**57,486**
Financial expenses					
Interest expenses for current accounts and time deposits	40,890	15,299	14	25,577	0
Interest expenses for bonds issued	45,819	3,824	0	0	41,995
Interest expenses from financial instruments	18,416	208	0	2,612	15,596
Interest expenses from interest rate and cross-currency swaps	17,799	0	0	2,339	15,460
Other interest expenses from financial instruments	617	208	0	273	136
Other interest expenses (third parties)	600	0	0	3	597
Total financial expenses	**105,725**	**19,331**	**14**	**28,192**	**58,188**

At 31 December 2023

in TEUR	Total	Parent	Subsidiaries	Associated	Third parties
Financial income					
Interest income from financing activities at amortised cost	68,690	0	0	68,660	30
Interest income from financing leasing activities at amortised cost	3,118	0	0	3,118	0
Interest income from liquid assets at amortised cost	53,951	5	149	29,104	24,693
Interest income from current accounts	29,258	5	149	29,104	0
Interest income from bank accounts, time deposits and money market funds	24,693	0	0	0	24,693
Interest income from financial instruments at fair value through profit or loss	21,817	0	0	4,613	17,204
Valuation gains / (losses) from interest rate and cross-currency swaps (unrealised)	0	0	0	0	0
Interest income from interest rate and cross-currency swaps	20,524	0	0	4,613	15,911
Other interest income from financial instruments	1,293	0	0	0	1,293
Dividends received	0	0	0	0	0
Total financial income	**147,576**	**5**	**149**	**105,495**	**41,927**
Financial expenses					
Interest expenses for current accounts and time deposits	34,663	12,187	16	22,434	26
Interest expenses for bonds issued	38,108	2,769	0	0	35,339
Interest expenses from financial instruments	23,988	404	0	5,683	17,901
Interest expenses from interest rate and cross-currency swaps	21,998	0	0	4,556	17,442
Other interest expenses from financial instruments	1,990	404	0	1,127	459
Other interest expenses (third parties)	714	0	0	3	711
Total financial expenses	**97,473**	**15,360**	**16**	**28,120**	**53,977**

28 Income tax

in TEUR	2024	2023
Deferred tax assets on cash flow hedges	935	1,265
Deferred tax assets	**935**	**1,265**

For other details see the consolidated Financial Statements, Note 15 Income tax.

29 Other assets

in TEUR	2024	2023
Receivables from third parties	4,103	4,301
Other assets	157	157
Total other assets	**4,260**	**4,458**

30 Bonds issued

For details see the consolidated Financial Statements, Note 8 Bonds issued.

31 Other liabilities

in TEUR	2024	2023
Payables for deliveries and services	1,658	2,629
of which to third parties	751	1,782
of which to related parties	907	847
Compensation-related liabilities	3,599	3,222
Other liabilities	2,093	1,122
Total other liabilities	**7,350**	**6,973**

Other accrued expenses and deferred income primarily comprise accruals for services received but not invoiced during the financial year.

32 Equity

in TEUR	Issued capital	Additional paid-in capital	Retained earnings (incl. net profit)	Cash flow hedge reserve	Foreign currency translation	Total
At 1 January 2023	16,000	5,000	387,503	–7,327	38	401,214
Net profit for the year	0	0	79,069	0	0	79,069
Foreign currency translation	0	0	0	0	141	141
Cash flow hedge accounting	0	0	0	1,918	0	1,918
Remeasurement gain / (loss) on defined benefit plans	0	0	–3,439	0	0	–3,439
Total comprehensive income for the year	**0**	**0**	**75,630**	**1,918**	**141**	**77,689**
Dividend payments	0	0	–25,000	0	0	–25,000
At 31 December 2023	**16,000**	**5,000**	**438,133**	**–5,409**	**179**	**453,903**
At 1 January 2024	16,000	5,000	438,133	–5,409	179	453,903
Net profit for the year	0	0	86,250	0	0	86,250
Foreign currency translation	0	0	0	0	–250	–250
Cash flow hedge accounting	0	0	0	1,614	0	1,614
Remeasurement gain / (loss) on defined benefit plans	0	0	–2,109	0	0	–2,109
Total comprehensive income for the year	**0**	**0**	**84,141**	**1,614**	**–250**	**85,505**
Dividend payments	0	0	–25,000	0	0	–25,000
At 31 December 2024	**16,000**	**5,000**	**497,274**	**–3,795**	**–71**	**514,408**

The Board of Directors proposed to allocate the net income of TEUR 86,250 to retained earnings.

33 Payables to banks

The payables to banks line item refers to current account overdraft.

34 Personnel expenses

The average number of staff (in FTEs) employed by the company in 2024 was 70 (2023: 67), of whom 52 were working outside the Netherlands (2023: 51).

The key management comprised the Managing Directors of the company.

Remuneration for the Managing Directors of the company totalled TEUR 1,863 in 2024 (2023: TEUR 1,579).

In 2024 and 2023, no other forms of compensation (post-employment benefits or other long-term benefits, termination benefits, share-based payments) were paid to key management.

In financial year 2024, fees of TEUR 400 were paid to members of the Board of Directors (2023: TEUR 350).

For more details see the consolidated Financial Statements, Note 14 Personnel expenses.

35 Audit fees

The cost of the Group for the external auditor, the audit organisation and the entire network to which the audit organisation belongs charged for the financial year is set out below.

in TEUR	2024	2023
BDO Audit & Assurance B.V.		
Audit of the Financial Statements	280	0
Other audit engagements	0	0
Total	**280**	**0**

in TEUR	2024	2023
Ernst & Young		
Audit of the Financial Statements	0	280
Other audit engagements	49	52
Total	**49**	**332**

The fees stated above for the audit of the Financial Statements are based on the total fees for the audit of the 2024 Financial Statements, regardless of whether the procedures were already performed in 2024.

36 Events after the reporting period

There were no significant events after the reporting period.

Amsterdam and Rorschach, 30 April 2025

R. Fust
Managing Director

P. Guzinski
Managing Director

Other information
for the year ended at 31 December

Articles of Association provisions governing profit appropriation
The company's Articles of Association provide for the net profit for the year to be fundamentally put at the disposal of the shareholders.

Other branches
The company has the following branch:

Würth Finance International B.V.
Rorschach Branch
Churerstrasse 10
9400 Rorschach
Switzerland

Independent auditor's report

To: the shareholder and board of directors of
Würth Finance International B.V.

Report on the audit of the financial statements 2024 included in the annual report

Our opinion
We have audited the financial statements 2024 of Würth Finance International B.V. based in Amsterdam. The financial statements comprise the consolidated financial statements and the company financial statements.

In our opinion:
- the accompanying consolidated financial statements give a true and fair view of the financial position of Würth Finance International B.V. as at 31 December 2024 and of its result and its cash flows for 2024 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code;
- the accompanying company financial statements give a true and fair view of the financial position of Würth Finance International B.V. as at 31 December 2024 and of its result for 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:
1. the consolidated statement of financial position as at 31 December 2024;
2. the following statements for 2024: the consolidated income statement, the consolidated statements of comprehensive income, changes in equity and cash flows; and
3. the notes comprising material accounting policy information and other explanatory information.

The company financial statements comprise:
1. the company balance sheet as at 31 December 2024;
2. the company profit and loss account for 2024; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion
We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Würth Finance International B.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Materiality
Based on our professional judgement we determined the materiality for the financial statements as a whole at € 46,000,000. The materiality is calculated as 1% of the total assets, which we consider to be the principal considerations for users of the financial statements in assessing the financial performance of the Company. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the board of directors that misstatements in excess of € 2,300,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit
Würth Finance International B.V. is at the head of a group of components. The financial information of this group is included in the financial statements of Würth Finance International B.V.

Based on our risk assessment, we determined the nature, timing and extent of audit procedures to be performed, including determining the components at which to perform audit procedures.

Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit had to be carried out on the complete set of financial information or specific items.
We have performed full scope audit procedures at Würth Finance International B.V. For the other group entities, Würth Financial Services AG and Würth Invest AG, we performed, amongst other, audit procedures to corroborate our assessment that there were no significant risks of material misstatements within these components. And additionally performed audit procedures for specific financial statement areas above our threshold.

By performing the procedures mentioned above at components, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group’s financial information to provide an opinion on the financial statements.

Audit approach going concern
The financial statements are prepared on the basis of the going concern assumption, which assumes that Würth Finance International B.V. will continue to operate as a going concern for the foreseeable future. As explained in the section “Outlook for 2025” in the report of the Board of Directors and the general accounting principles in the financial statements, the managing directors have carried out a going concern assessment and has not identified any events or circumstances that may cause reasonable doubt on the entity's ability to continue as a going concern (hereinafter: ‘going concern risks’).

Our procedures to evaluate the going concern assessment of the managing directors include:
- Considered whether the managing directors’ going concern assessment contains all relevant information that we have knowledge of and inquired the board on key assumptions and estimates. In doing so, we have paid attention, among the other things to the recoverability of the loans;
- Obtained information from the managing directors about its knowledge of going concern risks beyond the period of the going concern assessment carried out by the board.

Our audit procedures indicated that the going concern assumption used by the managing directors is appropriate and no going concern risks have been identified.

Audit approach fraud risks and non-compliance with laws and regulations
We identified and assessed the risks of material misstatements of the financial statements due to fraud and non-compliance with laws and regulations. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and managing directors’ process for responding to the fraud risks and monitoring the system of internal control and how the board of directors exercises oversight, as well as the results thereof. We refer to section “Risk and management and control” of the annual report for the managing directors’ risk assessment after consideration of potential fraud risks.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code of conduct of the Würth Group including the Speak Up reporting system. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks. Where applicable, we have communicated deficiencies in internal control in writing to the managing directors and the board of directors.
As part of our process of identifying risks of material misstatements of the financial statements due to fraud, we evaluated fraud risk factors with respect to fraudulent financial reporting, misappropriation of assets and bribery and corruption. We evaluated whether these fraud risk factors indicate that a risk of material misstatement due fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We considered available information and made enquiries of relevant executives and managing directors. Our audit procedures did not lead to indications or suspicions for fraud potentially resulting in material misstatements.

The fraud risks identified by us and the specific procedures performed are as follows:

Management override of control	
Description:	Our audit approach and observations:
Management is in a unique position to perpetrate fraud because management is able to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Therefore, in all our audits, we pay attention to the risk of management override of controls for; Journal entries and other adjustments made throughout the year and during the course of preparing the financial statements. • Estimates and estimation processes. • Significant transactions outside the ordinary course of business. In this context, we paid particular attention to a possible misstatement relating to important judgment areas and significant accounting estimates related to the valuation of the loans, issued to related parties as disclosed in Note 4 of the financial statements.	We: • evaluated the design and existence of internal control measures in the processes for generating and processing journal entries and making estimates, assuming a risk of management override of controls of that process. • assessed the process surrounding the preparation of financial statements; • selected journal entries based on risk criteria, such as manual journal entries. We performed audit procedures on these journal entries, in which we also paid attention to significant transactions outside the ordinary course of business; • investigated all manual journal entries for (interest) income above our threshold. • performed audit procedures on significant estimates, which mainly consists of the valuation of the loans issued to group companies as disclosed in Note 4 of the financial statements. We also refer to our procedures regarding the valuation of loans as included in the key audit matter.

The risk of fraudulent financial reporting due to manual revenu postings	
Description:	Our audit approach and observations:
Based on our professional standards, we recognize an presumed fraud risk regarding revenue recognition. Based on our risk analysis, we do acknowledge an increased (fraud) risk in manual revenue postings.	We: • evaluated the design and existence of the internal control measures with regard to the revenue process and determined operating effectiveness of these internal control measures; • analyzed all manual journal entries for (interest) income above our threshold. No findings resulted from these procedures; • Reconciled the outstanding balance for intercompany loans as per year end to the amounts according to the consolidation monitor in SAP, in which all intercompany balances for all Würth entities are monitored and differences are explained. Our audit procedures did not reveal any specific indications of fraud or suspicions of fraud in respect of management override of controls, potentially resulting in material misstatements.

Our key audit matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the board of directors. The key audit matters are not a comprehensive reflection of all matters discussed.

Valuation of loans issued	
Description:	Our audit approach:
We consider the valuation of the loans issued to related companies at the amount EUR 1,165 million as disclosed in note 4 and 16 of the financial statements and the receivables from related companies at the amount EUR 1,733 million as disclosed in note 16 of the financial statements, combined representing 62% of the balance sheet total, a key audit matter. We identified this as a key audit matter due to the size of the loans issued and due to the material impact a possible impairment may have on the income statement. Initially, loans issued to and the (interest) receivables from related companies are recognized at its fair value and subsequently carried at amortized cost using the effective interest method. The managing directors recognized the expected credit loss provision with regard to the loans issued to and the (interest) receivables with related companies in accordance with IFRS 9 in total amounting to EUR 3,1 million.	We have performed the following audit procedures with respect to the correct calculation of the expected credit loss provision: • Confirmed our understanding of the company's data, assumptions and method used to determine the expected credit losses on the loans to related companies and receivables from related companies. • Evaluated the information derived from credit rating agency Moody's and determined that the managing directors measured the allowance for expected credit losses, taking into consideration the external credit rating of Würth Group and events subsequent to 31 December 2024 • Evaluated the probability of default rate derived from Bloomberg. • Evaluated the loss given default rate. • Assessed the accuracy of the assumptions used by the company in the expected credit loss calculation and assessed the accuracy of the calculated expected credit loss. • Inspected the standard format loan agreements entered into between the company and related companies. • Reviewed news reports on Google and Reuters of the company and the Würth Group • Searched and evaluated the information for investors on the website of Würth Group. • Discussed the subsequent developments in the financial position and the cash flows with the managing directors and the Board of Directors of the company. Assessed the adequacy of the disclosures in the financial statements relating to both the loans issued to and current account receivables from related companies.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:
- the report of the board of directors;
- other information as required by Part 9 of Book 2 of the Dutch Civil Code;

Based on the following procedures performed, we conclude that the other information:
- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the board of directors report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The managing directors are responsible for the preparation of the other information, including the report of management in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement
We were engaged by the board of directors as auditor of Würth Finance International B.V. as on 17 May 2024 for the audit for the year 2024.

No prohibited non-audit services
We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

European Single Electronic Format (ESEF)
Würth Finance International B.V. has prepared its annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report prepared in XHTML-format, including the (partly) marked-up consolidated financial statements as included in the reporting package by Würth Finance International B.V., complies in all material respects with the RTS on ESEF.

The managing directors are responsible for preparing the annual report including the financial statements in accordance with the RTS on ESEF, whereby the managing directors combines the various components into one single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting).

Our examination included among others:
- obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package;
- identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion including:
  - obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF;
  - examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of the managing directors and the board of directors for the financial statements
The managing directors are responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the managing directors are responsible for such internal control as the managing directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the managing directors is responsible for assessing the company’s ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the managing directors should prepare the financial statements using the going concern basis of accounting, unless the managing directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The managing directors should disclose events and circumstances that may cast significant doubt on the company’s ability to continue as a going concern in the financial statements.

The board of directors is responsible for overseeing the company’s financial reporting process.

Our responsibilities for the audit of the financial statements
Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material misstatements, whether due to fraud or error, during our audit.

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 financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by managing directors;
- concluding on the appropriateness of the managing director's 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. 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 a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for planning and performing 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 an opinion on the financial statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We bear the full responsibility for the auditor's report.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amstelveen, 30 April 2025

For and on behalf of BDO Audit & Assurance B.V.,

drs. M.F. Meijer RA