



**CREATING
SUSTAINABLE
CONNECTIONS**

**ANNUAL REPORT
2023**



1

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Sales in FY 2023:

EUR 1,222.8 million



PN 16 compression fitting: One of our key products for the Water Management sector. It provides a quick and secure connection for polyethylene pipes in industrial, commercial or private applications.

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ABOUT THIS REPORT

NORMA Group publishes both financial and non-financial information in its 2023 Annual Report. In addition to the Condensed Group Management Report and the Consolidated Financial Statements, the report also includes a Combined Non-financial Group Report in accordance with Sections 315b and 315c of the German Commercial Code (HGB) in conjunction with Sections 289b to 289e HGB and Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088. [COMBINED NON-FINANCIAL REPORT](#).

The Annual Report is published solely in digital form. It is available in PDF format and as an online report. WWW.NORMAGROUP.COM NORMA Group's Annual Report is published in German and English. In the event of any deviations, the German version takes precedence. Due to commercial rounding, minor changes may occur in the disclosure of amounts or percentage changes at various points in this report.

When persons are mentioned in this publication, this always refers to female, male and diverse (for example transsexual and intersexual) persons. For reasons of better readability and/or formal or technical reasons such as limited space or the better findability of web texts, not all variants are always mentioned.

Data and reporting standards

The reporting period covers the fiscal year from January 1 to December 31, 2023. To ensure the greatest possible timeliness, all relevant information available up to the issuance of the assurance by the legal representatives on March 13, 2024, is included. The Consolidated Financial Statements and the Group Management Report have been prepared in accordance with the International Financial Reporting Standards (IFRS), as applicable in the European Union (EU), as well as in accordance with the German Commercial Code (HGB). Sustainability reporting has been prepared with reference to the standards of the Global Reporting Initiative (GRI). [GRI](#) and [UN GLOBAL COMPACT](#).

Independent auditing

The Consolidated Financial Statements prepared by NORMA Group comprising the Consolidated Statement of Financial Position, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the Notes to the Consolidated Financial Statements, as well as the Condensed Group Management Report [INDEPENDENT AUDITOR'S REPORT](#) and the combined Non-financial Group Report [ASSURANCE REPORT](#) were audited by KPMG AG Wirtschaftsprüfungsgesellschaft.

The following symbols indicate important information:	
Further information can be found elsewhere in the Annual Report.	Further information can be found on the NORMA Group website and other websites.
These contents are part of the combined Non-financial Group Report and were subject to a separate limited assurance examination. NON-FINANCIAL REPORT	
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Financial figures		2023	2022	Change in % ⁴
Order situation				
Order book ¹	EUR million	530,0	569,6	-7,0
Income statement				
Revenue	EUR million	1,222.8	1,243.0	-1,6
Cost of materials ratio	%	45,0	48,0	n/a
Personnel cost ratio	%	26,3	24,9	n/a
Adjusted EBITA ²	EUR million	101,7	106,9	-4,8
Adjusted EBITA margin ²	%	8,3	8,6	n/a
EBITA	EUR million	100,7	105,6	-4,6
EBITA margin	%	8,2	8,5	n/a
Adjusted EBIT ²	EUR million	97,5	99,0	-1,5
Adjusted EBIT margin ²	%	8,0	8,0	n/a
EBIT	EUR million	76,1	76,5	-0,5
EBIT margin	%	6,2	6,2	n/a
Financial result	EUR million	-22,7	-12,6	n/a
Adjusted tax rate	%	41,3	35,2	n/a
Adjusted profit for the period ²	EUR million	43,9	56,0	-21,6
Adjusted earnings per share ²	EUR	1,37	1,75	-21,6
Profit for the period	EUR million	27,9	39,2	-28,7
Earnings per share	EUR	0,87	1,23	-29,3
NORMA Value Added (NOVA)	EUR million	-43,6	-27,1	n/a
Return on Capital Employed (ROCE) ³	%	9,3	9,7	n/a
Balance sheet¹				
Total assets	EUR million	1,493,3	1,560,7	-4,3
Equity	EUR million	693,4	705,4	-1,7
Equity ratio	%	46,4	45,2	n/a
Net debt	EUR million	345,4	349,8	-1,2
Cash flow				
Cash flow from operating activities	EUR million	118,9	76,6	55,2
Cash flow from investing activities	EUR million	-59,8	-44,5	n/a
Cash flow from financing activities	EUR million	-57,9	-54,5	n/a
Net operating cash flow	EUR million	87,3	65,3	33,7

1. Figures as at balance sheet date Dec 31.

2. Adjusted for effects from purchase price allocations.

3. Adjusted EBIT in relation to the average capital employed.

4. The percentage change is based on unrounded absolute figures.

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Non-financial figures		2023	2022	Change in % ⁴
General information				
Core workforce ¹	number	5,994	6,175	-2.9
Temporary workers ¹	number	2,011	2,532	-20.6
Total workforce ¹	number	8,005	8,707	-8.1
Invention applications	number	20	21	-4.8
Governance / Integrity				
Number of employees who were trained on compliance topics online		1,264	2,080	-39.2
Defective parts	PPM (parts per million)	2.2	2.9	-24.1
Customer complaints	average per month per entity	3.9	3.7	5.4
Environment				
CO ₂ emissions (Scope 1 and 2) ⁵	t CO ₂ e	5.064 ⁵	4.879 ⁵	3.8
Energy consumption (specified)	kWh / EUR thousand of revenue	102.3	101.8	0.6
Water consumption (specified)	liter / EUR thousand of revenue	139.6	131.6	6.0
Hazardous waste	kg / EUR thousand of revenue	0.68	0.61	11.5
Non-hazardous waste	kg / EUR thousand of revenue	9.29	9.65	-3.7
Share of manufacturing locations certified according to ISO 14001	%	92.0	92.6	n/a
Social				
Accident rate	accidents / 1,000 employees	4.0	4.2	-4.0
Share of manufacturing locations certified according to ISO 45001	%	92.0	88.9	n/a
Training hours	average hours per employee	29.1	38.7	-24.8
Share of female employees in core workforce	%	35.9	36.9	n/a
Share data				
Initial public offering		April 2011		
Stock exchange		Frankfurt Stock Exchange		
Market segment		Regulated Market (Prime Standard), SDAX		
ISIN		DE000A1H8BV3		
Security identification number		A1H8BV		
Ticker symbol		NOEJ		
Highest price 2023 ²	EUR	26.72		
Lowest price 2023 ²	EUR	14.78		
Closing price ^{1, 2}	EUR	16.03		
Market capitalization ¹	EUR million	511		
Dividend ³	EUR	0.45		
Payout ratio ³	%	32.7		
Number of shares issued		31,862,400		

¹ Figures as at balance sheet date Dec 31.

² Xetra price.

³ Subject to approval by the Annual General Meeting.

⁴ The percentage change is based on unrounded absolute figures.

⁵ Based on GHG Protocol (market-based, Scope 1 and Scope 2; only production sites; EAC certificates taken into account since 2022). Further information can be found at [CR-REPORT](#).

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NORMA GROUP

NORMA Group positions itself among one of the international market and technology leaders in advanced and standardized joining and fluid handling technology as well as Water Management solutions. The Group supplies more than 10,000 customers in over 100 countries with over 40,000 high-quality products and solutions. NORMA Group's joining products are used in numerous industries and end products, including water pipes, vehicles, ships, trains, aircraft, domestic appliances and engines. From its headquarters in Maintal near Frankfurt am Main, Germany, the company coordinates a global network consisting of 25 production facilities as well as numerous sales and distribution sites across Europe, the Americas, and Asia-Pacific.

Two strong distribution channels¹

Standardized Joining Technology (SJT)

In the area of SJT, (strategic business units "Water Management" and "Industry Applications"), NORMA Group sells a wide range of high-quality, standardized joining products to various customer industries via different distribution channels. Among its customers are distributors, OEM aftermarket customers, technical wholesalers and hardware stores. The area of SJT also includes NORMA Group's water business with applications for rainwater management, landscape irrigation and joining components for infrastructure solutions. NORMA Group differentiates itself from its competitors through its geographical presence, global production, distribution and sales capacities, its high service standards and established brands. NORMA Group's best-known brands are:



Engineered Joining Technology (EJT)

The EJT division (strategic business unit "Mobility & New Energy") focuses on the specific requirements of original equipment manufacturing (OEM) customers and their demand for customized, high-tech products. For these customers, NORMA Group develops innovative solutions with great value creation potential in various fields of application and for numerous industries. Whether a simple component, multi-component part or complex system: NORMA GROUP products are individually tailored according to the exact requirements of the industrial customers based on technical know-how, while simultaneously guaranteeing high quality, efficiency and assembly safety.

¹ As of the beginning of fiscal year 2024, NORMA Group plans to present key sales figures for the three strategically important areas "Water Management", "Industry Applications" and "Mobility & New Energy" for the first time. The presentation of sales figures in these three strategically significant areas will replace the previous presentation of sales development in the two historically known sales channels EJT and SJT from fiscal year 2024 onwards. The historical sales channels will be mentioned in the transition phase with the strategic business units and are to move into the background in the coming years. At the same time, NORMA Group plans to fully focus its reporting on the three strategic business units in the future.

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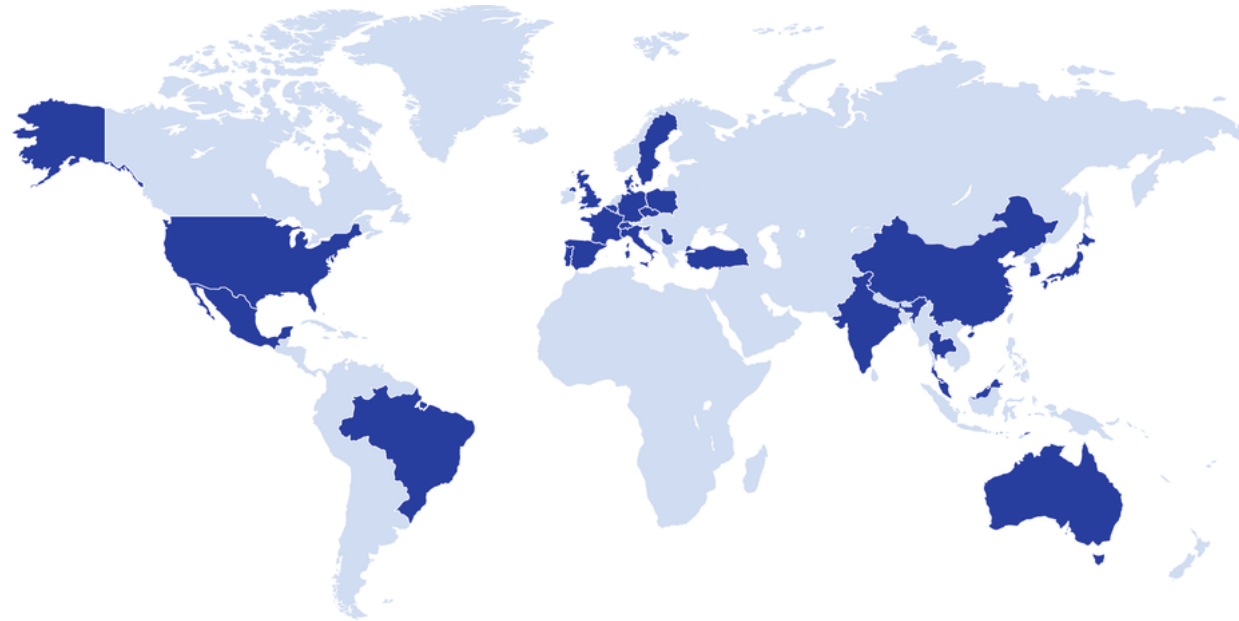
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NORMA Group worldwide

G001



	M ¹	D ²
EMEA		
Germany	■	■
France	■	■
Italy		■
Poland	■	■
Portugal	■	■
Sweden	■	■
Switzerland	■	■
Serbia	■	
Spain		■
Czech Republic	■	
Turkey		■
United Kingdom	■	■

	M ¹	D ²
Americas		
Brazil	■	■
Mexico	■	■
USA	■	■
Asia-Pacific		
Australia		■
China	■	■
India	■	■
Japan		■
Malaysia	■	■
Singapore		■
South Korea		■
Thailand		■

1_Manufacturing sites
2_Sales and distribution sites

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Adjusted Earnings per Share in FY 2023:

EUR 1.37



Our **eM Twist** connector: It is ideal for use in thermal management systems in electric and hybrid vehicles.

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The Management Board



Guido Grandi
Chief Executive Officer (CEO)

Annette Stieve
Member of the Management Board (CFO)

Dr. Daniel Heymann
Member of the Management Board (COO)

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Letter from the Management Board

Dear shareholders, customers and business partners,

A lot happened in fiscal year 2023, both globally and at NORMA Group.

Changes were made to NORMA Group's Management Board right at the beginning of the year: From January to the end of May 2023, Miguel Ángel López Borrego held the position of interim CEO following the departure of Dr. Schneider at the end of 2022. His office as a member of the Supervisory Board was suspended during this time. In June 2023, Guido Grandi seamlessly took over as CEO of NORMA Group SE. Dr. Daniel Heymann had previously joined the Management Board of NORMA Group as COO. He succeeded Dr. Friedrich Klein, who left the Management Board of NORMA Group at his own request on April 30, 2023. The Supervisory Board also extended the contract with CFO Annette Stieve until September 2026.

NORMA Group's new Management Board team is working consistently to optimize NORMA Group's efficiency and productivity and to further align the company strategically and operationally for the future. With this in mind, 2023 was a year characterized by numerous geopolitical, economic and climate-related challenges. This had a negative impact on the development of markets, companies and NORMA Group's business opportunities. Additional pressure arose in the second half of the year due to strikes, particularly in the US automotive industry, as well as noticeable reductions in order call-offs, meaning that we had to revise our expectations for the development of organic Group sales growth at the beginning of November 2023. Despite the lower sales forecast, we were able to maintain our guidance for the adjusted EBIT margin for the year 2023.

In this challenging market environment, we achieved a slight organic Group sales growth of 0.7% and a sales volume of EUR 1,222.8 million. This development was in line with our adjusted expectations. This was supported in particular by improved price quality in response to the inflationary environment. While business in the EMEA region grew, the Americas region recorded a decline due to external factors and the Asia-Pacific region due to negative currency effects in particular.

In terms of the operating earnings indicators, we have achieved solid profitability. At 8.0%, the adjusted EBIT margin was in line with expectations, due in particular to a strong final quarter. At EUR 87.3 million, the net operating cash flow even exceeded the target figure of "around EUR 70 million". The fact that our financial leverage decreased at the end of the year, compared to the end of the third quarter is also positive. This creates further financial scope for investments and possible acquisitions.

These positive developments underline: Our growth and efficiency program "Step Up" initiated in mid-2023 is showing initial positive effects. In the area of operational efficiency, we optimized supply chain management in the EMEA region last year, increased the availability of our products for even better sales in the future and expanded production capacities in the Americas and Asia-Pacific. In addition, production processes were also improved and in some cases fully automated. We also reached important milestones last year with our Growth initiatives. In the Water Management strategic business unit, we have "grown" in the truest sense of the word. With the acquisition of Teco Srl, an Italian specialist for irrigation products, we created a "nucleus" in Europe in December 2023, which we will gradually expand with our in-depth expertise from the US water business. At the same time, our new Water Management production site in the USA will further improve our product range in the US market, enabling us to better serve customers on the East Coast. As part of "Step Up", customers and their specific needs are

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becoming even more central to our activities. The focus is even more on knowledge transfer and synergies. We are committed to always offering our customers innovative solutions tailored to their needs.

In line with the motto of this annual report – “Creating sustainable connections” – we opened up new markets and areas of application for established products with our strategic business units in 2023. For example, valve boxes from the Water Management division are used as maintenance boxes for telecommunications networks in Industry Applications. We have also transferred existing products from the Mobility & New Energy area to alternative fields of application for Industry Applications. One particular example is an order from a leading German heat pump manufacturer. These successes underline the further potential for our innovative and sustainable solutions. This is one of our core competencies. In addition, we aim to develop further in the markets of the future that are relevant to us. In the Mobility & New Energy area, we are focusing on expanding our e-mobility footprint. In this context, we won new customers in the Asia-Pacific region in 2023 as well as several projects in various regions.

The progress achieved is based on efficient cooperation between our three strategic business units. We have a dedicated team. We proved this once again last year. We would like to thank our approximately 8,000 employees. They have done a great job! We want to build on the successes of 2023, because the key premise for long-term competitiveness is continuous development and improvement. “Step Up” is therefore not just a temporary program, but rather our “Kaizen”: We are working on changing for the better, step by step. With “Step Up”, we also want to “Create sustainable connections” between our daily actions and our mindset, which will contribute to our company's success in the long term.

We would also like to thank you, our shareholders, for following NORMA Group closely and, in some cases, accompanying us loyally for many years. We also want you to participate appropriately in the company's success, based on our sustainable dividend strategy. The Management Board and Supervisory Board plan to propose the payment of a dividend of EUR 0.45 per dividend-bearing share for 2023 to the Annual General Meeting on May 16, 2024. This corresponds to a payout ratio of around 32.7% of the adjusted profit for the period in 2023.

We expect the environment to remain characterized by increased uncertainty in the coming months. We are therefore looking ahead to 2024 with the necessary caution. It is therefore all the more important that we continue to focus our strengths on high-margin business and promising growth prospects in our three strategic business units Water Management, Industry Applications and Mobility & New Energy. We are convinced that we are on the right path towards a sustainable and profitable orientation of NORMA Group. We look forward to having you all at our side as we continue on our path towards a sustainably profitable future.

Sincerely,

Guido Grandi
Chief Executive Officer (CEO)

Annette Stieve
Member of the Management Board (CFO)

Dr. Daniel Heymann
Member of the Management Board (COO)

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NORMA Group on the Capital Market

- > NORMA Group share closes stock market year 2023 down 5.7%
- > Annual General Meeting 2023 approves dividend of EUR 0.55
- > Intensified exchange with the capital market regarding the new growth and efficiency program “Step Up”

Contrary to all expectations, stock markets perform clearly positive in 2023

As in previous years, the 2023 stock market year was characterized by numerous challenges: Geopolitical issues, including the two-year-long armed conflict in Ukraine and the uncertain situation in the Middle East, influenced the stock markets, as did weak economic growth. High inflation and central banks' tight interest rate policies for the most part also had a negative impact. The latter continued to work against high inflation in 2023 – albeit with a lower increase compared to the previous year. Overall, the global capital markets were strongly driven by the measures and statements of central banks in the reporting year. The difficulties of some US regional banks and the insolvency of the Swiss bank Crédit Suisse as well as weak economic development in China throughout the year – particularly in the real estate sector – further depressed market sentiment. In the USA, weeks of strikes in the American automotive industry also had an impact on economic development. In contrast, the end of the coronavirus pandemic declared by the World Health Organization in spring 2023 had a supporting effect. This also led to a noticeable relaxation in global supply chains. In addition, companies were able to successfully reduce some of their high order backlogs in the first few months of 2023, meaning that companies in Germany in particular were able to reduce their order backlogs by the end of the first half of 2023 and surprisingly deliver better than expected results.

Despite the many challenges that remain, the capital markets generally performed well in the 2023 reporting year, reaching new all-time highs in some cases at the end of 2023. On December 13, 2023, the Dow Jones Index reached the 37,000 point mark for the first time. Overall, the index ended 2023 with an increase of 13.7%. The broader S&P 500 Index even rose by 24.2% in 2023. The MSCI World Automobiles Index, which is regarded as a trend indicator for the global automotive market, showed an even clearer recovery in percentage terms. It closed the stock market year 2023 at 296 points, 53.2% above the previous year-end level. In 2022, the index had lost more than half of its value due to the uncertain economic situation.

The German stock market also defied the challenging environment and performed very positively after the negative conditions of the previous year. Starting from a year-end level of 13,924 points in 2022, the German benchmark index DAX rose over the course of 2023 and also reached a historic high of 17,003 points on December 11, 2023. The DAX closed the last trading day of 2023 at 16,752 points, which corresponds to an increase of 20.3% compared to the closing level in 2022. The SDAX, to which NORMA Group shares belong, showed a similarly dynamic performance. The index closed the year at 13,960 points, 17.1% above the 2022 closing price. By contrast, growth in the MDAX was weaker: It rose by 8.0% over the year and stood at 27,137 points on the last trading day of 2023.

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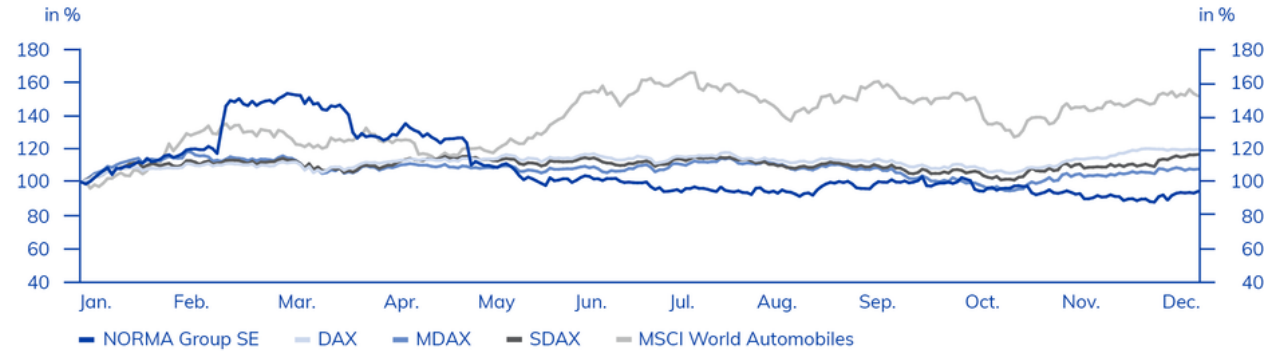
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Index-based comparison of NORMA Group's share price performance in 2023 with DAX, MDAX, SDAX and MSCI World Automobiles G002



Performance of the NORMA Group share

The NORMA Group share opened the stock market year 2023 at a price of EUR 17.08. The share price rose sharply in mid-February and performed dynamically into the second half of March, at times significantly outperforming the benchmark indices. In the course of March 7, 2023, the NORMA Group share reached its highest level in fiscal year 2023 at EUR 26.72. As the year progressed, the share lost value overall and reached its low for 2023 of EUR 14.78 on December 5. The NORMA Group share ended the stock market year 2023 at a price of EUR 16.03. This corresponds to a decrease of 5.7% compared to the end of 2022 (EUR 17.00).

The market capitalization of NORMA Group shares, based on the unchanged number of shares of 31,862,400 compared to the previous year, amounted to EUR 510.75 million as of December 29, 2023 (2022: EUR 541.66 million). Measured in terms of the free float market capitalization relevant for determining index membership, which has been 100% since 2013, the NORMA Group share ranked 45rd out of 70 in the SDAX at the end of December 2023 (December 2022: 43rd place out of 70 in the SDAX).

Share price development of the NORMA Group share since the IPO compared to the SDAX G003



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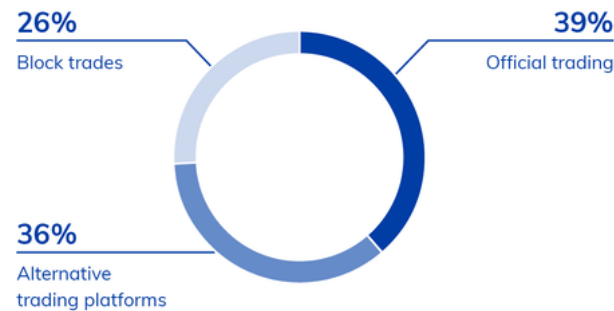
Trading turnover down due to lower volumes and lower share prices

The average daily Xetra trading volume of the NORMA Group share was 2023 shares 47,804 shares in 2023 (2022: 78,272 shares) Thus, the average daily Xetra turnover (number of shares traded multiplied by the respective closing price of the day on which they were traded) of EUR 0.88 million was considerably below the level of the previous year (2022: EUR 1.7 million). This is due to both the lower average share prices and the decline in trading volumes compared to the previous year.

The total number of shares traded on average per trading day on all trading venues in 2023 was 141,225 (2022: 274,152 shares). Trading was distributed among the various trading venues as follows:

Distribution of trading activity in 2023

G004



Voting rights notifications in 2023

Based on the voting rights notifications received by the end of 2023, shares of NORMA Group designated as free floating and exceeding 3% are held by the following institutional investors:

Voting rights notifications

T002

Teleios Capital Partners, Zug, Switzerland ¹	10.08%
The Capital Group Companies, Inc., Los Angeles, USA	10.01%
SMALLCAP World Fund, Inc., Lutherville Timonium, USA	5.26%
SPICE TWO Investment Coöperatief U.A., Amsterdam, Netherlands ²	5.00%
Allianz Global Investors GmbH, Frankfurt/Main, Germany	4.97%
Impax Asset Management Group plc, London, UK	4.96%
Schroders plc, London, UK	3.44%
Tweedy, Browne Company LLC, Wilmington, USA	3.03%
FMR LLC, Wilmington, USA	3.02%
KBI Global Investors Ltd., Dublin, Ireland	3.01%

As of December 31, 2023.

¹ With regard to the entire corporate chain, Igor Kuzniar holds 10.08% of the voting rights via Teleios Capital Partners LLC (Zug, Switzerland).

² In the analysis of the entire corporate chain, Joseph van Caldenborgh and Nicolaas Hoek each hold 5.003402129155% of the voting rights via SPICE Two Investment Coöperatief U.A. (Amsterdam, Netherlands). Please refer to the [APPENDIX TO THE NOTES](#) for further information on the voting rights notifications received. All voting rights notifications are published on the company's website.

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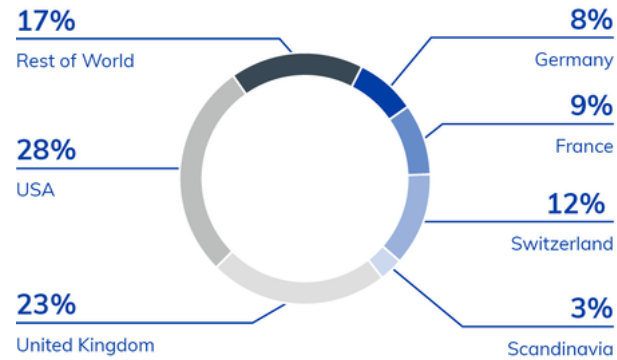
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Free float by region

G005



as of December 31, 2023

2023 Annual General Meeting

On May 11, 2023, the Annual General Meeting of NORMA Group SE took place again in Frankfurt am Main as an in-person event after three years of virtual Annual General Meetings. Of the 31,862,400 shares with voting rights, a total of 78% of the registered share capital of NORMA Group SE was represented.

The proposal of the Supervisory Board and the Management Board to distribute a dividend of 55 cents per share was approved by the Annual General Meeting with a majority of 99.37%. The total amount distributed amounted to around EUR 17.5 million. (2022: EUR 23.9 million) This results in a payout ratio of 31.3% of the adjusted consolidated net income generated in the 2022 financial year (EUR 56.0 million). The payout ratio was thus within the range defined by NORMA Group of 30 to 35% of adjusted consolidated net income. In addition, the Annual General Meeting also approved all other agenda items by the majorities necessary.

All voting results can be found in the Investor Relations section of the NORMA Group website WWW.NORMAGROUP.COM.

Directors' Dealings

Three transactions were reported to NORMA Group SE as Directors' Dealings notifications in 2023. [CORPORATE-GOVERNANCE-REPORT](#)

Sustainable Investor Relations activities

NORMA Group's Investor Relations activities seek to further increase awareness of the company on the capital market, strengthen long-term confidence in the company's management and achieve a fair valuation of the company. This implies commenting on the strategy of NORMA Group SE, the operational business development as well as the prospects of the company. For this reason, the management and the Investor Relations officers hold discussions with institutional investors, financial analysts and private shareholders over the course of the year. The company's goal is to maintain constant, transparent and reliable communication with private and institutional investors as well as financial analysts.

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The traditional communication formats include, on the one hand, legally required mandatory components such as Quarterly Statements, Half-year and Annual Reports, investor presentations and announcements. In this way, the company regularly informs its shareholders about the strategic and business development of the Group. On the other hand, NORMA Group's Investor Relations team also focuses on continuously developing the digital communication formats and voluntary components of communication, such as the Online Annual Report, in line with the needs of the target audience.

The Management Board and the Investor Relations team conducted eleven roadshows with current and potential new investors in fiscal year 2023. NORMA Group was also represented at the following conferences:

- Baader Investment Conference, Munich
- Berenberg European Conference, Pennyhill, United Kingdom
- Berenberg ESG Afternoon, virtual
- Berenberg & Goldman Sachs German Corporate Conference, Munich
- BNP Paribas Midcap CEO Conference, Paris, France
- Commerzbank & ODDO BHF Corporate Conference, Frankfurt/Main
- Commerzbank & ODDO BHF German Investment Seminar, New York City, USA
- Kepler Cheuvreux German Corporate Conference, Frankfurt am Main
- ODDO BHF Forum, Lyon, France
- Quirin Champions Conference, Frankfurt am Main
- SDK Investor Forum, virtual

Broadly diversified shareholder structure

NORMA Group's share has gained international recognition in recent years through active IR work. As a result, the importance of foreign investors has also increased continuously. NORMA Group SE has a broadly diversified regional shareholder base with a high share of international investors, primarily from the UK, the USA, France, Germany and Scandinavia.

At the end of the current reporting year, 0.04% (2022: 0.07%) of the shares were held by the Management Board. A further 6,64% (2022: 5.05%) were held by private investors. The remaining share of around 93% was held by institutional investors. The number of private investors (excluding the Management Board in its current composition and the Supervisory Board) increased significantly during fiscal year 2023 and stood at 6,988 at the end of December 2023 (December 31, 2022: 5,892).

Analysts covering NORMA Group

A key element of IR work is the continuous and transparent dialogue with analysts, as already mentioned. As of December 31, 2023, NORMA Group was covered by ten analysts from various banks and research companies. Of these, four analysts recommended buying the share and six recommended holding the share, as of December 31, 2023. The average target price at the end of December 2023 was EUR 18.70 (2022: EUR 25.08).

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Analysts covering NORMA Group

T003

Baader Bank	Peter Rothenaicher
Bankhaus Metzler	Pal Skirta
Berenberg Bank	Yasmin Steilen
Deutsche Bank AG	Nikolai Kempf
DZ Bank AG	Thorsten Reigber
Hauck & Aufhäuser	Christian Glowa
Kepler Cheuvreux	Dr. Hans-Joachim Heimbürger
ODDO BHF	Klaus Ringel
Quirin Privatbank	Daniel Kukalj
Warburg Research GmbH	Marc-René Tonn

Analyst recommendations

G006



as of December 31, 2023

NORMA Group’s Annual Report receives another award

NORMA Group’s combined annual report was also recognized in fiscal year 2023 and received the “SILVER” rating in the FOX Finance Awards 2023. This once again commended its above-average effectiveness.

Key issues in capital market communications

For NORMA Group, 2023 was again driven by greater personal communications with existing and potential investors. The Management Board and the Investor Relations team once again increased their attendance at conferences and visited investors in Germany and abroad. In addition to providing continuous information on the company’s current performance, the medium-term growth and efficiency program “Step Up”, which was presented in May 2023, was discussed with capital market participants in the past fiscal year. With this action plan, NORMA Group aims to make its operating business even more efficient and productive and in doing so achieve further profitable growth in its three strategically important areas of “Water Management”, “Industry Applications” and “Mobility & New Energy”.

Numerous meetings and discussions were also held with investors to discuss how the company can best benefit from the megatrends of sustainability, environmental protection and electromobility. The core element here is that

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NORMA Group wants to align its product developments even more closely with customer needs and offer reliable, cost-efficient and resource-saving products and systems that meet current and future market requirements.

Service for shareholders

The Investor Relations website contains extensive information on NORMA Group and the NORMA Group share. In addition to financial reports and presentations, which are available for download, all important financial market dates can be found there. The conference calls on the Quarterly and Annual Reports are recorded and offered in audio format. Shareholders and interested parties can register for the mailing list by e-mail. The contact details of the IR team are also available on the company's website. WWW.NORMAGROUP.COM

Key figures for NORMA Group

	2023	2022	2021	2020	2019	2018	2017	2016	2015	T004
Closing price on Dec 31 (in EUR)	16.03	17.00	33.88	41.88	38.00	43.18	55.97	40.55	51.15	39.64
Highest price (in EUR)	26.72	36.02	49.36	42.38	49.26	70.15	63.79	51.54	53.30	43.59
Lowest price (in EUR)	14.78	13.15	31.60	14.38	26.36	40.44	39.95	35.20	38.82	30.76
Score of the comparison index ¹ as of Dec 31	13,960.36	11,925.70	16,414.67	14,764.89	12,511.89	21,588.09	26,200.77	22,188.94	20,774.62	16,934.85
Number of unweighted shares as of Dec 31	31,862,400	31,862,400	31,862,400	31,862,400	31,862,400	31,862,400	31,862,400	31,862,400	31,862,400	31,862,400
Market capitalization (in EUR million)	511	542	1,079	1,334	1,211	1,376	1,783	1,292	1,630	1,263
Average daily Xetra volume										
Shares	48,640	78,272	58,324	88,689	97,960	95,624	96,906	73,571	88,888	73,932
EUR million	0.88	1.7	2.3	2.4	3.6	5.4	4.7	3.2	4.1	2.8
Earnings per share (in EUR)	0.87	1.23	1.76	0.18	1.83	2.88	3.76	2.38	2.31	1.72
Adjusted earnings per share (in EUR)	1.37	1.75	2.27	0.77	2.76	3.61	3.29	2.96	2.78	2.24
Dividend per share (in EUR)	0.45 ²	0.55	0.75	0.70	0.04	1.10	1.05	0.95	0.90	0.75
Dividend yield (in %)	35.7	3.2	2.2	1.7	0.1	2.5	1.9	2.3	1.8	1.9
Distribution rate (in %)	32.7 ²	31.3	33.0	91.7	1.5	30.5	31.9	32.0	32.3	33.4
Price-earnings ratio	18.4 ³	13.8	19.3	232.5	20.8	15.0	14.9	17.0	22.1	23.0

Selected Indices SDAX, CDAX, Classic All Share, Prime All Share, MIDCAP MKT PR, STXE Total Market Small Index, STOXX All Europe Total Market, STOXX Europe Total Market Industrials Engineering, STOXX Europe Industrial Goods and Services, EURO STOXX Total Market Price

¹ Until 2018 (including) MDAX score and since 2019 SDAX score due to the relegation to the SDAX in September 2019.

² In accordance with the Management Board's proposal for the appropriation of profits, subject to approval by the Annual General Meeting on May 16, 2024.

³ Related to the unadjusted earnings per share. The price-earnings ratio related to the adjusted earnings per share is 11.7.

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Supervisory Board Report

The Supervisory Board of NORMA Group SE monitored and advised on the activities of the Management Board in fiscal year 2023 in accordance with the legal regulations, the German Corporate Governance Code and NORMA Group SE's Articles of Association.



Mark Wilhelms
Chairman of the Supervisory Board

Supervisory Board Meetings in 2023

The Management Board begins each regular Supervisory Board meeting by reporting on the overall economic situation and sector-specific economic expectations. It reports on the current business performance of NORMA Group and explains the earnings position based on key indicators and their development compared to the previous year, the forecast and the budget.

The Management Board presents the risk report at each regular meeting of the Supervisory Board and the Audit Committee. In this context, the risks affecting NORMA Group are assessed in each case at the level of the previous quarter with regard to their probability of occurrence and potential impact, taking countermeasures already initiated and any provisions into account. As part of this risk reporting, the Supervisory Board and the Audit Committee were able to gain a clear picture of the possible risks that could have a negative impact on the company's asset, financial and earnings position.

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Work-related accidents and measures implemented to improve occupational safety were also discussed at each Supervisory Board meeting, as were quality issues and aspects related to delivery reliability. The Supervisory Board also deals with employee figures, the ongoing introduction of a standardized ERP system and ESG issues, especially relating to CO₂ emissions. In addition to the status of the “Step Up” program launched in spring 2023 and improvements in low-margin plants, another point that the Supervisory Board and Management Board discussed on an ongoing basis in 2023 was the establishment of an SBU organization. The respective committee chairs – Rita Forst for the Strategy Committee, Mark Wilhelms and Miguel Ángel López Borrego for the Audit Committee and Günter Hauptmann and Mark Wilhelms for the General and Nomination Committee – also reported to the Supervisory Board on the committee meetings. Following the meetings with the Management Board, the Supervisory Board regularly met internally without the Management Board and discussed things like personnel changes in the Management Board and Supervisory Board.

On November 25, 2022, the Supervisory Board decided to appoint Supervisory Board member Miguel Ángel López Borrego as Chairman of the Company’s Management Board on an interim basis from January 1, 2023. Miguel Ángel López Borrego was to hold the office on an interim basis until a successor could be found for the former Chairman of the Management Board, Dr. Michael Schneider, whose term of office ended on December 31, 2022. On June 1, 2023, the new CEO Guido Grandi took office and Miguel Ángel López Borrego returned to the Supervisory Board after five months. His Supervisory Board mandate was suspended from January 1, 2023 to May 31, 2023. During this time, the Supervisory Board had five active members and not the usual six active members.

Nine meetings of the full Supervisory Board were held in 2023.

The first meeting on February 7, 2023, was attended by all five members of the Supervisory Board at the time via video conferencing. The subject of the meeting was an M&A project.

On March 15, 2023, the Supervisory Board held a physical meeting in Maintal to select a new CEO, following intensive discussions between several candidates and the General and Nomination Committee in the run-up to the meeting. Candidates were interviewed by the entire Supervisory Board on the day and the following day.

On the following day, March 16, 2023, another physical meeting was held in Maintal. During this meeting, the discussion included the Consolidated and Separate Financial Statements for 2022 and the Non-financial Group Report, the forecast for fiscal year 2023, the proposal for the appropriation of net income and preparations for the 2023 Annual General Meeting. In addition, the Supervisory Board discussed and approved the financing concept for the issue of a new promissory note loan and dealt with the Management Board’s capital market communications and the change in the shareholder structure, among other things.

In a purely virtual meeting on April 12, 2023, the Supervisory Board discussed the appointment of a new CEO and decided to appoint Guido Grandi as a member of the Management Board with effect from June 1, 2023, and to appoint him as CEO, and approved the conclusion of the employment contract with him.

At the meeting on 20 April 2023, which was attended by Günter Hauptmann and Rita Forst via video conference and the three other active members of the Supervisory Board on site in Maintal, the Management Board, the Presidents of the three strategic business units (“Water Management”, “Industry Applications” and “Mobility & New Energy”) and other managers presented the new “Step Up” program to the Supervisory Board in detail. The Supervisory Board also addressed the strategy for electromobility in China. The lessons learned from the plant closure in Gerbershausen and the associated relocation of production were discussed in detail with the Management Board. Another item on the agenda was the cyber security of the various IT systems.

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Following the election of the new Supervisory Board members, including Denise Koopmans and Dr Markus Distelhoff, the Supervisory Board meeting on May 11, 2023, which was attended by all members on site in Frankfurt am Main after the Annual General Meeting initially dealt with the election of Mark Wilhelms as the new Chairman and the appointment of new members to the committees and their chairpersons. The Supervisory Board discussed whether Miguel Ángel López Borrego should assume the role of Chairman of the Audit Committee after his return to the Supervisory Board from June 1, 2023 due to his – albeit short – interim CEO role. The Supervisory Board also discussed an M&A project, among other things.

On July 13, 2023, the Supervisory Board met physically in Frankfurt am Main. The two new members reported on their onboarding process and described their first impressions. They had met executives from various units to get to know NORMA Group's business. The new President of the EMEA region and the strategic business unit Mobility & New Energy, Carolin Wolfsdörfer, the new COO Dr. Daniel Heymann and the new CEO Guido Grandi each described their impressions and experiences since joining NORMA Group. The Supervisory Board discussed the view of investors on NORMA Group, which form support for the "Step Up" program by the Supervisory Board would take in the coming quarters, general opportunities for M&A projects in view of the current increase in leverage and the support of the Management Board in improving low-margin sites. Planned changes to the remuneration system for the Management Board were discussed in detail.

A physical meeting was held in Maintal on September 15, 2023. The members of the Management Board presented their most important projects and the revised process for approving customer projects and associated investments. The Supervisory Board also discussed plans to expand Water Management in the EMEA region and an M&A project, among other things.

At the last meeting of the year on November 23, 2023, the Management Board presented the budget for 2024 and the medium-term planning and discussed both the earnings improvements resulting from "Step Up" and the entire medium-term planning in detail with the Supervisory Board. The Supervisory Board also discussed the declaration on the German Corporate Governance Code and M&A issues and approved the acquisition of the Italian company Teco Srl.

The Supervisory Board also passed other resolutions outside of meetings.

Outside of their meetings and conference calls, the Management Board report to the Supervisory Board on a monthly basis on how the business is developing for NORMA Group SE and the Group and provides an outlook for the current fiscal year. In addition to these monthly reports and Supervisory Board meetings, the Chairman of the Management Board and the Chairman of the Supervisory Board typically communicate on a fortnightly basis.

At the beginning of 2023, the Supervisory Board inspected the production facilities in Maintal to see the effectiveness of various improvement measures. As in previous years, the Chairman of the Supervisory Board took part in a number of plant reviews with members of the Management Board.

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Main Activities of the Audit Committee in 2023

The Audit Committee deals intensively with the audit of the financial statements, including assessing the quality of the audit. The Audit Committee discussed the focus, procedure and results of the audit of the Separate and Consolidated Financial Statements of NORMA Group SE with the auditors and prepared the resolutions of the Supervisory Board. In addition, the Audit Committee decided on certain permissible non-audit services to be provided by the auditors. The Audit Committee monitored the effectiveness of the internal control system, the risk management system and the internal auditing system as well as the compliance management system. Furthermore, it decided on the audit plan for internal auditing. In addition, the Audit Committee discusses the quarterly publications with the Management Board.

In 2023, the Audit Committee also dealt in particular with the refinancing concept and liquidity planning, ESG issues and the EU taxonomy, the change of auditor from PwC to KPMG, the budget for 2024 and medium-term planning.

Of the seven meetings of the Audit Committee in 2023, five were held by video conference. Two further meetings were held as face-to-face events in Maintal, to which the three presidents were connected via video conference for one subject matter.

Besides CFO Annette Stieve, who attended all Audit Committee meetings, senior executives from Accounting and Reporting, Treasury, Compliance, Internal Audit and Risk Management in particular also made presentations to the Audit Committee.

In addition to the Audit Committee meetings, regular face-to-face and telephone consultations took place between the Committee Chairman and Annette Stieve and the auditors (also without the Management Board). Furthermore, the Audit Committee also met with the auditors without the Management Board.

During his time as interim CEO, Miguel Ángel López Borrego did not take part in the meetings of the Audit Committee or the consultations with the auditors. The discussions with PwC's auditors during this period, which primarily related to the separate and consolidated financial statements for 2022, i.e. a financial year in which Miguel Ángel López Borrego was not yet acting as interim CEO, were conducted in particular by the then Chairman of the Audit Committee, Mark Wilhelms. The discussions with the auditors KPMG, who are mandated to audit the separate and consolidated financial statements for 2023, also took place without Miguel Ángel López Borrego while he was interim CEO. Following his return to the Supervisory Board and Audit Committee, the meetings with the auditors generally took place with the Audit Committee as a whole, which comprises Miguel Ángel López Borrego and two other members. Miguel Ángel López Borrego is entitled to a variable, partly performance-related remuneration component from his five-month interim position. To avoid the impression that he could influence the result, the other two committee members were particularly involved in the audit in 2023 and the coordination with the auditors.

Main activities of the General and Nomination Committee

The General and Nomination Committee dealt in particular with the search for new members of the Management and Supervisory Boards and prepared the respective resolutions of the Supervisory Board. In the second half of 2023, the focus was on revising the remuneration model for the Management Board.

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The General and Nomination Committee held two meetings in the 2023 fiscal year, on February 23, 2023, and September 4, 2023. These two meetings were video conferences in each case. In addition, further meetings were held outside of meetings with headhunters as part of the new appointments to the Management Board and external remuneration consultants for the revision of the Management Board remuneration model.

Main Activities of the Strategy Committee

The Strategy Committee deals in particular with NORMA Group's long-term orientation towards the various end markets and megatrends. This committee also deals with the effects of climate change on NORMA Group's business and discusses the sustainability of NORMA Group's products and production. The committee deals with the innovation process and international expansion of the strategic business units Water Management, Industry Applications, and Mobility & New Energy in the regions. The structures and resources required for this are presented. In fiscal 2023, the Strategy Committee also examined the "Step Up" improvement program, the results of NORMA Group's Global Business Development Meeting, the strategy for expanding the water business in Europe and, in addition, a higher share of sales in the Water Management and Industry Applications segments compared to Mobility & New Energy, the acquisition of Teco Srl and the branding strategy.

The Strategy Committee held three meetings in 2023. Managers from the USA attended one meeting about individual points and a member of the committee took part in another meeting via video conference. The other participants were present in Maintal.

Besides the Chairman of the Management Board, who attended all meetings, the managers responsible also took part in the Strategy Committee meetings on the respective topics.

Attendance of Meetings, Training Activities, No Conflicts of Interest

Dr. Markus Distelhoff attended all meetings of the Supervisory Board and the Strategy Committee that have taken place since he became a member (May 11, 2023).

Rita Forst attended all meetings of the Supervisory Board and the Strategy Committee in 2023 as well as the meeting of the General and Nomination Committee that have taken place since she became a member (May 11, 2023).

Denise Koopmans attended all meetings of the Supervisory Board that have taken place since the start of her tenure (May 11, 2023) and three of the four meetings of the Audit Committee that have taken place since the start of her tenure.

Miguel Ángel López Borrego has attended all meetings of the Supervisory Board and the Audit Committee since June 1, 2023; prior to this, his mandate was suspended due to his role as interim CEO.

Erika Schulte attended all meetings of the Supervisory Board, the Strategy Committee and the General and Nomination Committee.

Mark Wilhelms attended all meetings of the Supervisory Board, one meeting of the General and Nomination Committee, which fell within the period of his tenure from May 11, 2023, and six of the seven meetings of the Audit Committee.

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Günter Hauptmann attended all meetings of the Supervisory Board and the General and Nomination Committee that took place until his departure from the Supervisory Board on May 11, 2023.

Dr. Knut J. Michelberger attended all meetings of the Supervisory Board, the General and Nomination Committee and the Audit Committee that took place until his departure from the Supervisory Board on May 11, 2023.

In 2023, the Supervisory Board’s training and development measures focused on introducing the new members and updating the induction documents. In addition, members of the Supervisory Board attended seminars on sustainability issues.

There were no conflicts of interest on the Supervisory Board in the 2023 fiscal year.

Information on the auditor for the 2023 fiscal year

The 2023 Annual Financial Statements of NORMA Group SE presented by the Management Board along with the Management Report and the respective Consolidated Financial Statements and Group Management Report were audited by KPMG AG Wirtschaftsprüfungsgesellschaft (KPMG). The audit mandate for the 2023 financial statements was issued on September 15, 2023. In addition, as part of the audit, the auditor also had to assess whether the electronic reproductions of the financial statements and management reports (“ESEF documents”) prepared by the Management Board for disclosure purposes comply in all material respects with the requirements of Section 328 (1) of the German Commercial Code (Handelsgesetzbuch, HGB).

The auditor Mr. Forstreuter attended a Supervisory Board meeting on March 16, 2023, and an Audit Committee meeting on March 15, 2023. Mr. Forstreuter and Ms. Klinke attended an Audit Committee meeting on September 13 2023. Mr. Forstreuter and Ms. Klinke also took part in an Audit Committee meeting on November 23, 2023. They explained the final audit.

Adoption of the 2023 Annual Financial Statements and the Separate Non-Financial Statement for the Group

The Consolidated Financial Statements of NORMA Group SE were prepared in accordance with Section 315e HGB on the basis of the International Financial Reporting Standards (IFRS) as applicable in the EU. The auditor issued unqualified audit opinions for the 2023 Annual Financial Statements, including the Management Report, the Consolidated Financial Statements and the Group Management Report of NORMA Group SE. Furthermore, the Remuneration Report was audited by the auditor without any objections being raised. The Remuneration Report is part of the Management Report. The documents relating to the financial statements and the Management Board’s proposal for the appropriation of net profit, as well as the two auditor reports, were submitted to the Supervisory Board. The Audit Committee and the Supervisory Board as a whole examined the reports in detail and discussed and scrutinized them at length in the presence and with the participation of the auditor. The Supervisory Board concurred with the results of the audit by the auditor. No objections were raised.

The Supervisory Board then approved the 2023 Annual Financial Statements of NORMA Group SE and the 2023 Consolidated Financial Statements, together with their respective Management Reports at its meeting on March 14, 2024. The Supervisory Board approved the proposal on the appropriation of net profit by the Management Board. NORMA Group SE’s Annual Financial Statements are thereby adopted in accordance with Section 172 of the German Stock Corporation Act (Aktiengesetz, AktG).

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The Audit Committee and the Supervisory Board also dealt with the separate Non-financial Group Report for NORMA Group prepared by the Management Board as of December 31, 2023. As part of the audit of the consolidated financial statements, KPMG AG Wirtschaftsprüfungsgesellschaft performed an audit to obtain limited assurance and reasonable assurance with regard to CO₂ emissions and issued an unqualified opinion. The Management Board explained the documents in detail at its meetings, while representatives of the auditor reported on the main findings of their audit and answered further questions from the members of the Supervisory Board. The Supervisory Board had no objections after reviewing these results.

Declaration of Conformity with the German Corporate Governance Code

The Supervisory Board and Management Board dealt with the requirements of the German Corporate Governance Code. The current Corporate Governance Declaration made by NORMA Group SE dated December 15, 2023, as well as the declarations from past years are available on the company's website at www.normagroup.com.

The Supervisory Board would like to thank all employees worldwide and the Management Board of NORMA Group for their personal commitment and successful work in the past fiscal year. The Supervisory Board is confident that NORMA Group will develop positively in fiscal year 2024 and wishes the Management Board and employees every success in achieving their goals.

Mark Wilhelms
Chairman of the Supervisory Board

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Corporate Governance Report and Declaration on Corporate Governance

The following is the Management Board's and Supervisory Board's report in accordance with Section 289f HGB and the provisions of the German Corporate Governance Code. The management of NORMA Group is dedicated to achieving sustained economic success while complying with the company's social responsibility. Transparency, responsibility and sustainability are the principles that determine its actions.

Declaration of Conformity with the German Corporate Governance Code

The Supervisory Board and Management Board of NORMA Group SE have examined in detail which recommendations and suggestions of the German Corporate Governance Code NORMA Group SE should follow and explain which recommendations are deviated from and which reasons were decisive for this. The current Declaration of Conformity dated December 15, 2023, and all other previous Declarations of Conformity are published in the Investor Relations section of NORMA Group's website. WWW.NORMAGROUP.COM

The declaration of December 15, 2023, reads as follows:

With the following exceptions, NORMA Group SE ("the Company") has complied since its last declaration was submitted on December 16, 2022, and continues to comply, with the recommendations of the German Corporate Governance Code as published by the Federal Ministry of Justice in the official section of the Federal Gazette ('Bundesanzeiger') in the version dated April 28, 2022, published on June 27, 2022, in the Bundesanzeiger:

1. G.10, 2nd sentence:

According to recommendation G.10 sentence 2 of the German Corporate Governance Code, the members of the Management Board should not be permitted to dispose of the long-term variable grant contributions until after four years. The remuneration system for the Management Board provides for a long-term incentive ("LTI") with a four-year shareholding requirement. As a result of the end of Dr. Schneider's and Dr. Klein's employment contracts, the four-year shareholding obligation of the tranches of the LTI open at the time of the end of the respective employment contract is being reduced to one year. This means that these departing members of the Management Board can dispose of the tranches of the LTI still outstanding at the end of their employment contract before the end of four years.

2. G.14:

The service contracts of the former members of the Management Board, Dr. Schneider and Dr. Klein, who left the Management Board after the last declaration on the German Corporate Governance Code was issued, provide for a special right of termination in the event of a change of control. If their service contracts had ended due to this special termination right, the company would have had to have paid severance compensation when the termination took effect in the amount of one and a half times the severance cap, but not more than the value of the remuneration for the remaining terms of the service contracts. This special right of termination is no longer agreed in the employment contracts with the current members of the Management Board.

No recommendation of the German Corporate Governance Code was not applicable due to overriding statutory provisions.

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Published documents on remuneration and auditor’s opinion

The Remuneration Report for the last fiscal year, the auditor’s opinion, the applicable remuneration system and the last resolution on remuneration are publicly available on the company’s website. WWW.NORMAGROUP.COM.

Information on Corporate Governance practices

In addition to the statutory regulations on Corporate Governance practices, further internal regulations can be found in the Articles of Association of NORMA Group SE, the Rules of Procedure of the Supervisory Board and the Management Board WWW.NORMAGROUP.COM. Further rules of conduct result from the compliance guidelines presented below.

Compliance

NORMA Group SE’s compliance organization seeks to prevent violations of laws and other rules, in particular by taking preventive measures. Nevertheless, if there is evidence of violations, these matters are investigated promptly and thoroughly and the necessary consequences are taken. Findings are used to take steps to reduce the risk of future violations. Concrete steps are defined, implemented and tracked annually in a “Compliance Action Plan.”

The group-wide compliance activities are managed by the Chief Compliance Officer of NORMA Group SE. The Chief Compliance Officer regularly reports to the Executive Vice President Integrity and is able to report directly to the Chairman of the Management Board if necessary. In addition to the Compliance department in place at Group level, there are Compliance Delegates at the regional and individual company levels. The three regional Compliance Delegates for the EMEA, Americas and Asia-Pacific regions report to the Compliance department at NORMA Group. In addition, each operating Group company has its own local Compliance Delegate, who reports to the respective Regional Compliance Delegate. The Supervisory Board is responsible for monitoring the appropriateness of the Compliance Management System.

The compliance organization conducts risk analyses together with the relevant units, functions and specialist departments, on the basis of which the compliance organization identifies the need for action and initiates appropriate measures.

Employee training courses are held regularly on selected risk areas and important current topics or developments. In addition to training on specific focus topics, all employees worldwide are trained on the basic compliance rules and important content of the compliance policies. Participation in these training courses is documented and monitored. The training courses of basic importance, which must be completed as basic training by all NORMA Group employees with a PC workstation, include the online training courses “Code of Conduct & Compliance Basics” and “Anti-Corruption.” Depending on the job profile, employees must attend specific focus training sessions (including ‘Antitrust and Competition Law’). Refresher training courses are offered as required. In addition, all employees with a PC workstation must complete the “Data Protection” Integrity training course every year. In addition, relevant employees are also assigned the “Information Security Basics” training course on an annual basis. Compliance Safety Cards were developed in relevant languages for employees without a PC workstation, particularly those in the area of production, in order to clearly communicate important compliance issues. The compliance organization also offers face-to-face training on an ad hoc basis, if necessary. Employees also receive

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relevant, up-to-date compliance information regularly and on an ad hoc basis via various information channels, the intranet, brochures, e-mails and notices, for example. Key training figures are reported in the CR report.

The [COMPLIANCE GUIDELINES](#) of NORMA Group represent an important means of communicating to employees NORMA Group’s understanding of compliance and demonstrating their ethical and legal obligations. All compliance documents are reviewed regularly and, if necessary, adapted to new legal or social requirements and thus always kept up to date. In the past fiscal year, the existing compliance guidelines were supplemented by a dedicated guideline on whistleblower protection.

The compliance guidelines also include requirements in the area of [HUMAN RIGHTS](#) (including forced and child labor, freedom of association and anti-discrimination). Suppliers have their own code of conduct (“Supplier Code of Conduct”), which was updated in the past fiscal year and supplemented in particular with relevant information security requirements. The Supplier Code of Conduct is intended to help ensure that laws and ethical rules are also observed within NORMA Group’s supply chain. The compliance guidelines are as well reviewed and updated on a regular basis to determine whether changes are necessary.

NORMA Group encourages its employees to report violations of regulations and internal guidelines, if necessary also across hierarchy levels. In addition to personally approaching superiors, the HR department or the Compliance Delegates, an Internet-based whistleblower system is available for this purpose [WHISTLEBLOWER SYSTEM](#). This whistleblower system allows internal and external whistleblowers to report suspicious cases to NORMA Group’s compliance organization and, if necessary, to maintain their anonymity. In cases where the electronic whistleblower system cannot be easily used by employees for technical or organizational reasons (for example, lack of PC access by employees in production), NORMA Group offers other reporting channels, such as personal reports to NORMA Group Compliance as well as information boxes at production sites. In addition to the main electronic whistleblower channel, NORMA Group offers additional or alternative reporting channels at all sites where local laws require these. In addition, any member of NORMA Group’s compliance organization can be contacted at any time regarding all questions and issues related to compliance.

Both the suitability and the appropriateness of the reporting system are reviewed on a regular basis – with regard to the requirements of the “Directive (EU) 2019/1937 of the European Parliament and of the Council of October 23, 2019, on the protection of persons who report infringements of Union law” (so-called “Whistleblower Protection Directive”) as well as the respective implementing laws of the member states, for example. The system is adapted if necessary. NORMA Group is closely monitoring further developments with regard to the implementation in national laws by individual EU member states in which NORMA Group also operates reporting channels, which in some cases contradict the EU Directive. Necessary adjustments are made if required.

The members of the compliance organization investigate any indications of compliance violations. If violations of compliance rules are discovered or weaknesses in the organization are identified, the management initiates the necessary and appropriate measures in consultation with the compliance organization in a timely manner. These measures range, depending on the specific individual case, for example, from targeted training measures to changes in organizational procedures to disciplinary measures including termination of employment.

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Corporate Responsibility, ESG and Climate Change

The corporate responsibility strategy and specific targets are explained in particular in the Non-financial Group Report. In the course of the growing importance of Corporate Responsibility and ESG (Environmental, Social, Governance) issues, the Supervisory Board, Management Board and employees are paying more attention than ever to the resulting aspects. NORMA Group is increasingly focusing on products and solutions in water management and the transformation to alternative drive systems.

The Strategy Committee in particular deals with the effects of climate change on a regular basis. In addition, the development of NORMA Group's CO₂ emissions is discussed at every Supervisory Board and Management Board meeting. The development of CO₂ emissions compared to a target corridor has been a component of Management Board remuneration at NORMA Group since 2020.

CFO Annette Stieve is responsible for Corporate Responsibility and ESG on the Management Board.

Description of the working methods of the Management Board and Supervisory Board as well as the composition and working methods of their committees

NORMA Group SE follows the dual management system. The Management and Supervisory Boards are separate bodies that have different functions and powers. The Management Board manages the company under its own responsibility. The Supervisory Board appoints, advises, monitors and dismisses members of the Management Board.

The Management Board provides the Supervisory Board with regular updates about its business policies, how the business is developing, the position of the company and any transactions that could have a significant impact on profitability or liquidity. The Management Board reports the key figures of the Group and the current course of business to the Supervisory Board on a monthly basis, in particular with regard to the published guidance on the expected development of the company. Based on the written documents that were submitted to the Supervisory Board in advance, the members of the Management Board report in great detail on business developments and provide an outlook on the expected development of NORMA Group at the Supervisory Board meetings. In addition to the monthly and quarterly figures, other standard subject matters at all meetings include risk analysis and measures to minimize identified risks, reports from the chairpersons of the Audit Committee, General and Nomination Committee and Strategy Committee on previous meetings and strategic projects. Further details on the matters addressed by the Supervisory Board in 2023 can be found in the Supervisory Board report. All Management Board members participate in the Supervisory Board meetings. The Supervisory Board typically convenes separately before or after meeting with the Management Board.

The Chairmen of the Supervisory Board and the Management Board coordinate the collaboration of the two boards. They also maintain regular contact between Supervisory Board meetings, typically on a fortnightly basis, and discuss current corporate governance issues. The Chairman of the Audit Committee and the CFO also consult with each other.

In accordance with the legal requirements, the bylaws of the Management Board and NORMA Group SE's Articles of Association, the Supervisory Board must approve certain important transactions before they can be executed by the Management Board and the company's employees. This applies not only for measures at NORMA Group SE, but also for measures at its subsidiaries. In order to ensure that the Management Board is promptly informed of corresponding matters involving subsidiaries, so that it can request the approval of the Supervisory Board, a hierarchical system of approval requirements applies worldwide at NORMA Group.

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Management Board and regional management

In fiscal year 2023, the following changes were made to the Management Board of NORMA Group SE: Following the departure of Dr. Michael Schneider at the end of 2022, Miguel Ángel López Borrego, a member of the Supervisory Board, initially took over the position of CEO on an interim basis from the beginning of January until the end of May 2023 until a permanent replacement was appointed. His function as a member of the Supervisory Board was suspended during this period. Further details on this transition phase can be found in the report of the Supervisory Board [SUPERVISORY BOARD REPORT](#). Effective June 1, 2023, Guido Grandi joined the Management Board of NORMA Group and took over as Chairman of the Management Board. Dr. Daniel Heymann had already joined NORMA Group's Management Board as COO on May 1, 2023, taking over from Dr. Friedrich Klein.

As a result, the Management Board of NORMA Group SE had the following three members at the end of fiscal year 2023: Guido Grandi (CEO), Dr. Daniel Heymann (COO) and Annette Stieve (CFO).

The resumes of the three Management Board members are posted on the company's website. WWW.NORMAGROUP.COM

Responsibilities of the Management Board

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Member of the Management Board	Responsibilities 2023
Guido Grandi Chief Executive Officer (CEO) since June 1, 2023 Member of the Management Board since June 1, 2023 Born in 1971 Nationality: German Last appointed: 2023 Appointed until: May 31, 2026	Group Development Group Communications Regional Organization Sales Marketing Human Resources & Integrity Legal and M&A Product Development Research and Development Divisional Organization
Dr. Daniel Heymann Member of the Management Board (COO) since May 1, 2023 Born in 1982 Nationality: German Last appointed: 2023 Appointed until: April 30, 2026	Production Purchasing Supply Chain Management Operational Global Excellence Information and Communication Technology (ICT) Quality Assurance Environment, Health and Safety (EHS) Project Management
Annette Stieve Member of the Management Board (CFO) since October 1, 2020 Born in 1964 Nationality: German Last appointed: 2023 Appointed until: September 30, 2026	Finance & Reporting Controlling Treasury & Insurances Investor Relations Corporate Responsibility and ESG (Environment, Social, Governance) Risk Management & Internal Auditing

Resolutions of the Management Board are passed by simple majority. The Chairman has the deciding vote if the vote is tied. However, the members of the Management Board are required to make an effort to reach unanimous decisions. If a member of the Management Board cannot participate in a vote, their vote/opinion will be obtained at a later date. The entire Management Board is responsible for matters of particular importance. In accordance with the Management Board by laws, these include the following areas: producing the Management Board reports for

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the purpose of informing the Supervisory Board and the quarterly and half-yearly reports, fundamental organizational measures, including the acquisition or disposal of significant parts of companies and strategic and business planning issues, measures related to the implementation and supervision of a monitoring system pursuant to Section 91 (2) of the German Stock Corporation Act, issuing the Declaration of Conformity pursuant to Section 161 (1) of the German Stock Corporation Act, preparing the Consolidated and Annual Financial Statements and similar reports, convening the Annual General Meeting and inquiries and recommendations by the Management Board that are to be handled and resolved by the Annual General Meeting. In addition, every Management Board member may request that a specific issue be dealt with by the entire Management Board.

Management Board meetings are usually held at least once a month. In addition, the Management Board meets at short notice if required. The Management Board has not formed any committees.

Every Management Board member is obliged to inform the Supervisory Board immediately, as well as the other members of the Management Board, of any conflicts of interest. No such conflicts of interest arose for a Management Board member in 2023.

The Supervisory Board must approve any transactions between NORMA Group companies on the one hand and a member of the Management Board, related parties or businesses on the other hand. No such transactions were concluded in 2023.

The Supervisory Board must also approve any ancillary activities by a member of the Management Board. Details concerning ancillary activities can be found on the company's website. WWW.NORMAGROUP.COM

The remuneration of the Management Board is detailed in the [REMUNERATION REPORT](#).

As part of its long-term succession planning, the Supervisory Board has developed candidate profiles for all three positions on the Management Board together with external consultants since 2018 on the occasion of the search for new members. The Supervisory Board's Rules of Procedure also stipulate that the Supervisory Board shall take diversity into account in the composition of the Management Board.

The Management Board conducts annual talent reviews in the regions and at Group level, during which measures for the development of managers are defined, and reports to the Supervisory Board on the results of these analyses and possible candidates for succession to the Management Board.

The age limit for members of the Management Board has been set at 65 in the Rules of Procedure for the Supervisory Board. No member of the Management Board currently reaches this age limit; this is also not foreseeable during the term of the current contracts. WWW.NORMAGROUP.COM

Regional Presidents represent the Group locally in the three regions EMEA, Americas and Asia-Pacific. The Presidents are each responsible for one of the strategic business units that are currently being established. Regional headquarters are located in Singapore for the Asia-Pacific region, Auburn Hills, USA, for the Americas region and Maintal, Germany, for the EMEA region. The managers at NORMA Group SE work in a matrix structure in which they have both a disciplinary as well as a technical superior.

Information on the internal control system can be found in the [RISK AND OPPORTUNITY REPORT](#).

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Supervisory Board: members, election, independence and length of Supervisory Board tenure

The Supervisory Board of NORMA Group SE consisted of the following members at the end of 2023:

- Mark Wilhelms (Chairman of the Supervisory Board)
- Erika Schulte (Vice Chairwoman of the Supervisory Board)
- Dr. Markus Distelhoff
- Rita Forst
- Denise Koopmans
- Miguel Ángel López Borrego

Two new members were elected to the Supervisory Board at the Annual General Meeting on May 11, 2023. Günter Hauptmann and Dr. Knut J. Michelberger, who had been members of the Supervisory Board of NORMA Group SE and NORMA Group AG respectively since 2011, did not stand for re-election. They were followed by Dr. Markus Distelhoff and Denise Koopmans. As Günter Hauptmann had also been Chairman of the Supervisory Board and therefore also of the General and Nomination Committee, the members of the Supervisory Board elected Mark Wilhelms as his successor after his departure. At the same time, new appointments were made to some of the committees and their chairs. Details below.

NORMA Group SE is not a codetermined company; therefore, worker representatives are not represented on its Supervisory Board. All members of the Supervisory Board were elected by the Annual General Meeting and are therefore shareholder representatives.

The Chairman of the Supervisory Board represents the Supervisory Board externally. He organizes the work of the Supervisory Board and chairs its meetings. Resolutions of the Supervisory Board may be adopted by simple majority, with the Chairman having the decisive vote in the event of a tied vote.

The objectives for the composition of the Supervisory Board include that all members are independent, no member works for a competitor of NORMA Group, no member who is a member of the management board of a listed company holds more than two supervisory board mandates at listed companies, no member of the Supervisory Board has material conflicts of interest and each member complies with a standard limit of 12 years for the term of office. In addition, the Supervisory Board shall pay attention to international activity and diversity when making proposals for the election of new members.

The age limit for Supervisory Board members is 75.

These objectives were all achieved in fiscal year 2023. Miguel Ángel López Borrego is a Spanish citizen. Denise Koopmans is Dutch. The other members of the Supervisory Board are German citizens. All members of the Supervisory Board of NORMA Group SE have been on the Supervisory Board for less than twelve years: Erika Schulte since 2013, Rita Forst and Mark Wilhelms since 2018, Miguel Ángel López Borrego since 2021, Denise Koopmans and Dr. Markus Distelhoff since 2023. All members of the Supervisory Board are also under 75 years of age.

All members of the Supervisory Board are independent of the company and the Management Board within the meaning of the German Corporate Governance Code. This includes the Chairman of the Supervisory Board, who is also the Chairman of the General and Nomination Committee, as well as the Chairman of the Audit Committee. No member of the Supervisory Board and no close family member were previously a member of the Management Board of NORMA Group SE or one of its predecessor companies at the time they were elected Member of the Supervisory Board. Supervisory Board member Miguel López temporarily assumed the office of CEO of NORMA

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Group SE from January 1, 2023 until May 31, 2023, until a permanent replacement was appointed. During this time, his office as a member of the Supervisory Board was suspended. Further details on this transition phase can be found in the Report of the Supervisory Board. Neither maintains or maintained a member of the Supervisory Board in the year up to their appointment directly or indirectly as a shareholder, or in a responsible function of a company outside the Group, a material business relationship with NORMA Group SE or a company dependent on it, or is a close family member of a member of the Management Board.

NORMA Group SE does not have a controlling shareholder, therefore there are no dependencies in this regard either. The Chairman of the Audit Committee is accordingly independent of a controlling shareholder.

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The competence profile for the Supervisory Board as a whole is fulfilled by the current members as a whole.

Competence profile of the Supervisory Board and qualification matrix

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	Mark Wilhelms	Erika Schulte	Dr. Markus Distelhoff	Rita Forst	Denise Koopmans	Miguel Ángel López Borrego
Knowledge of the industry and international markets, in particular the automotive industry, and of NORMA Group's business model	Extensive experience in the automotive industry with OEMs and suppliers; experience in various international functions	Many years as CIO; Head of General Administration at internationally active machine and plant manufacturer	Active in the automotive industry since 1997	Strong global experience in the automotive field	General industry experience (offshore fabrication services, construction, electronic manufacturing services)	Several years of experience in leading positions at automotive suppliers and in the top management of international industrial companies
Knowledge of production and sales, as well as research and development in industrial companies	Production, sales and development functions at OEMs; responsible for global after-market at suppliers	Business process optimization (incl. materials management, production and sales); introduction of SAP and CAD systems in design and development at an international industrial company	Several years of experience in development, sales as well as in production	Especially in the areas of research and development, project management and production	Experience in development, project management, production, mechanical engineering, electronic manufacturing and construction	Establishment of a company with production, sales and development functions; global CFO for various units, CEO of thyssenkrupp
Experience as an executive in a company or member of a supervisory board	Board member of a listed company, managing director of supplier companies, several supervisory board mandates	CIO of an industrial company; Managing Director of various municipal companies	Several years of experience as division manager, business unit manager, chairman of the management board	Former member of the Management Board of Adam Opel AG, former Chairwoman of the Management Board of Opel PT Deutschland GmbH, member of various supervisory boards and advisory boards in Germany, Ireland, UK and Canada	Broad experience as CEO and supervisory board member of international listed and private companies	Member of supervisory, administrative and advisory boards of subsidiaries of international industrial companies, CEO of thyssenkrupp
International professional experience §2 GO	Several years abroad in UK, USA, Belgium; several years of responsibility for international subsidiaries as a board member and managing director	Responsibility for international projects (e.g. SAP implementation at all locations of an international industrial company with 60 subsidiaries worldwide)	Several years of professional experience, among others in the UK and India	Stays abroad in the USA and Italy; management of international engineering teams in a global working environment	Many years spent abroad in the USA and Europe	Global responsibility in various industrial companies and stays abroad in Spain

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(Continued) Competence profile of the Supervisory Board and qualification matrix

Knowledge of assessing NORMA Group's financial position, accounting and auditing, (including sustainability reporting and its audit), and controlling	Long-term CFO role at a listed company; extensive controlling experience from several years of international activity	As managing director of a GmbH and CIO responsible for a business center in an industrial company	Several years as Chairman of the Executive Board and CEO	In particular as Chairwoman of the Management Board of a German subsidiary of GM	Chairwoman of the audit committee of two listed companies, function as CEO; but not a financial specialist	Several CFO functions, including in listed companies; many years of financial reporting experience; Chairman of the Audit Committee
Knowledge in the areas of risk management, internal control system and compliance	Several years of experience in the General Auditor's Office (GAO), many years as CFO, Chairman of the Audit Committee	Responsibility for the areas of occupational safety, plant safety and environmental protection; CIO in an industrial company	Several years as Chairman of the Executive Board and CEO	Experience as an independent compliance monitor and auditor and as a member of the audit committee at other companies	Experience as Chief Legal Officer; member of the Audit and Risk Committee	Experience in RM and ICS from many years as CFO, compliance experience as part of management and executive teams
Knowledge of the capital market and how it works, including the perspective of investors and the requirements of capital market and stock exchange law	CFO of a listed company with experience in the area of IPO and capital increase	Long-standing membership of the Supervisory Board and the Audit Committee	Several positions at listed companies and experience with M&A activities/ transactions	Experience as a member of the supervisory board of various listed companies in Germany, Ireland, UK and Canada	Member of the Supervisory Board of various listed companies	Many years of experience in various functions at listed companies
Knowledge of IT-systems, including ERP-systems	Several years of ERP experience in operation and roll-out of new systems at various locations; cloud migration project introduction as the managing director responsible for IT at Stabilus and in the auto-motive sector	Specialized knowledge through many years as CIO in an industrial company and at IT service providers	Broad experience as an ERP/SAP user, especially in sales and production	Experience with digital transformation and migration processes in the context of globalization and JV activities	Broad experience with digital transformation processes, migration, etc.	Consistent responsibility for IT as part of the CFO function
Know-how in sustainability	Through ESG development within the company; audit activities and further training within the Management Board function	Responsibility for environmental protection in an industrial company; member of the WissensRegion FrankfurtRhein-Main (Knowledge-Region)	By participating in annual audits in his function as Chairman of the Management Board	Experience as a member of the ESG Committee at other companies	Experience in construction, logistics, manufacturing and media as a member of the Supervisory Board and Chairwoman of the Audit Committee	Experience as a member of management and board committees as well as in the context of duties at listed companies; responsibility for ESG at thyssenkrupp

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No Supervisory Board member who is not a member of the management board of a listed company has more than five supervisory board mandates at non-Group listed companies or comparable functions. Dr. Knut Michelberger holds mandates with four other companies, including a chairmanship of the advisory board. None of these companies are listed, however. In each case, these are advisory board mandates with non-listed companies that are not comparable to the duties and responsibilities of a supervisory board of a listed company. No member of the Supervisory Board who is a member of the management board of a listed company holds more than two supervisory board mandates or performs comparable functions.

The occupations and other mandates on supervisory boards or comparable supervisory bodies of the members of the Supervisory Board of NORMA Group SE exercised in fiscal year 2023 are shown in the following [TABLE T007: OTHER MANDATES OF THE SUPERVISORY BOARD MEMBERS.](#)

Other mandates of the Supervisory Board members T007

Supervisory Board member exercised profession service periods	Other mandates on Supervisory Boards and comparable committees
Mark Wilhelms (Chairman) Chief Financial Officer of Stabilus SE until September 2022 Member since 2018	Member of the Supervisory Board of Novem Group SA, Luxembourg/Vorbach, Luxembourg/Germany (listed on the stock exchange)
Erika Schulte (Vice Chairwoman) Managing Director of Hanau Wirtschaftsfoerderung GmbH, Hanau, Germany Member since 2013	No further mandates on Supervisory Boards or comparable committees
Rita Forst Consultant Member since 2018	Member of the Board of Directors (Non-Executive Director) of AerCap Holdings N.V., Dublin, Ireland (listed on the stock exchange) Member of the Advisory Board of iwis SE & Co. KG, Munich, Germany (not listed) Member of the Board of Directors (Non-Executive Director) of Westport Fuel Systems Inc., Vancouver, Canada (listed on the stock exchange) Member of the Board of Directors (Non-Executive Director) of Johnson Matthey PLC, London, United Kingdom (listed on the stock exchange)
Miguel Ángel López Borrego Chief Executive Officer of thyssenkrupp AG Member since 2021	Member of the Supervisory Board of thyssenkrupp nucera AG & Co. KGaA, Dortmund, Germany
Denise Koopmans Consultant Member since 2023	Member of the Board of Directors (Non-Executive Director) of Cicor Technologies AG, Boudry, Switzerland (listed on the stock exchange) Member of the Supervisory Board of Royal BAM Group NV, Bunnik, Netherlands (listed on the stock exchange) Member of the Board of Directors (Non-Executive Director) of Sanoma Corporation, Helsinki, Finland (listed on the stock exchange) Member of the Board of Directors (Non-Executive Director) of Schweizerische Post AG, Berne, Switzerland (not listed)
Dr. Mark Distelhoff Member of the Management Board of REHAU Management SE Member since 2023	No further mandates on Supervisory Boards or comparable committees

There are no consulting or other service or work contracts between the companies of NORMA Group and any member of the Supervisory Board.

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The Supervisory Board evaluates its work annually as part of a self-assessment. The last such evaluation took place in December 2023. This audit was carried out using a questionnaire after an external consultant had been involved in the self-assessment in the previous year.

Transactions between companies of NORMA Group on the one hand and a member of the Supervisory Board or persons or companies related to him or her on the other hand must be approved by the Supervisory Board in advance. No such transactions were concluded in 2023.

Every member of the Supervisory Board is required to report conflicts of interest. Material and not merely temporary conflicts of interest in the person of a Supervisory Board member are to lead to termination of the mandate. There were no conflicts of interest between a Supervisory Board member and the Company in the 2023 fiscal year.

Nine meetings of the Supervisory Board were held in fiscal year 2023. Details on the meetings and attendance rates of the members can be found in the [SUPERVISORY BOARD REPORT](#).

Supervisory Board committees: responsibilities and membership

The Supervisory Board has three committees: Audit Committee, General and Nomination Committee and Strategy Committee.

The Audit Committee deals in particular with monitoring the accounting process and the effectiveness of the internal control and risk management systems as well as with the audit of the Annual Financial Statements. With respect to the audit of the financial statements, the Committee deals in particular with the independence of the auditor, the additional services rendered by the auditor, engaging the auditor, determining areas of audit emphasis and agreeing to the auditor's fees. The Audit Committee accompanies the collaboration between NORMA Group SE and the auditors and ensures that opportunities for improvement identified during the audit are implemented promptly. It is responsible for preparing the accounting documents and adopting the Supervisory Board's resolution on the Consolidated and Separate Financial Statements. Moreover, it is responsible for compliance and reviews the adherence to statutory provisions and the internal guidelines.

The Audit Committee consists of Mark Wilhelms and Miguel Ángel López Borrego and, since the Annual General Meeting on May 11, 2023, Denise Koopmans. Dr. Knut J. Michelberger was a member of the Audit Committee until his resignation at the Annual General Meeting on May 11, 2023. Mark Wilhelms was Chairman of the Audit Committee until May 11, 2023. With his election as Chairman of the Supervisory Board, he was succeeded by Miguel Ángel López Borrego, whose role on the Supervisory Board and as a member of the Audit Committee was suspended from January 1, 2023, to May 31, 2023. Mark Wilhelms and Miguel Ángel López Borrego are independent financial experts within the meaning of Section 100 (5) AktG. Due in particular to their many years of experience as a Chief Financial Officers and Managing Directors, they have special knowledge and experience in the application of accounting principles and internal control procedures, as well as sustainability reporting and its auditing.

The General and Nomination Committee prepares personnel-related decisions for the Supervisory Board with regard to the composition of the Management Board and the Supervisory Board. This committee has the following tasks: Preparing Supervisory Board resolutions regarding the conclusion, amendment and termination of contracts with members of the Management Board in accordance with the remuneration system approved by the Supervisory Board, preparing Supervisory Board resolutions regarding legal applications to reduce the

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remuneration of a Management Board member pursuant to Section 87 (2) AktG, preparing Supervisory Board resolutions regarding the structure of the remuneration system for the Management Board, acting as representatives of the company to Management Board members who have left the company pursuant to Section 112 AktG, approving secondary employment and external activities for Management Board members pursuant to Section 88 AktG, granting loans to the persons specified in Section 89 AktG (loans to members of the Management Board) and Section 115 AktG (loans to members of the Supervisory Board), approving contracts with members of the Supervisory Board pursuant to Section 114 AktG and proposing suitable candidates to the Annual General Meeting when there is a vote on Supervisory Board members.

Since the Annual General Meeting on May 11, 2023, the Chairman of the Supervisory Board Mark Wilhelms (Committee Chairman), Erika Schulte and Rita Forst have been members of the General and Nomination Committee. Until the Annual General Meeting on May 11, 2023, members of this committee were Erika Schulte, the then Chairman of the Supervisory Board Günter Hauptmann (Committee Chairman) and Dr. Knut J. Michelberger.

The Strategy Committee deals in particular with NORMA Group's long-term focus on the various end markets and megatrends. This committee also deals with the effects of climate change on NORMA Group's business and sustainability issues. The committee is concerned with the international expansion of the strategic business units Water Management, Industry Applications and Mobility & New Energy in the regions. The structures and resources required for this are presented.

The Chairwoman of the Strategy Committee is Rita Forst; other members are Erika Schulte and, since the Annual General Meeting on May 11, 2023, Dr. Markus Distelhoff, who succeeded Mark Wilhelms.

Further information on the meetings and work of the committees in the fiscal year can be found in the [SUPERVISORY BOARD REPORT](#).

Shareholders and Annual General Meeting

The shareholders exercise their co-administration and control rights at the Annual General Meeting. The Annual General Meeting resolves among other topics on how earnings are to be distributed, the discharge of the Management Board and Supervisory Board, the election of the auditor, but also on amendments to the Articles of Association. Moreover the shareholders elect the members of the Supervisory Board.

NORMA Group's shares are registered shares. Each share entitles the bearer to one vote. There are no special voting rights. Shareholders entered in the share register have the right to attend the Annual General Meeting and to speak there on the relevant agenda items and request information on company matters. Among other rights, they are also entitled to submit motions on the resolutions proposed by the management and to contest resolutions of the Annual General Meeting. Details on participation in the Annual General Meeting and possibilities to exercise voting rights, as well as other shareholder rights are explained in the respective invitation to the Annual General Meeting and accompanying documents. NORMA Group SE publishes details about convening the Annual General Meeting, and all related documents, as published in the 'Bundesanzeiger', Federal Gazette, on its website in due time. Following the General Meeting, information on the number of participants and voting results is also made available there.

On May 11, 2023, the Annual General Meeting of NORMA Group SE took place again in Frankfurt am Main as an in-person event after three years of virtual Annual General Meetings.

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Shareholdings of the Management and Supervisory Boards

Of the total of 31,862,400 shares in NORMA Group SE, the current members of the Management Board and Supervisory Board together held 0.04% of the shares on December 31, 2023

Directors' Dealings

Members of the Management Board and the Supervisory Board and related parties are obliged to disclose Directors' Dealings in NORMA Group SE shares if the value of these transactions reaches or exceeds EUR 20,000 within one calendar year. In 2023, NORMA Group SE was notified of the following transactions subject to disclosure requirements as part of directors' dealings notifications.

Directors' Dealings							T008
Seller / Buyer	Designation of the financial instrument	Type of transaction	Date of the transaction	Location of transaction	Average share price	Aggregated volume	
Guido Hans Grandi, CEO	Share DE000A1H8BV3	Purchase	Nov 23, 2023	Xetra	EUR 15.35	EUR 99,621.50	
Dr. Daniel Heymann, COO	Share DE000A1H8BV3	Purchase	Nov 23, 2023	Tradegate	EUR 15.95	EUR 41,777.50	
Annette Stieve, CFO	Share DE000A1H8BV3	Purchase	Nov 27, 2023	Xetra	EUR 15.659053	EUR 50,422.15	

The main features of the remuneration of the Management Board are presented in the [REMUNERATION REPORT](#), which is part of the Management Report.

Security-like incentive systems

A long-term incentive program (LTI) is in place for Group executives below the Management Board level that allows the individuals involved to participate in NORMA Group's success in the medium term.

Targets for the share of women

The target figure for the share of women on the Supervisory Board is at least one-third of the members. For the top two management levels of NORMA Group SE, the target for the share of women is at least 25% in each case. The aforementioned targets for the Supervisory Board, the Management Board and the top two management levels are each expected to apply until June 30, 2027.

In the 2023 fiscal year, these targets were all achieved, or exceeded in some cases. With the election of four new Supervisory Board members, three (previously two) women out of a total of six members have been represented on the Supervisory Board since the Annual General Meeting on May 11, 2023, meaning that the target for the Supervisory Board has been exceeded. With one woman continuing to be represented on the three-member Board of Management of NORMA Group SE, this target figure has also been achieved. At NORMA Group SE, the first management level comprises all persons who are Executive Vice Presidents or Vice Presidents, report directly to the Management Board, assume management responsibilities and bear personnel responsibility. One in four managers at this first level is a woman, so that the target of 25% for the first management level was also

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achieved. The second management level of NORMA Group SE consists of persons who are Directors, report directly to a member of the Management Board or a member of the first management level, in turn perform management duties and have personnel responsibility. As one of the two executives at this level is a woman, the mentioned target for the proportion of women at the second management level was exceeded.

Diversity concept

To date, no explicit diversity concept within the meaning of Section 289f (2) No. 6 HGB has been prepared for the Supervisory Board and the Management Board of NORMA Group SE. The Rules of Procedure of the Supervisory Board already stipulate that certain aspects, which the law mentions as examples for a diversity concept, are to be taken into account when proposing candidates for elections to the Supervisory Board and appointments to Management Board positions. Diversity is to be taken into account in both the composition of the Management Board and in nominations for the election of Supervisory Board members. Additional requirements for the Supervisory Board with regard to diversity already result from the objectives outlined above for the composition of the Supervisory Board as well as the Rules of Procedure.

Information on the auditor and internal rotation

KPMG AG Wirtschaftsprüfungsgesellschaft (KPMG) audited the annual financial statements and the consolidated financial statements of NORMA Group SE in fiscal year 2023.

As part of the audit of the financial statements, Matthias Forstreuter acted as the auditor signing on the left and Isabella Klinke assumed the role of the auditor signing on the right for the first time in the 2023 fiscal year.

Previously PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC), Frankfurt/Main, audited the Annual Financial Statements of NORMA Group SE and its predecessor companies as well as the Consolidated Financial Statements for fiscal years 2010 to 2022. Furthermore, PwC had retroactively audited the years 2009 and 2010 for the prospectus as part of the IPO in 2011.

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CO₂-Emissions in FY 2023
(Scope 1 & 2 market-based; production sites, only):

5,064 t
CO₂-Equivalents

Emitter with pressure equalization from NDS: It efficiently and sustainably delivers every drop of precious water exactly where it needs to go.

² The following information are part of the Non-Financial Group Report and were subject to limited assurance. The relevant sections are marked with a line in the margin.



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Corporate Responsibility Strategy

NORMA Group’s Approach to Corporate Responsibility

Corporate Responsibility (CR), for NORMA Group, means reconciling the impact of its business with the needs of society. This is done by ensuring that the management and employees follow legal requirements and integrate social and ecological aspects into the company’s strategy and processes. With a variety of products, NORMA Group already makes a valuable contribution to a more sustainable society by helping to reduce the negative effects of global challenges such as resource scarcity and climate change.

NORMA Group has been implementing the concept of CR since 2012. The goal is to act in a responsible, sustainable, and lawful manner in all areas of the company’s functions. To ensure that NORMA Group as a whole remains oriented toward this goal, CR has been integrated as a core element of the corporate strategy. [STRATEGY AND GOALS](#) The Group-wide [CR POLICY](#) defines the basic understanding of responsibility as a company. It was revised in 2020 and comprises three key areas of action: “Environment”, “Social” and “Governance”. The policy is updated every year, including fiscal year 2023. The policy describes the strategic approach with the aim of coordinating NORMA Group’s responsibility in a structured way and further developing it in a targeted manner. In its CR Policy, NORMA Group also reaffirms its commitment to the UN Global Compact, the United Nations’ Sustainable Development Goals and ILO Fundamental Principles and Rights at Work.

Management of CR

To strategically align and further develop the CR measures, NORMA Group set up the CR Roadmap, which includes objectives for each area of action. [CR TARGETS AND SUSTAINABLE DEVELOPMENT GOALS](#) For all material topics, the relevant departments propose targets, which are reviewed and approved by the Management Board.

[GRAPHIC G007: ‘MATERIALITY MATRIX’](#)

The Chief Financial Officer of NORMA Group is responsible for Corporate Responsibility and ESG (Environment, Social, Governance) since January 2022. This also includes the cross-departmental and cross-location coordination of CR topics.

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Stakeholders & Materiality

Close exchange with stakeholders

NORMA Group sees itself as a transparent and open company. The Company specifically seeks exchange with its internal and external stakeholders as well as experts. This enables the Company to effectively implement the continuous improvement process, which is applied throughout the Group, for CR issues as well. NORMA Group's most important stakeholders and experts include its employees, customers, shareholders, and financial market players, as well as the media, politics, and non-profit organizations. The Company considers it part of its responsible corporate governance to incorporate the interests of stakeholders and the impact of its own business activities on stakeholders into its key decisions. Particularly in the strategic direction of the Company as well as in identifying material topics, NORMA Group values an open approach to stakeholder expectations.

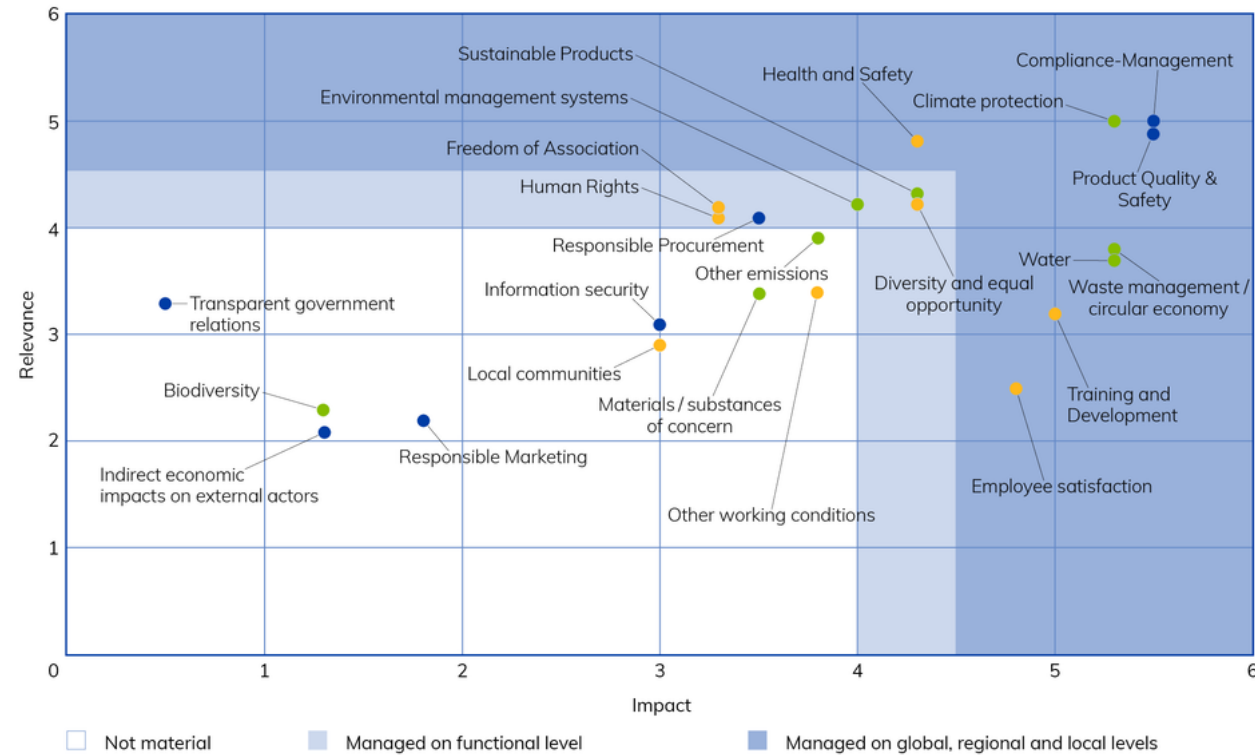
Materiality analysis defines scope of CR activities

In 2020, NORMA Group carried out its last materiality analysis, in which it defined the most important social, environmental, and economic sustainability issues. The methodology was based on the requirements of the German Commercial Code (HGB) and the standards of the Global Reporting Initiative (GRI 2016): First, a comprehensive list of CR sub-topics was put together, based on requests from external stakeholder groups and on the GRI standards and the requirements of the German Commercial Code (HGB). The individual sub-topics were aggregated, and a total of 23 topics were defined, which were divided into the three areas of action "Environment," "Social" and "Governance."

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Materiality matrix

G007



For each of the 23 defined sustainability topics, NORMA Group evaluated the relevance and impact. The relevance assessment was based on a survey of NORMA Group employees and the weighting of external customer and financial market ratings as well as an analysis of the assessment by the media and existing and future legislation (relevance axis). The impact analysis assessed both the extent to which NORMA Group's business activities influence the various topics and what risks could arise for the Group from these topics (impact risk axis). The latter was based on what are known as gross risks, i.e. those risks with which the NORMA Group is confronted if no suitable countermeasures are implemented. The assessment was deducted on a scale of 1 (irrelevant/no impact) to 6 (very relevant/major impact) and then prioritized (GRAPHIC G007: 'MATERIALITY MATRIX'). This was divided into topics that are a) managed globally, regionally and locally with measurable targets (right outer area), b) topics that are managed at the functional level through concrete measures (middle area) and c) those that are not considered material. The results can be broken down according to which topics are material according to the German Commercial Code and the GRI standard (climate protection, water, waste management/circular economy, employee satisfaction, training and development, compliance management, product quality and safety) as well as topics that were also classified as material according to the GRI standard (environmental management system, sustainable products, occupational health and safety, diversity and equal opportunities, human rights, responsible

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procurement, freedom of association). The results were validated internally with the top management of all regions and subsequently confirmed by NORMA Group’s Management Board.

In 2023, the materiality analysis was again validated with the Management Board, the top management of the regions and the specialist departments. There were no changes.

In preparation for the EU Corporate Sustainability Reporting Directive (CSRD), NORMA Group has conducted a double materiality assessment, which will form the basis for reporting in accordance with CSRD from 2024. The topics identified as material will be reported in accordance with European Sustainability Reporting Standards (ESRS) from the next fiscal year.

CR Roadmap 2024

G008



1_The CO₂ emissions for the target value are reported in accordance with the GHG Protocol (market-based, Scope 1 and Scope 2). Scope 1 only includes emissions from natural gas and liquefied natural gas and Scope 2 emissions from purchased electricity and district heating. When recording emissions, only emissions relating to the production sites are taken into account. Since January 2022, NORMA Group has purchased electricity from renewable energy sources at all production sites. NORMA Group purchases "Energy Attribute Certificates" for this purpose. These are also included in the target value.
 2_Total amount of water withdrawn from the production sites.
 3_Metal waste: Total weight of all metals generated by NORMA Group's operations that must be disposed of (excluding hazardous metals, including defective supplier parts that must be scrapped). Plastic waste: Total weight of plastics produced (excluding packaging material).
 4_Calculation of the accident rate and number of medical treatments is based on the total workforce including temporary workers.
 5_Personnel development activities in which employees acquire or develop skills.
 6_Employees who leave the company voluntarily.
 7_Number of confirmed defective parts divided by the number of parts delivered and multiplied by one million.
 8_Total number of accepted customer complaints in the calendar month

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CR Targets and Sustainable Development Goals

CR targets 2024

Based on the topics identified as being material, NORMA Group formulates quantitative targets for each area of action. By integrating the findings of the materiality analysis into the CR Roadmap, NORMA Group ensures that the targets are also oriented towards stakeholders' expectations. Thus, the achievement of the specific CR targets is an indicator of NORMA Group's performance in CR.

An overview of the CR targets for 2024 can be found in the chart [GRAPHIC G008: 'CR ROADMAP 2024'](#). The Group-wide targets presented were approved by NORMA Group's Management Board and subsequently translated by the specialist departments into sub-targets for regions and individual sites. Progress in the material areas is regularly reviewed internally and reported externally.

Climate target 2024 integrated into Management Board's remuneration

NORMA Group developed an [ENVIRONMENTAL STRATEGY](#) in 2018. A core component of this strategy is the reduction of greenhouse gas emissions at NORMA Group's manufacturing sites. In setting its climate target, NORMA Group followed the recommendations of the [SCIENCE-BASED TARGETS INITIATIVE](#)³. The target was tightened again in 2020 and now amounts to roughly 19.5% reduction in greenhouse gases compared to 2017 by the end of 2024, which corresponds to a target value of 44,434 tons⁴. Among other things, the target is part of the remuneration of NORMA Group's Management Board. [REMUNERATION REPORT](#)

³ Links to external information are not part of the non-financial report and serve only as a source of further information

⁴ Carbon emissions for the target value are reported in accordance with the GHG Protocol (market-based, Scope 1 and Scope 2). Scope 1 includes only emissions from natural gas and LPG and Scope 2 emissions from purchased electricity and district heating. When recording emissions, only emissions relating to the production sites are taken into account. Since January 2022, NORMA Group has purchased electricity from renewable energies at all production sites. NORMA Group purchases "Energy Attribute Certificates" for this purpose. These are also included in the target value.

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United Nations' Sustainable Development Goals

In many different areas, the NORMA Group's areas of action are in line with the United Nations' Sustainable Development Goals (SDG) and contribute to their attainment. The following issues are particularly relevant for NORMA Group:



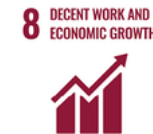
Goal 4 – Quality Education:

Through measures in the area of training and development, NORMA Group enables its employees to constantly advance their career and personal development. NORMA Group also presents opportunities to acquire knowledge and skills with respect to sustainable lifestyles, human rights, appreciating cultural diversity, etc. via its groupwide learning platform. [LEARNING AND DEVELOPMENT](#)



Goal 6 – Clean Water and Sanitation:

The [PRODUCTS](#) NORMA Group offers globally contribute to the efficient use of water. Water consumption is also to be reduced in NORMA Group's [PRODUCTION](#) processes. Furthermore, with its social project [NORMA CLEAN WATER](#), NORMA Group contributes to the conscious use of water management in emerging and developing countries.



Goal 8 – Decent Work and Economic Growth:

NORMA Group pursues ambitious growth targets. At the same time, the [HEALTH AND SAFETY](#) of all employees is an important component of the CR Scorecard.

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Goal 9 – Industry, Innovation and Infrastructure:

INNOVATIONS form the basis for future growth and for developing environmentally friendly products. For this reason, NORMA Group sets internal incentives for its employees to generate new ideas.



Goal 12 – Responsible Consumption and Production:

NORMA Group seeks to reduce consumption of resources in production and conducts measures to do so at every plant. Furthermore, NORMA Group is increasingly taking sustainability criteria into account when purchasing materials **MATERIAL PROCUREMENT**.



Goal 13 – Climate Action:

NORMA Group’s environmental strategy focuses on **REDUCING GREENHOUSE GASES**.

In addition, NORMA Group also contributes to the implementation of other objectives (such as **“Goal 3 – Good Health and Well Being”** as part of occupational health and safety measures, **“Goal 5 – Gender Equality”** as part of the **NORMA CLEAN WATER** project with Plan International, e.g. by organizing equal opportunity workshops, and **“Goal 11 – Sustainable Cities and Communities”** through products in the area of infrastructure and water management). We have been acting on **“Goal 17 – Partnerships for the goals”** via sub-targets 17.16 and 17.17 through our past (India) and current partnerships (Brazil) with Plan International in the developing countries of the Global South and will continue to do so.

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Sustainability Ratings and Sustainable Finance

Positive feedback from sustainability ratings

In 2023, NORMA Group again received independent feedback from rating agencies on its performance in the area of CR. The questions asked of NORMA Group in this context are based on the most important sustainability indicators from the areas of environment, social affairs, and corporate governance. As a rule, NORMA Group is required to be able to substantiate its commitment to sustainability with documents and certificates. The results of the ratings are primarily used by two stakeholder groups: customers and financial market players.

NORMA Group's performance in sustainability ratings

T009

Sustainability ratings	Score 2023	Score 2022
CDP	<ul style="list-style-type: none"> Score: C Awareness-Level 	<ul style="list-style-type: none"> Score: C Awareness-Level
EcoVadis	<ul style="list-style-type: none"> Score: 75 of 100 Gold-Standard 	<ul style="list-style-type: none"> Score: 75 of 100 Platinum-Standard
ISS ESG	<ul style="list-style-type: none"> Score: C+ Prime Status 	<ul style="list-style-type: none"> Score: C+ Prime Status
MSCI	<ul style="list-style-type: none"> Score: AA Leader 	<ul style="list-style-type: none"> Score: AA Leader
Sustainalytics (standard report)	<ul style="list-style-type: none"> Risk Score: 16.7 of 100 Low Risk 	<ul style="list-style-type: none"> Risk Score: 17.3 of 100 Low Risk
Sustainalytics (Score-Log report (2019 methodology))	<ul style="list-style-type: none"> Risk Score: 15.1 of 100 Management Score: 71.0 	<ul style="list-style-type: none"> Risk Score: 15.4 of 100 Management Score: 70.3

The feedback received by NORMA Group was again positive in 2023. The CR measures received consistently good ratings from the rating agencies.

For NORMA Group, the positive results mean a confirmation of its approach to CR. At the same time, the company is using the feedback to continuously develop its CR strategy and organization.

Improved loan terms through progress in sustainability management

For the first time, NORMA Group set up a syndicated loan in 2019 that contained a sustainability component to partially refinance its business activities. In addition, a promissory note with three-, five- and seven-year terms with a corresponding ESG component was successfully placed on the market in summer 2023. The sustainability component links the terms of refinancing to NORMA Group's CR commitment. By demonstrating a lasting good sustainability performance, NORMA Group gains access to more favorable loan conditions.

The evaluation of the Sustainalytics rating agency serves as the basis for assessing the sustainability performance. It assesses NORMA Group holistically in various sustainability categories such as corporate governance, climate management and human rights. While the rating methodology for the standard Sustainalytics report is evolving, the methodology for the sustainability component of the syndicated loan remains largely unchanged compared to the base year 2019 and thus ensures comparability for the term of the loan.

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NORMA Group was in 2023 again able to demonstrate a strong management score. With a risk score of 16.7, NORMA Group belongs to the 50 [“ESG TOP-RATED”](#) companies in the industry group and is ranked 19th out of a total of 591 rated companies within the industry group.

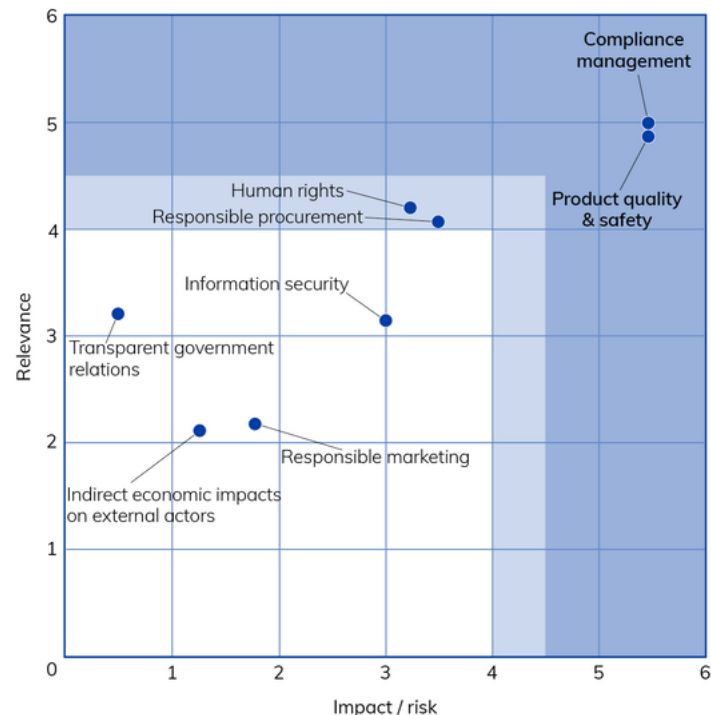
With a loan term of up to seven years (until 2026 for the syndicated loan and until 2030 at the latest for the promissory notes), the inclusion of the sustainability component in the refinancing strategy is an important step toward integrating sustainability aspects into NORMA Group's core business in the long term. Further information on refinancing can be found on NORMA Group's website www.normagroup.com.

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Governance

Materiality matrix

G009



Compliance

Clear understanding of values embedded in globally applicable guidelines

NORMA Group’s understanding of values forms the basis for all business decisions and activities in the Group. In particular, the global focus of the company makes worldwide implementation and compliance with codes of conduct especially important.

The implementation of compliance-specific frameworks sets rules clearly and transparently. The main compliance guidelines at NORMA Group are

- the [CODE OF CONDUCT](#),
- the [ANTI-CORRUPTION POLICY](#) and
- the [SUPPLIER CODE OF CONDUCT](#).

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The compliance guidelines also include requirements in the area of [HUMAN RIGHTS](#) (including freedom of association, forced and child labor, and anti-discrimination).

The guidelines are regularly reviewed regarding the need for updates and adapted as required. In fiscal year 2023, the “Whistleblower Protection” policy was published, which provides employees and external parties with comprehensive and detailed information on the whistleblowing process, reporting channels and the mechanisms in place to protect whistleblowers.

NORMA Group’s compliance management system is aimed at ensuring that its values and rules are lived throughout the Group. Concrete steps are determined, implemented, and tracked in a Compliance Action Plan.

Group-wide compliance management

The Management Board of NORMA Group is responsible for an effective compliance management system. Compliance forms an integral part of the overarching “Integrity” department, which – in addition to compliance – addresses the topics of data protection and information security. This bundling not only considers the growing importance of these topics, but also adequately reflects their increasing interlinking in terms of content.

Group-wide compliance activities are managed by the Director Integrity of NORMA Group SE, who regularly reports to the Vice President Integrity and is able to report directly to the Chairman of the Management Board [CORPORATE GOVERNANCE REPORT](#). In addition to the main compliance department at Group level, Compliance Delegates are appointed at the level of the regions EMEA, Americas and Asia-Pacific, as well as at operationally active individual entities. The Compliance Delegates of the individual Group companies are in regular contact with the other local departments and regularly report to the respective Regional Compliance Delegates, who in turn report to NORMA Group Compliance.

Any member of NORMA Group’s compliance organization can be contacted at any time on any compliance issue. The compliance department is in close communication with the legal department of NORMA Group in order to continuously take into account new or changed legal requirements in the compliance risk analyses and in the compliance program. In addition, close contact is maintained with Internal Audit for updates on recent developments.

The effectiveness of the compliance organization set up by the Management Board is monitored by the Supervisory Board of NORMA Group SE, which is informed about compliance matters as needed.

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NORMA Group's Compliance Management System

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Close risk monitoring and control

The identification and assessment of relevant compliance risks forms an important basis for the compliance program and therefore for the compliance management system as a whole. NORMA Group carries out the respective risk analyses and is in close contact with relevant departments (e.g. Internal Audit, Risk Management).

The risks to which NORMA Group is exposed form the basis for determining the compliance program and the respective measures. Implementing these measures and adhering to the compliance rules are also regular audit tasks of internal auditing.

Systematic, demand-oriented training of employees

To ensure the effectiveness of NORMA Group's compliance management system, all employees must be familiar with the relevant legal requirements and internal compliance guidelines. The goal is for all employees of NORMA Group to know the compliance rules, as well as the contact persons and reporting channels.

The compliance training that NORMA Group offers serves as the basis for this. It mainly takes place in form of online training sessions and as face-to-face sessions if necessary. Depending on the job and responsibility profile of an employee, the training courses to be completed are assigned as needed. During training, the employees receive concrete support on which behavior is in line with the compliance guidelines and can test their knowledge in practical assessments and case studies. They can then review their conduct on the basis of practical questions and case studies. The training courses of fundamental importance, which must be completed as basic training by all NORMA Group employees with a PC workstation, include the online training courses "Code of Conduct & Compliance Basics" and "Anti-Corruption." Depending on the job profile, employees must attend specific focus training sessions (including "Antitrust law"). Furthermore, the knowledge of employees is updated and extended as

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required through refresher courses. “Compliance Safety Cards” were handed out to employees without a PC workstation, especially those who work in production. They are available in all the necessary languages and clearly communicate relevant compliance topics.

In fiscal year 2023, 1,264 employees (2022: 2,080) received online compliance training. In this context, training courses totaling 1,864 hours (2022: 2,535) were conducted. The decrease in both the number of employees trained and the number of training hours compared to the previous year is due in particular to the fact that in 2022 there was a full re-enrollment in the revised and updated “Anti-Corruption” training. In fiscal year 2023, the Integrity department also provided training on data protection and information security. Employees completed a further 3,459 hours of training in these subject areas.

The need for training is checked regularly. Internal reporting records the status of compliance training. Compliance-related topics are also communicated via additional channels such as posters, brochures and Compliance Safety Cards that summarize key compliance topics in condensed form, as well as e-mails and intranet articles.

Various ways of reporting violations

NORMA Group encourages its employees to report violations of rules and internal policies, even across hierarchical levels. Besides personally approaching supervisors, the Human Resources department or Compliance Delegates, NORMA Group’s [INTERNET-BASED WHISTLEBLOWER SYSTEM](#) enables anonymous reporting of incidents by internal or external whistleblowers. The compliance organization follows up on reports of compliance violations. The reporting process and mechanisms in place to protect whistleblowers are described in the policy [WHISTLEBLOWER PROTECTION](#). Further information on the whistleblower system can be found in the [CORPORATE GOVERNANCE REPORT](#).

In cases in which the electronic whistleblower system is more difficult for employees to use for technical or organizational reasons (a lack of PC access by employees in production, for example), NORMA Group offers other appropriate reporting channels, such as notice boxes at the plants or reporting directly to NORMA Group Compliance by e-mail or by meeting in person, for instance. Besides the main electronic whistleblower channel, NORMA Group offers supplementary or alternative reporting channels at all sites at which local laws require these channels to be made available.

Both the suitability and the appropriateness of the reporting system are reviewed on a regular basis – with regard to the requirements of the “Directive (EU) 2019/1937 of the European Parliament and of the Council of October 23, 2019, on the protection of persons who report infringements of Union law” (“Whistleblower Protection Directive”) as well as the respective implementing laws of the member states, for example. The system is adapted if necessary. NORMA Group is closely monitoring further developments with regard to the implementation in national laws by individual member states in which NORMA Group also operates reporting channels, which in some cases contradicts the EU Directive. Necessary adjustments are made if required.

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Human Rights

NORMA Group is committed to international human rights

NORMA Group categorically rejects the violation and restriction of human rights in any form. The company is committed to the Universal Declaration of Human Rights, as well as to the core labor standards of the International Labour Organization (ILO). [CR-POLICY](#) [STATEMENT OF PRINCIPLE ON HUMAN RIGHTS](#)

NORMA Group rejects all forms of forced, compulsory and child labor. In doing so, ILO Conventions Nos. 138 and 182 are recognized as the minimum standard for protection against child labor. The company is also committed to preventing slavery and human trafficking in its business activities.

Furthermore, NORMA Group recognizes the right of its employees to join unions and to found employee representations. NORMA Group rejects discrimination based on ethnic background, nationality, age, gender, sexual orientation, and religion and supports measures to promote diversity within the Company. [DIVERSITY AND EQUAL OPPORTUNITY](#)

Monitoring and awareness-raising measures

NORMA Group's commitment to human rights is also reflected in its Code of Conduct. In the course of the revision of [CODE OF CONDUCT](#) in 2020, a separate section on human rights was added to clarify NORMA Group's position.

If employees observe human rights violations, they can report them at any time via the [COMPLIANCE REPORTING CHANNELS](#). Among other things, the NORMA Group whistleblower system provides them with the category "Violations of social standards and human rights". In the areas of anti-discrimination and freedom of association, NORMA Group also monitors whether its commitment is being met through regular internal reporting of legal disputes. In 2023, there were no cases of discrimination or violations of freedom of association by NORMA Group that were established by the courts.

NORMA Group also endeavors to take its responsibilities seriously along the value chain. In the [SUPPLIER CODE OF CONDUCT](#), the Company obliges its strategic suppliers to respect and comply with human rights. However, due to the size and complexity of the value chain, human rights violations cannot be completely ruled out as a matter of principle. Beyond its direct business partners, NORMA Group has only limited influence on compliance with minimum standards. If the company becomes aware that business partners are committing or tolerating human rights violations, the business relationship is re-evaluated, and terminating the contract is considered. In the event of violations by employees, NORMA Group will take measures that may even lead to termination of employment.

Product Quality and Safety

Product quality and safety is a key customer promise

Product quality is of great importance in all industries relevant to NORMA Group. As joining elements for various individual parts, NORMA Group's products are often critical to proper functioning for the direct customers. A malfunction in only one single element could affect the functioning and the safety of an entire application. That is why NORMA Group wants to guarantee its customers the highest level of reliability with its brands. Quality, customer requirements and added value for society are thus directly linked.

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An important non-financial control parameter for improving product quality is the number of defective parts per million (PPM). PPM is the number of confirmed defective parts divided by the number of parts delivered and again multiplied by one million. In 2023, this number was at 2.2 PPM, and thus once again below the previous-year figure (2022: 2.9 PPM). Further information on managing product quality and safety can be found in the [ECONOMIC REPORT](#).

Sustainability in purchasing

Corporate responsibility in purchasing

In fiscal year 2023, NORMA Group purchased goods and services worth EUR 537.1 million. The aim is to ensure that aspects of CR are considered in this context. The purchasing department pursues the long-term goal of making contractual relationships with suppliers socially and environmentally compatible and of ensuring that human rights, labor, and environmental standards are adhered to.

The purchasing process is aimed at ensuring and improving NORMA Group's high quality standards and managing external supplier costs competitively in order to achieve maximum value creation for the company. However, it also entails risks with regard to negative impacts on the environment and social standards in the supply chain. For this reason, not only pure price factors are taken into account in purchasing processes, the quality, logistics and sustainability of suppliers are also assessed. [ECONOMIC REPORT](#)

Managing sustainability in purchasing is the responsibility of the global purchasing organization, which reports to the Chief Operating Officer. [CORPORATE GOVERNANCE REPORT](#) Every team member of the purchasing organization contributes to it in the course of making sourcing and nomination decisions.

Supplier Code of Conduct forms the framework

NORMA Group expects its suppliers to conduct their business in compliance with laws, ethics, and respect for human rights, as well as occupational safety and environmental standards.

For these reasons, the purchasing department has integrated social and ecological sustainability aspects into its processes and organization. One key example is the purchasing manual, which describes all essential processes and procedures used as a framework for the global organization. The basis for sustainable supplier relations is the [SUPPLIER CODE OF CONDUCT](#). This globally valid Code of Conduct outlines NORMA Group's expectations for the sustainable management of its suppliers in the areas of human rights, occupational health and safety, the environment and business integrity. With respect to human rights, the Supplier Code of Conduct is based on regulations issued by the ILO, the Universal Declaration of Human Rights, the UN Global Compact and the standard SA8000.

At the end of 2023, a new version of the Supplier Code of Conduct was rolled out as part of the Act on Corporate Due Diligence Obligations in Supply Chains to account for the requirements set out in the act.

The commitment to the Supplier Code of Conduct plays an important role in the normal purchasing processes. In addition to meeting quality standards and other requirements such as the standard of delivery service, a supplier can only be classified as 'preferred' within commodity group management if it signs the Supplier Code of Conduct. The number of 'preferred' suppliers in the area of production materials was 20 in 2023 (2022: 15). The share of preferred suppliers in production material purchasing spend increased to 22.9% in fiscal year 2023 compared to 18.3% in the previous year. Approval of the Supplier Code of Conduct is a binding criterion in the catalogue of requirements when selecting new suppliers.

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Supplier Code of Conduct:

forms the basic understanding of sustainability management in purchasing; signing the Supplier Code of Conduct is a condition to be graded 'preferred' supplier



Supplier Scoring:

takes place once a year; environmental and occupational health and safety certificates as well as the sustainability questionnaire are used as criteria in the scoring



Commodity Strategies:

contain sustainability fact sheets that quantify impacts on climate and water and identify improvement potentials



Training:

standard training for all employees in the purchasing department on sustainability tools in purchasing

The Act on Corporate Due Diligence Obligations in Supply Chains

NORMA Group is currently not directly subject to the scope of the Act on Corporate Due Diligence Obligations in Supply Chains. Nevertheless, NORMA Group is committed to meeting the requirements according to customer specifications in line with the legal basis. This includes updating the Supplier Code of Conduct and raising awareness among the purchasing organization and suppliers in this regard.

Sustainability in commodity management

An important way of supporting sustainability in purchasing is the introduction of a new Commodity Strategy Template. These strategy documents include Sustainability Fact Sheets as an analytical approach to assess sustainability throughout the supplier base. The Sustainability Fact Sheets include information on suppliers' environmental and health and safety certificates (ISO 14001 and OHSAS 18001 or comparable standards). The

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fact sheets are in line with NORMA Group’s [ENVIRONMENTAL STRATEGY](#). They quantify each commodity’s impact on greenhouse gas emissions and water consumption and show commodity managers improvement measures. A large proportion of the commodity strategies already contain this sustainability information.

Sustainability self-assessment for suppliers

To be able to better assess, compare and manage suppliers, NORMA Group uses Group-wide supplier scoring. In addition to the price, numerous other factors are also considered, such as quality, cost transparency and logistics services. One of the four pillars is “sustainability”, in which environmental and occupational safety certifications are included in the score.

In 2023, the voluntary sustainability self-assessment again formed part of the supplier scoring. NORMA Group asked its suppliers for information on social issues (freedom of association, grievance mechanisms and accidents), environmental issues (including carbon emissions, water consumption and waste management) and compliance issues. The evaluation of the self-assessment showed that it was completed by 31.5% of the suppliers included in the scoring. This was a decrease of two percentage points compared to last year (2022: 33.5%). One of the reasons for this decrease may be that suppliers who had already completed the Sustainability Self-Assessment were no longer relevant for scoring out of strategic reasons.

Sustainability criteria in risk management

Besides the annual supplier performance evaluation, supplier risks are constantly monitored by means of an automated risk management software. It is the responsibility of all buyers to review risk reports, this includes contacting affected suppliers and reporting relevant and critical risks to commodity managers. This helps the purchasing organization to maintain an overview of resilience in the supply chain and to initiate the necessary measures in good time.

Besides human rights and working condition risks, the software also monitors environmental risks as well as corruption and bribery risks at the national level. Supplier risks with regard to the occurrence of fines and sanctions, including those related to corruption, bribery or price fixing, are also covered by the software.

Excluding conflict minerals from the supply chain whenever possible

NORMA Group also purchases minor amounts of components that contain what are known as “3TG raw materials” – tin, tantalum, tungsten, and gold in small quantities. These raw materials are particularly controversial in that a large part of the ore deposits lie in conflict regions (particularly those of the Democratic Republic of Congo), where they are partially mined and processed under serious violations of international law. NORMA Group aims to exclude these conflict minerals from its supply chains as far as possible. NORMA Group does not buy these minerals directly. However, they are partially included in components from suppliers. For example, small amounts of gold are used in urea lines, and some components are finished with a coating consisting of tin.

The NORMA Group purchasing organization is committed to the principles of the Responsible Minerals Initiative, including the use of due diligence processes provided by the initiative. The due diligence processes are based on the Conflict Minerals Reporting Template (CMRT) of the Responsible Minerals Initiative, which all relevant suppliers must provide.

In addition, the aim is to ensure that as many suppliers as possible have signed the Supplier Code of Conduct. In it, they are asked to confirm that they agree to cooperate on due diligence measures related to conflict minerals.

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NORMA Group shares the information it receives with its customers as transparently as possible. Given the large number of products, suppliers, and subcontractors, it is usually not possible with a reasonable amount of effort to make any detailed traceability statements as to which melting operation or mine the raw materials come from for a specific product for a particular customer.

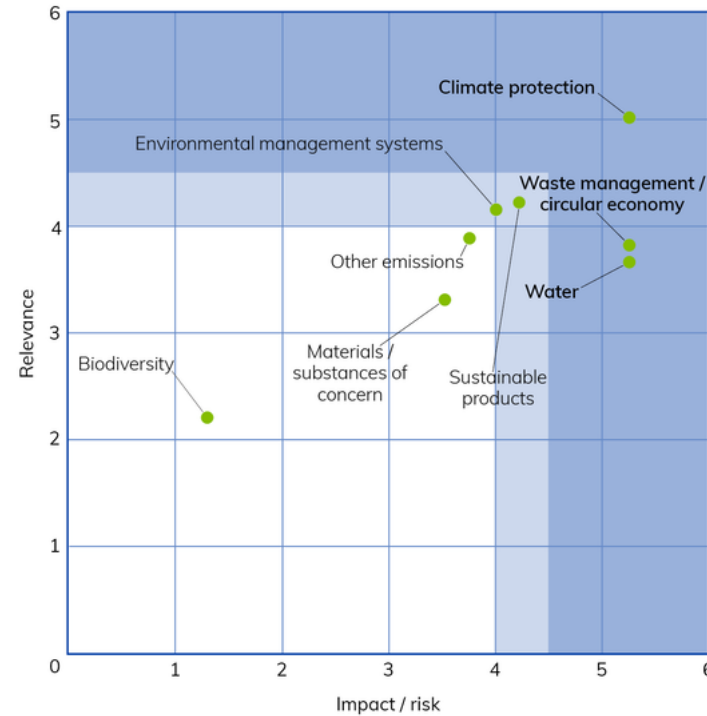
Furthermore, the initial sanctions list check for new suppliers is established in the purchasing processes. The sanctions list check is carried out in the Visual Compliance Tool DESCARTES, for which NORMA Group's Trade Compliance team is responsible. If risks related to conflict materials are detected, corrective actions are initiated immediately. In addition to the initial check, the current supplier base is also reviewed on a regular basis by conducting batch screening.

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Environment

Materiality matrix

G011



Sustainable Products and Innovations

Sustainability in the innovation process and product development

NORMA Group offers product solutions that help its clients to respond to megatrends such as scarcity of resources and climate change. The long-term economic success of NORMA Group also depends on whether NORMA Group keeps this promise. Should this not be the case, NORMA Group would face medium to long-term risks around sales development. [CLIMATE-RELATED RISKS](#)

The strategic orientation of NORMA Group’s innovation management therefore builds on these megatrends and focuses on emissions reduction and scarcity of water. Based on these long-term trends, [FORESIGHT MANAGEMENT](#) and business development identify potential market segments for NORMA Group, for example in water management or the areas of battery cooling and exhaust treatment. NORMA Group measures its ability to innovate based on

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the invention applications reported by employees in a formalized process. In 2023, the number of invention applications was 20 (2022: 21). The number of invention applications is an important key figure.

Simultaneously, NORMA Group gives all employees the opportunity to actively contribute their own ideas. In relation to this an Innovation Platform was implemented in 2022, in which all employees with a PC access can participate. The Foresight manager facilitates and moderates the platform.

Furthermore, NORMA Group has integrated sustainability aspects into the product development process itself. Products are evaluated according to whether their materials are recyclable, whether the design is as light as possible (thus avoiding unnecessary emissions in the production and use phase, especially in the automotive sector) and whether they take environmental requirements, such as those relating to hazardous substances, into account.

Further information on the topic of innovation management can be found in the chapter [RESEARCH AND DEVELOPMENT](#).

Further information on the topics of e-mobility and water management can be found in the respective subchapters. [WATER MANAGEMENT](#) [CLIMATE PROTECTION](#)

Environmental Strategy and Management Systems

NORMA Group's environmental strategy

To further structure and enforce its efforts in the area of environmental management, NORMA Group developed an environmental strategy in 2018.

The environmental strategy is based on the material topics identified in the materiality analysis conducted in accordance with the German Commercial Code, namely climate, water and waste generation [STAKEHOLDERS AND MATERIALITY](#). The strategy clusters each of these topics into three levels: At the core is the management within NORMA Group's own operations. The second level targets impact assessments along the value chain, followed by the outer level of pilot projects. This three-level approach allows the company to focus on those operations that lie in its direct sphere of influence while not neglecting impacts that arise in its supply chain or during the products' use phase.

NORMA Group is continuously working on the further development of its existing environmental strategy as part of a CR strategy. The targets set in the environmental strategy have been integrated into the CR Roadmap. [CR TARGETS](#) Detailed approaches to the three different topics will be explained in the following chapters.

Certification of manufacturing sites according to ISO 14001

The increasing importance of environmental management in production processes is reflected in the increasing scarcity of resources, stricter regulatory requirements and the expectations of customers, capital markets and society towards the company. If not managed systematically and implemented throughout the entire Group, these trends might translate into risks for the company.

As of December 31, 2023, 92.0% (23 of 25) of these manufacturing sites were certified according to ISO 14001. The locations that had not been certified on the reporting date are the subsidiary Connectors in Switzerland and

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the new Lithia Springs site in the USA, which opened in August 2023. The principles laid down in NORMA Group's global [ENVIRONMENTAL POLICY](#) form the basis for management in accordance with ISO 14001.

Responsibility for the environmental management systems and the associated topics regarding climate, water and waste at NORMA Group's manufacturing locations lies with the department for Environment, Health and Safety (EHS department), which is staffed with qualified personnel at all production sites. On the global level, EHS management reports to the Management Board member that is responsible for operations. [CORPORATE GOVERNANCE REPORT](#)

This structure allows for developing and implementing specific measures in accordance with local environmental challenges on the one hand and site-specific production processes on the other. To ensure compliance with ISO 14001 standards, sites are audited regularly every three years by external specialists. Progress on the achievement of targets in the areas of climate, water and waste is evaluated in regular management reviews on a local level and through the reporting of aggregated data to the Management Board on a global level.

Along the supply chain, similar environmental risks as for NORMA Group itself exist because most suppliers also come from the manufacturing industry. Assessment and verification of these potential sustainability and financial risks are the responsibilities of the purchasing department. [SUSTAINABILITY IN PURCHASING](#) [PURCHASING AND SUPPLIER MANAGEMENT](#)

Climate protection

Climate-related opportunities and risks

Climate change has a direct impact on various sectors of the economy, which could have direct and indirect consequences for NORMA Group over a long-term time horizon until 2030.

On one hand, both the reduction of greenhouse gases (GHGs) and the adaptation to global warming offer opportunities for NORMA Group. These include, for example, new or growing market segments in the fields of Mobility & New Energy and Water Management, which can have a positive impact on sales development. At the same time, energy savings offer the potential to reduce NORMA Group's operating costs. Last but not least, NORMA Group can benefit from the increasing relevance of this topic in the financial markets by positioning itself as a sustainable investment and thus reducing capital costs.

Conversely, risks can also result from these developments. For example, the increase in the production of alternative forms of drive leads to a decline in the market for conventional drives, a market in which NORMA Group is also active. Increased pricing of greenhouse gases may result in higher operating costs. On the capital market side, a changed reputation can lead to reluctance on the part of capital market players focused on sustainability and thus to higher capital costs.

NORMA Group counters these opportunities and risks with a clear strategy and active management in the areas of [WATER MANAGEMENT](#), [MOBILITY & NEW ENERGY](#) and [RESEARCH AND DEVELOPMENT](#). With regard to the risks related to its own production processes, NORMA Group operates a structured environmental management system at all production sites, with clear targets for reducing greenhouse gases.

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Progressive climate change does not only mean risks and opportunities for NORMA Group's business. NORMA Group's business activities also contribute to the emission of greenhouse gases. This applies in particular to emissions caused by the production of purchased materials and its own production processes.

Active Management of Mobility & New Energy

NORMA Group is making an active contribution to electromobility by developing new products such as quick connectors and thermal management systems. These solutions optimize the cooling and heating of batteries, as well as the complex power electronics, the drivetrain and other sub systems of electric vehicles. During product development, they are tailored to solve the main challenges faced by customers: weight savings, lack of space and the reduction of pressure drop in coolant systems. Minimized pressure loss ensures optimal performance of the thermal management systems.

In addition to providing solutions to these requirements, NORMA Group also guarantees the highest safety standards by applying its experience from the design of fuel transport systems to the demanding environment of batteries and cooling water.

NORMA Group manages its Mobility & New Energy efforts in a project-based organization including close collaboration between engineering and sales. Additional training serves to drive knowledge and know-how sharing between all internal stakeholders. By doing so, the company has the flexibility to react efficiently on emerging and very dynamic markets and to connect the new challenges to its current product portfolio and customer expertise. To ensure global alignment and steering, all projects are coordinated and supported by the Electromobility Global Product Management team.

Production-related emissions (Scope 1 and 2)

NORMA Group is currently concentrating on the collection and management of its greenhouse gas emissions from gas and LPG consumption (Scope 1), as well as from purchased electricity and district heating (Scope 2) at its production sites. Administration buildings and distribution centers are excluded from the Scopes. Greenhouse gas emissions from electricity consumption are calculated using a combination of location-based and market-based methods: NORMA Group uses emission factors from energy suppliers where these specific factors are available (market-based). This will be the case at 14 locations in the fiscal year 2023. If this is not the case, NORMA Group uses country emission factors provided by the International Energy Agency (location-based). Values on emissions calculated according the location-based methodology can be found under [CR PERFORMANCE INDICATORS](#). The Scope 3 categories will be quantified in the fiscal year 2024 as part of the "Corporate Carbon Footprint" project.

In 2023, Scope 1 emissions amounted to 4,837 tons of CO₂ equivalents (2022: 4,645 tons), while Scope 2 emissions were 227 tons, market-based, of CO₂ equivalents (2022: 234 tons, market-based). Overall, emissions from Scope 1 and 2 were thus 5,064 tons of CO₂ equivalents (market-based and only NORMA Group production sites), 3.8% above the previous year's figure (2022: 4,879 tons, market-based and only NORMA Group production sites). Since January 2022, NORMA Group has purchased electricity from renewable energies at all production sites. NORMA Group purchases "Energy Attribute Certificates" for this purpose. For each megawatt hour consumed at each production site, a certificate is available which proves that the electricity was obtained from renewable energies. The certificates meet all the requirements of the [GHG PROTOCOL](#).

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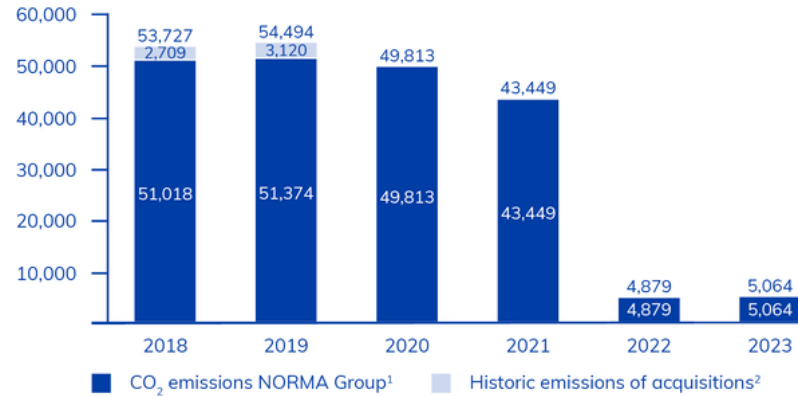
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The corresponding energy consumption of gas, electricity, LPG, solar panels, and district heating (combined) was 126,070 megawatt hours or 102.3 kilowatt hours per EUR thousand of revenue (2022: 101.8 kilowatt hours per EUR thousand of revenue). Specific energy consumption therefore rose by 0.6% compared to the previous year.

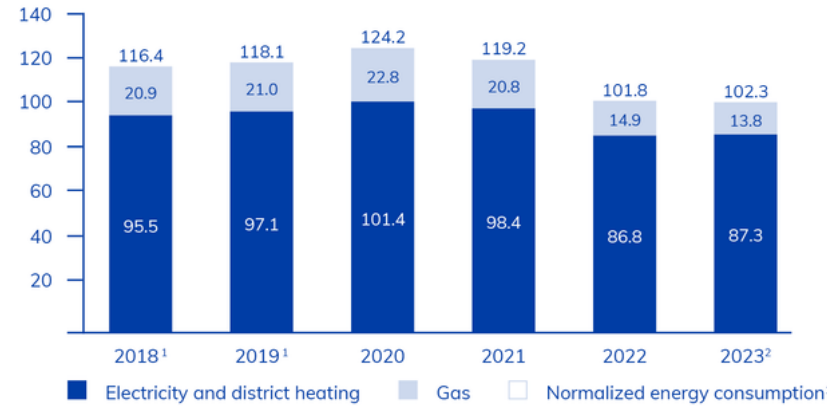
Development of greenhouse gas emissions (Scope 1 and 2) from gas, electricity and district heating, in tons of CO₂ equivalents G012



1. The CO₂ emissions for the target value are reported in accordance with the GHG Protocol (market-based, Scope 1 and Scope 2). Scope 1 only includes emissions from natural gas and liquid gas and Scope 2 emissions from purchased electricity and district heating. When recording emissions, only emissions relating to the production sites are taken into account. Since January 2022, NORMA Group has purchased electricity from renewable energy sources at all production sites. NORMA Group purchases "Energy Attribute Certificates" for this purpose. These are also included in the target value.
 2. Estimation of emissions from Kimplas Piping Systems and Statek Stanzertechnik, which were only integrated into environmental reporting in 2020. Values without adjustment: 2017: 52,145 t; 2018: 51,018 t; 2019: 51,374 t. For calculation see GHG Protocol, chapter 5.

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Development of specific energy consumption¹
in kilowatt hours per EUR thousand of revenues G013



¹In 2020, the acquired entities Kimplas Piping Systems Ltd. and Statek Stanzertechnik GmbH were integrated into NORMA Group's environmental reporting. In order to ensure comparability with previous years, historic energy consumption data was updated back to the time of acquisition in 2018. Detailed information may be found in the data chapter on page 102.
²Total energy consumption in 2023 also includes the energy consumption of solar energy and liquified gas in addition to the last few years.

Target to reduce greenhouse gas emissions

Climate-relevant carbon emissions are a significant non-financial performance indicator for NORMA Group. For Scope 1 and 2 emissions, NORMA Group has set itself an absolute reduction target. NORMA Group aims to reduce its Scope 1 and 2 emissions by at least around 19.5% compared to 2017 by 2024⁵. In setting its climate target, NORMA Group followed the recommendations of the [SCIENCE-BASED TARGETS INITIATIVE](#) (Science-based target setting tool 1.1, Absolute Contraction Approach). The target does not consider emissions resulting from growth by acquisitions and forms part of the NORMA Group Management Board's remuneration components. [REMUNERATION REPORT](#)

In order to achieve this goal, NORMA Group manages the energy consumption of all production sites and is integrating the energy reduction targets into its [ENVIRONMENTAL MANAGEMENT SYSTEMS](#). At NORMA Group, the individual plant management is responsible for the concrete measures taken to reduce energy consumption and thus greenhouse gas emissions. For example, solar panels were installed in China to reduce energy consumption and Group-wide ESG software has been introduced for general energy consumption management, which each site needs to use to report and check its energy data on a monthly basis. This means that local and regional energy consumption is monitored on a monthly basis.

⁵ The target includes Scope 1 emissions from natural gas and LPG and Scope 2 emissions from purchased electricity and district heating (market-based) of all production sites. Energy Attribute Certificates are also included in the target value.

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Water

NORMA Group's products provide water management solutions

According to the [THE WORLD RESOURCES INSTITUTE](#) (WRI), a quarter of the world's population lives in countries facing extremely high water shortages, where more than 80% of the available supply is withdrawn every year by irrigated agriculture, industries and municipalities alone. At the same time global water demand will increase by about 55% as water use increases, especially in manufacturing (+400%) but also in domestic use (+130%) [OECD](#). At the same time, heavy rainfall and storm water events are increasing worldwide, which can overwhelm local sewage systems, affecting water quality and causing enormous damage to homes and key infrastructure. NORMA Group recognized these developments at an early stage and has made establishing a global position in water management a strategic priority. Most predominantly, NORMA Group's water management product offering includes drip irrigation systems that reduce water consumption significantly compared to sprinkler irrigation and hand watering, as well as rainwater management solutions designed to protect properties from water damage and increasingly ensure that rain and stormwater runoff is used sustainably.

NORMA Group's water management business is managed in its global "Water Management" business unit. It currently comprises NORMA Group's US subsidiary NDS and growing organizations in the Asia-Pacific region. The regional businesses collaborate on global initiatives and are coordinated by the president for Water Management and his team. The strategy and organization for Water Management were further strengthened.

Substantial investments were made in operations and in the areas of digitalization and new product development to support the global growth targets. With the opening of the plant in Lithia Springs in the US state of Georgia in May, production capacities for Water Management were also expanded. The acquisition of Teco Srl announced in December 2023 marks the next step for the European water business. NORMA Group intends to build on this success and push ahead with the further expansion of its activities in the EMEA region.

Water consumption in production

With its worldwide presence, NORMA Group is also represented in regions with a medium to high risk of water scarcity (according to the [AQUEDUCT METHODOLOGY](#)). Against this backdrop, NORMA Group also has a special responsibility to handle this resource carefully in its own production.

For years, NORMA Group has been working to continuously reduce the use of water in its own production processes. In its environmental strategy, NORMA Group addresses both the water consumption at its manufacturing sites and along the value chain. For our own locations, NORMA has set the target of a reduction of water consumption of 139,7 liter per TEUR sales. [ENVIRONMENTAL MANAGEMENT SYSTEMS](#).

NORMA Group focuses on its manufacturing sites as a framework for data collection and targets because water consumption at its administrative and distribution sites plays only a minor role due to significantly lower consumption levels. The control of water consumption follows the structure and responsibilities of the [ENVIRONMENTAL MANAGEMENT SYSTEMS](#).

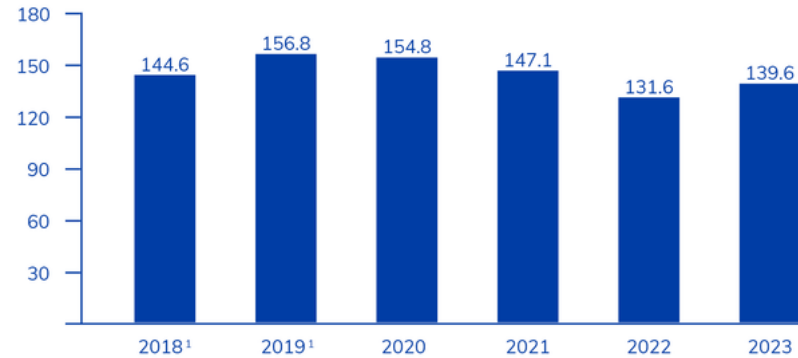
The water that NORMA Group consumes is used to a large extent for cooling processes within production. In 2023, the water consumption of NORMA Group's production totaled 171,943 cubic meters. This translates into an 5.0% increase in water consumption compared to the previous year (2022: 163,680 cubic meters). Specific water consumption also increased by 6.0% to 139.6 liters per EUR thousand of revenue (2022: 131.6 liters per EUR thousand of revenue). In the reporting year, specific measures were implemented to reduce water consumption,

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like the installation of water meters to monitor water consumption and modifications to certain production machines to reduce water consumption.

The implementation of ISO 14001 at NORMA Group also covers the handling of wastewater. The vast majority of wastewater at NORMA Group sites is discharged to municipal wastewater systems or local sewage treatment plants.

Water consumption (revised¹) in liter per EUR thousand of revenue G014



¹In 2020, the acquired entities Kimplas Piping Systems Ltd. and Stetek Stanzertechnik GmbH were integrated into NORMA Group's environmental reporting. In order to ensure comparability with previous years, historic water consumption data was updated back to the time of acquisition in 2018. Detailed information may be found in the data chapter on page 102.

Resource Efficiency and Materials

Economic and environmental drivers for resource efficiency

As a manufacturing company, NORMA Group depends on various raw materials and primary products as important precursors of its products. NORMA Group's total production materials turnover amounted to EUR 377.9 million in 2023 (2022: 417.8 million). The largest share was accounted for by steel and metal components, granules and plastic and rubber products. [PURCHASING AND SUPPLIER MANAGEMENT](#) Efficient handling of the raw materials required for production is therefore both needed from an environmental point of view and economically necessary to reduce production costs.

Considering NORMA Group's procurement portfolio, price increases for raw materials are considered likely (2022: likely) overall. However, the associated financial impact is estimated to be minor. [RISK AND OPPORTUNITY REPORT](#)

Reducing waste volumes

A key indicator of the efficient use of raw materials is the volume of waste. NORMA Group collects data on both hazardous and non-hazardous waste (metal, plastic, paper, wood, and other waste). As with other environmental data, NORMA Group reports waste data in relation to sales to improve internal and external comparability.

The reduction of waste generation is controlled in accordance with the environmental management systems (EMS). The EHS department is responsible for ensuring adequate waste management that is implemented at the

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plant level in accordance with ISO 14001 standards [ENVIRONMENTAL MANAGEMENT SYSTEMS](#) In its CR Roadmap, NORMA Group has set the goal of further reducing the amount of waste in relation to revenue in 2023. [CR TARGETS](#)

Volumes of various forms of waste T010
in kg per EUR thousand of revenue

	2023	2022	Change in % ¹
Non-hazardous waste	9.29	9.65	-3.7
Metallic waste	5.19	5.48	-5.3
Plastic waste	0.85	0.94	-9.6
Cardboard / paper waste	0.58	0.54	7.4
Wood waste	0.77	0.80	-3.8
Other waste ²	1.91	1.89	1.1
Hazardous waste³	0.68	0.61	11.5

¹The percentage change is based on unrounded absolute figures.

²Total weight of all other types of non-hazardous waste (including residual waste, excluding wastewater).

³Total weight of waste requiring special hazardous handling and treatment (due to local legislation).

In 2023, the absolute amount of non-hazardous waste decreased by 4.5% to 11,456 tons (2022: 11,990 tons). In relation to revenue, non-hazardous waste amounted to 9.29 kg per EUR thousand of revenue (2022: 9.65 kg per EUR thousand of revenue). This corresponds to a reduction of 3.7%. Measures to reduce waste relate primarily to reducing the amount of scrap produced by optimizing production machinery and processes.

Metallic waste continued to be the largest waste category. Although a significant proportion of NORMA Group products are made of plastics, the waste produced in this process, however is often reused in the production process itself.

In 2023, the volume of hazardous waste was 0.68 kg per EUR thousand of revenue (2022: 0.61 kg per EUR thousand of revenue). The handling of hazardous substances affects only a few production areas, and compliance with legal requirements is regularly monitored as part of the EMS.

Efficient production processes

NORMA Group optimizes the efficiency of its production through the implementation and continuous improvement of the NORMA Business System (NBS). Among other things, NORMA Group uses the NBS to monitor indicators to improve material efficiency. This includes the number of defective parts produced internally but not delivered to the customer (for more information on defective parts produced externally, see [PRODUCT QUALITY AND SAFETY](#)) and the scrap rate, which sets the value of the scrap in relation to the total production material consumed. To make management as effective as possible, data is collected at machine, department, and plant levels.

Recycling and compliance with legal requirements on materials

Depending on the type of waste, NORMA Group employs different recycling methods. Plastic waste is reintroduced into the manufacturing process as far as possible, depending on the type of plastic and reasonable costs. A certain portion of the resulting plastic waste is regranulated. NORMA Group already uses recycled and bio-based plastic materials in series production.

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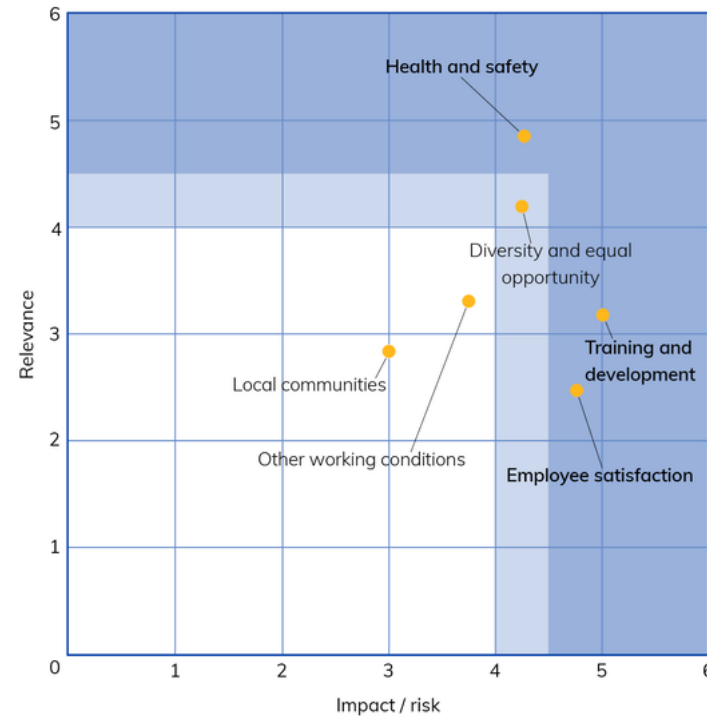
NORMA Group is currently not in the position to recycle its own products because these are usually used in end products such as engines and turbines and doing so would require a disproportionately high investment of time and resources on the part of NORMA Group. All contractually regulated specifications on material type and recyclability are fulfilled. Compliance with the statutory labeling requirement is also guaranteed. In this way, NORMA Group complies with statutory regulations such as end-of-life vehicle regulations and guidelines such as RoHS (Restriction of Hazardous Substances), REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) and California Proposition 65 on the requirements on drinking water infrastructure. Additionally, it supports its customers' recycling concepts.

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Social

Materiality matrix

G015



Employee Satisfaction

Employee satisfaction as an important parameter

Occupational health and safety, training and development and fair pay promote the satisfaction of employees. NORMA Group is convinced that satisfied employees are also more willing to perform in their daily work. Measuring employee satisfaction is therefore an “organizational thermometer” for the company, enabling strengths to be identified and potential for improvement to be implemented promptly. Against this backdrop, NORMA Group conducted a Group-wide engagement survey in 2023 to assess employee engagement as an indicator of long-term commitment to the Company. By definition, employees have a long-term relationship with the Company if they would recommend NORMA Group as an employer (this corresponds to a score of 7 to 10 on a scale of 0 to 10 within the Engagement Survey). The employee survey in 2023 had a global participation rate of 81% among all employees with an engagement score of 64%. The derived action plan focuses in particular on increasing participation in the EMEA region and an overall improvement in the Employee Net Promotor Score

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measured against relevant benchmarks. In addition to determining the status quo, NORMA Group now plans to derive potential for improvement and implement the corresponding measures.

In addition to employee surveys, NORMA Group uses the voluntary employee turnover rate as an indicator of employee satisfaction. The voluntary attrition rate describes the number of employees who have voluntarily left NORMA Group in relation to the total number of employees⁶. In 2023, the aggregated voluntary attrition rate was 12.0% (2022: 14.2%). However, there are large regional and local differences, depending on the respective operational, cultural, and macroeconomic environment. As the aggregate voluntary attrition rate is virtually unchanged, the target to reduce it was not achieved.

Good performance is rewarded

NORMA Group aims to attract and retain qualified and committed employees. In order to promote employees' interest in the positive development of the company's value and allow them to participate in its economic success, the remuneration system of NORMA Group includes a fixed salary and a performance-related variable remuneration component. Taking the respective area and level of activity into account, this variable pay component is based on the achievement of predefined financial figures and/or personal targets, among other criteria.

Occupational health and safety

Global management approach to occupational safety

NORMA Group has been pursuing a Group-wide approach to occupational health and safety by making improvements for years. Regular risk assessments at the production sites show that machinery and vehicle traffic are the most important factors here. Against the background of the systematic Group-wide approach to safety and health management, NORMA Group considers these risks to be low overall. Due to the high risk of injury, an important initiative launched in 2022 and continuing in 2023 at a global level is the introduction of automatic vehicle restraints and forklift dock guards to avoid the risk of potential catastrophic accidents at NORMA's shipping and receiving docks. 73% of active NORMA Group loading docks are now protected with the engineering safety controls, including 98% of the sites in the Americas region and 44% in the Asia-Pacific region. In the EMEA region, 3% of active loading docks are secured with vehicle restraints, with further implementations planned in the upcoming months. However, the sites in the EMEA region that do not have vehicle restraints use either motorized or manual wheel chocks for safety control. These efforts will continue until all loading docks have been secured.

Laws and regulatory frameworks provide clearly defined standards for occupational health and safety at the company. Considering the subject's importance, it is addressed in the [OCCUPATIONAL HEALTH AND SAFETY POLICY](#), which is valid throughout the Group. In the policy, NORMA Group commits to providing a safe and risk-free working environment for all employees and any other stakeholders affected by its business activities. Through supplementary programs, the company aims to ensure that all workplaces offer the highest level of safety to avoid accidents and incidents. In particular, the site locations make technical arrangements and conduct training courses to prevent accidents at work. These high standards apply to temporary workers as well as to regular staff. As part of continuous efforts to improve the prevention of injuries/illnesses, a major NORMA Group initiative in 2023

⁶ Information on employees is generally provided in headcount for all active NORMA Group employees. This includes both full-time and part-time employees, but not trainees or interns. The figures are based on an annual average.

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involved an eight-month project to implement a standardized method (application) for the “Safety Triangle Data” with a focus on injuries/illnesses and near misses. In the lower part of this triangle, reference is made to an additional application “Value-Based Safety (VBS) Observations”, which reports potentially unsafe behaviors or unsafe conditions that lead to potential risks or safety hazards.

Certification of all manufacturing sites

Throughout NORMA Group, all manufacturing sites have local health and safety representatives, who – along with the respective plant management and safety committees – ensure the implementation of health and safety standards and serve as experts for questions on the topic. At the end of December 2023, 23 of the 25 production sites were externally audited and certified in accordance with ISO 45001.

ISO 45001 prescribes conducting regular assessments at site level to identify risks for the occupational health and safety of workers. On this basis, regular internal audits are carried out to identify potential for improvements and to define appropriate measures. Progress resulting from these measures is tracked regularly. NORMA Group leverages the development of the OHS to sustain safety performance. In addition, NORMA Group also includes health and safety certifications in its supplier scoring process. [SUSTAINABILITY IN PURCHASING](#)

Health and safety governance on the global, regional and local levels

The success of NORMA Group’s health and safety management is assessed by regular reporting by the global health and safety management team to the Management Board. Root cause analyses are derived from this at the site level, and countermeasures are defined. Progress on systemic measures is also reported to the Management Board.

In addition to regular EH&S regional staff meetings, the regions have the option to conduct a Health and Safety Circle meeting that requires its applicable locations to conduct self-assessments on the current status quo of their health and safety activities and strategic initiatives. Participants include the health and safety managers or representatives of each location in the respective region as well as the regional and global health and safety management team. Usually, the circles also invite participants from other regions to increase the sharing of best practices on a global level.

Accident rate as key performance indicator

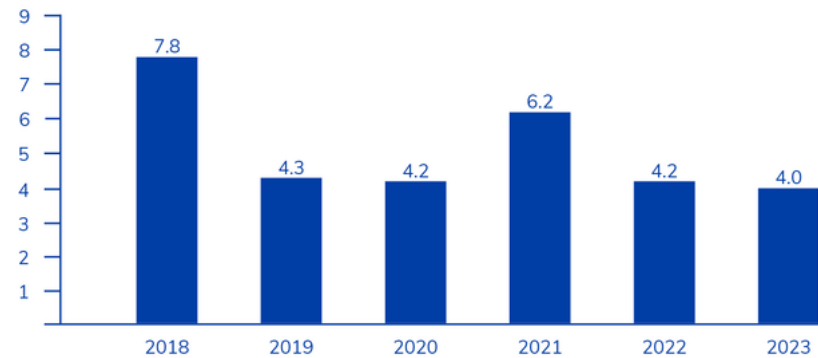
Introducing management systems for occupational safety is not an end in itself. To monitor their effectiveness, NORMA Group monitors the accident rate, which counts the number of accidents per 1,000 employees that result in a loss of work of more than three working days. In 2023, the accident rate per 1,000 employees was 4.0, which means a decrease of 4.8% compared to the previous year (2022: 4.2).

A new systemic improvement measure introduced in early 2022 and continued in 2023 to reduce the accident rate is the launch of the Safety Top Focus program, which includes risk monitoring and controls as well as leading and lagging OHS indicators with oversight for key manufacturing sites that fail to meet accident rate targets. Top management is responsible for oversight in this regard. The program’s focus in 2023 was on improvement measures for high-risk areas and upgrading the relevant facilities with appropriate safety controls in order to fully optimize occupational health and safety standards. In addition, the fundamentals of the OHS management system (e.g. safety audits focused on identifying potential safety risks) were further developed. Each site participating in this program prepares a monthly report, which is sent from the plant manager to top management.

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As in previous years, there were no fatalities. The goal is to further reduce the accident rate in the coming years. However, as 2024 is a transition year for the introduction of new health and safety indicators based on the CSRD requirements, the target of reportable accidents per 1,000 employees per year remains the same as the previous year at 4.35. [CR TARGETS](#)

Development of the accident rate G016
in reportable accidents per 1,000 employees



The calculation of the accident rate and number of medical treatments is based on the total workforce including temporary workers.

NORMA Group also monitors the number of medical treatments or accidents that result in a work loss of less than three days (medical treatment rate). In 2023, this figure stood at 23.1 treatments per 1,000 employees. The rate increased slightly compared to 2022 (21.3 treatments). The main reason for the 8.5% increase in the Medical Treatment Incident Rate for Group level in 2023 compared to the previous year is due to a 31% increase in the medical treatment cases in the Asia-Pacific region and 8.3% increase in the Americas region. The EMEA region remained unchanged compared to the previous year with a 1% decrease. The APAC region experienced a 78% increase in the number of medical treatment cases. The main reason for the increase in the region was the sharp rise in treatments at Kimplas Piping Systems Ltd., while the increase in the Americas region was attributable to the sites operated by Craig Assembly, R.G. Ray Corporation and NORMA Pennsylvania Inc.

In order to focus on preventive rather than reactive measures, NORMA Group also monitors the number of “near miss” events, which are occasions where an accident nearly happened but was just avoided. Incidents, medical treatments and near misses are reported to line managers, who report this information to local health and safety representatives.

Learning and Development

Success factor for business activities

NORMA Group considers itself a learning organization, and therefore pursues the goal of continuous development. This is important, among other things, because the company operates in a very dynamic environment with constantly changing requirements. Trends such as digitalization, networking, flexibility, and sustainability are particularly relevant.

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At the core of NORMA Group’s business model is the ability to adapt quickly and flexibly to changing customer requirements as well as economic and social conditions. The targeted training and development of employees, and the utilization of their potential are the decisive keys to innovative strength and corporate success. The aim is also to recruit as many skilled workers as possible from the company’s own junior staff and thus become more independent of the external labor market.

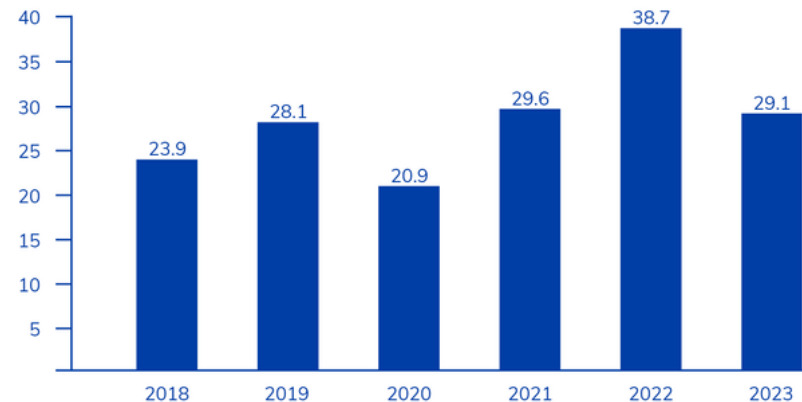
As a responsible employer, NORMA Group wants to offer its employees a supportive work environment that includes opportunities for further development. At the same time, today’s working world calls for skills that are in line with the changes resulting from global megatrends. Thus, training and development not only serves NORMA Group as a company, but also the long-term perspectives of its employees.

Ensuring the development of employees through training

In order to meet the requirements for the training and development of its employees, NORMA Group has firmly anchored the topic in its human resources strategy. The strategy is implemented at the regional level by Learning & Development managers and locally by the HR business partners. The focus of the activities is on designing and offering globally implementable development processes and programs that are aligned with NORMA Group’s corporate values and growth objectives. In order to specifically promote learning in the workplace and the individual development paths of employees, both direct supervisors and internal mentors as well as external coaches, are available. In addition, various local and regional methods for personnel development were coordinated in a global context. This ensures that all NORMA Group employees worldwide have access to the same talent development program.

Development of training hours
in hours per employee

G017



NORMA Group has set itself the goal of ensuring that all full-time employees receive an average of at least 30 hours of training per year.⁷ Training includes both internal and external courses, as well as workshops and focuses not only on task-related (operational) training, but also on general training designed to prepare employees for

⁷ The target of 30 training hours per employee is based on full-time employment. The target training hours are reduced accordingly in the case of part-time employment (for example, employment relationships with 50% have a target of 15 training hours)

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individual, future challenges. In addition, International Short-Term Assignments (up to three months) are also included in the calculation of training hours. Employees received an average of 29.1 training hours in 2023 (2022: 38.7). **GRAPHIC G017: DEVELOPMENT OF TRAINING HOURS IN HOURS PER EMPLOYEE** In the fiscal year 2022, regular training courses were held for all employees at Group level, resulting in a higher average number of training hours in 2022.

By continuously expanding its range of online training courses, NORMA Group is also taking account of the growing trend towards mobile working. The current integration of the training offering into the Human Capital Management System (SAP Success Factors) enables NORMA Group to offer its employees an online platform on which standard training courses are offered and on which employees can also receive additional training according to their individual needs. NORMA Group ensures the achievement of the training target by means of regular internal reporting on participation rates and feedback.

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Competency model

G018



Targeted acquisition of competencies

Employee training is most effective when it aligns with the demands of the working environment. To ensure this, NORMA Group’s approach is principally demand-oriented, based on bottom-up departmental reporting.

In addition, the competency model, which was developed specifically for NORMA Group, defines the skills that are important to the company, based on workshops and with the participation of employees in all regions. The competency model is integrated systematically into the global and local HR structures (GRAPHIC G018: COMPETENCY MODEL). For example, managers have been trained in how to further develop their employees using the competency model, and methods have been introduced to ensure that the selection of new employees is carried out along the framework of the skills that are of importance to NORMA Group.

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Numerous training opportunities for career starters

In addition to part-time courses of study in industrial engineering, mechanical engineering, mechatronics and business administration, NORMA Group also offers internships for students in all departments and regions. In addition, NORMA Group offers apprenticeships for young people in various technical and commercial fields every year.

International exchange

In a globalized world, and at an international Company such as NORMA Group, cross-border exchange, network building and intercultural skills are crucial for success on both a personal level and corporate level [DIVERSITY AND EQUALITY OPPORTUNITIES](#). With its international assignment programs, NORMA Group therefore offers its employees the opportunity to expand their experience and skills abroad. The programs distinguish between “Bubble Assignments” (up to three months) and “long-term assignments” (more than three months). Skilled employees and managers who participate in these initiatives bring with them specialist knowledge and experience from other places while at the same time benefiting from the expertise of their local colleagues. Exchanges can take place within a country or internationally between countries and regions.

Diversity and equality of opportunity

Diversity pays off

Studies show that companies that value diversity are more successful than others with largely homogeneous teams. As an international Company with locations and representative offices in 25 countries, NORMA Group is already structurally characterized by a high degree of diversity. With the [DIVERSITY CHARTER](#), NORMA Group has committed itself to ensuring that all employees are valued – regardless of gender, nationality, ethnic origin, religion or belief, disability, age or sexual orientation and identity.

The basis for diversity management is NORMA Group’s mission statement on diversity. On the one hand, the mission statement defines the drivers for diversity at NORMA Group (market proximity, innovation, and employee satisfaction) and on the other hand sharpens the focus on respect and equal opportunities within the company.

The blog series [DIVERSITY@NORMA](#) makes an important contribution to reporting on the diversity of the employees who work for NORMA Group. Every year, the blog series Diversity@NORMA focuses on a specific group: In 2021, the topic was female employees at NORMA Group; in 2022, the focus was on diverse cultures of NORMA Group employees. In 2023, the blog series focused on the topics of age and generational exchange at NORMA Group.

NORMA Group has also taken further steps in its general communication activities to consider aspects of appreciation and equality. This report, where attention was paid to gender-neutral wording during preparation, is one example.

Gender equality

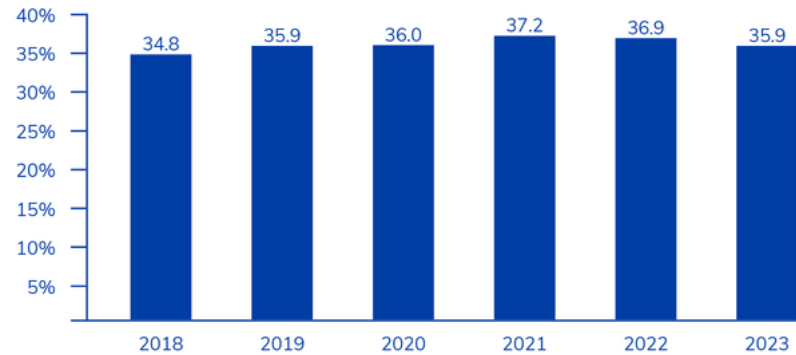
NORMA Group actively opposes discrimination and considers it a matter of course that women and men are paid the same amount for the same work and qualifications. The proportion of women is generally based on the proportion of women who are available through the job market and who have the necessary qualifications. Accordingly, it varies worldwide between locations. At the end of 2023, the proportion of women in the entire core

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workforce was 35.9% (2022: 36,9 %) GRAPHIC G019: DEVELOPMENT OF PROPORTION OF WOMEN AMONG PERMANENT STAFF. One woman is currently represented on the three-person Management Board of NORMA Group SE, and there were three women out of a total of six members on NORMA Group’s Supervisory Board in the fiscal year 2023

CORPORATE-GOVERNANCE-REPORT

Development of proportion of women among permanent staff in % G019



Social Commitment

NORMA Clean Water

Long-term partnership with Plan International

For NORMA Group, the responsible use of water is directly related to its core business. For this reason, NORMA Group is also involved in this area with its social project NORMA Clean Water. The project aims to show how the challenges in the field of water, sanitation and hygiene can be met: through cooperation between business and civil society. Today, the NORMA Clean Water project can look back on a partnership of several years with children’s aid organization Plan International Deutschland, which implements projects in the respective countries.

Engagement in India and Brazil

From 2014 to 2017, NORMA Clean Water focused on the water supply and hygiene situation at Indian schools in the greater Pune area. In a total of 27 schools, construction measures for the repair or renovation of toilet facilities were implemented, and almost 18,000 students and around 600 teachers were trained in the use of clean drinking water and hygiene. Since 2017, the NORMA Clean Water project has been continued in various regions in northeastern Brazil in two project phases each lasting three years. Here too, there is a lack of safe access to clean water. The project therefore aims to improve the living and health conditions of children and their families. In fiscal year 2022, NORMA Clean Water Project won the SDG Award in the category “Civil Organizations/NGOs” in Brazil. The SDG Award is a reward for best practice examples and implementations of the Sustainable Development Goals. The prize is awarded by the SDG Strategy Network - an established Brazilian coalition that brings together civil society, the private sector, local governments, academia and NGOs. All different actors work together and support each other in achieving the SDGs by 2030.

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The new water supply system in the municipality of Horta officially went into operation in 2023. Thanks to this well, over 1,300 people now have access to clean drinking water, including almost 500 children. Community gardens have also been established in the municipalities of Axixá and São Benedito dos Colocados. Residents from the communities received guidance from experts on gardening and planting various types of fruit and vegetables. Five workshops were held in the communities of Cajazeiras and Horta to discuss topics such as basic hygiene practices, healthy living habits, menstruation and child protection. In 32 other workshops, over 400 children in total learned about equal opportunities. Among other things, the workshops looked at existing gender clichés and stereotypical role models from a critical perspective and the girls and boys were encouraged to take an active stance against gender discrimination. Workshops were also held in schools to reach as many children and young people as possible. Almost 500 girls and boys received basic information about puberty and menstruation. One of the important aspects covered was proper menstrual hygiene.

A three-year extension to the “NORMA Clean Water” project was agreed from November 2023. Planning for the content of the project is currently underway.

Corporate volunteering at NORMA Help Day

Civil society is of crucial importance for the functioning of society as a whole—Against the backdrop of the current social and ecological challenges, NORMA Group is committed to getting involved and playing an active role. The basis for promoting the civic and ecological involvement of employees was created with the NORMA Help Day, which was held for the first time in 2014 in Maintal. The program has spread internationally to all NORMA Group sites since 2015, with employee participation being voluntary. In recent years, more than 700 employees have regularly taken part in Help Day. Numerous non-governmental organizations (NGOs) have benefited from the commitment of employees worldwide. Since the contributions or projects vary greatly from region to region, they are organized and implemented on a decentralized basis.

Numerous different projects were launched at various NORMA Group locations this year: For example, in Serbia and Mexico, colleagues renovated a local playground and a local elementary school respectively. In Sweden, employees supported an organization that runs summer camps for refugee children from Ukraine by organizing an afternoon for the children, and in Germany, a large insect hotel was built on the grounds of the children's and youth farm, saplings were nurtured and clean-up work was carried out in the local forest. Various forms of donation projects also took place, including in Australia, where donations were collected for an animal welfare organization.

NORMA Group has received a lot of positive feedback from participants and external project partners. Thus, the NORMA Help Day has been a success for NORMA Group and all participants and will be continued in the coming years.

Donations and sponsoring at the locations

NORMA Group has long supported local non-governmental organizations through donations and sponsorships with a focus on social, charitable and cultural projects in the regions. The approach here is also decentralized, as the efficiency of the support measures depends on the regional framework conditions.

Staggered approval processes apply to all donation and sponsorship activities, depending on the amount made available. The basis for this is the “Schedule for internal approval authority.” Donations to politicians, political parties and political organizations are expressly prohibited. Approval processes and reporting are also linked to

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NORMA Group's internationally applicable compliance management **COMPLIANCE** In the past year, expenses for sponsoring and donations totaled around to EUR 70 thousand.

Cooperation with universities

In the spirit of giving back to our communities, NORMA Group's US subsidiary NDS conducted its Annual NDS Cares Scholarship Contest in 2023. In 2023, four scholarships were awarded to students who will be attending college or are already at college. NDS Cares has awarded 20 scholarships since 2021. The candidates had to meet predefined applicant requirements (3.0 GPA, financial assistance need, career goals, involvement in extracurricular activities, actively enrolled in a college/ university and submission of an essay about why they think water management is important to modern day society.

The NORMA Group site in Michigan has also been awarding annual NORMA Cares Scholarships since 2021. The scholarship is aimed at students who are already studying. Here, too, previously defined requirements must be met (3.0 GPA, financial assistance need, career goals and involvement in extracurricular activities) and an essay must be submitted that describes their background, creative abilities and academic ambitions in greater detail. The location in Michigan awarded seven scholarships in 2023; since the program was introduced in 2021, a total of eleven scholarships have been awarded.

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Combined Non-Financial Report, EU Taxonomy, GRI and UN Global Compact

Combined Non-Financial Report

NORMA Group SE is publishing a Combined Separate Non-Financial Report for the fiscal year 2023 (January 1, 2023 – December 31, 2023) (hereinafter referred to as the Non-financial Report) in accordance with Section 315b and 315c HGB in conjunction with Sections 289b to 289e HGB (German Commercial Code (“Handelsgesetzbuch”) as well as Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088. Unless indicated otherwise, the information provided here relates to the companies included in the scope of consolidation of the consolidated financial statements. The information provided here therefore applies in equal measure to NORMA Group SE and the consolidated Group (“NORMA Group”, “the Company”), unless otherwise stated. The contents of the non-financial report can be found in the CR Report and in parts of the management report and are marked with a line next to the respective text. The unmarked sections were not subject to an audit. An overview of the compulsory components according to HGB can be found in [TABLE T017: CONTENT OF NON-FINANCIAL DISCLOSURE](#). References to disclosures outside the Consolidated Management Report or the Consolidated Financial Statements constitute additional information and are as such not part of the non-financial report. The non-financial report has undergone an assurance engagement according to ISAE 3000 (Revised) with limited assurance. [ASSURANCE REPORT](#)

After the implementation of the net method in the determination of reportable risks according to CSR-Richtlinien-Umsetzungsgesetz (CSR-RUG), NORMA Group is not aware of any reportable net risks that are very likely to have a materially adverse effect on reportable aspects. For a description of NORMA Group's risk management system, please refer to the [RISK AND OPPORTUNITY REPORT](#). The gross risks identified in the materiality analysis are briefly described in the subchapters of the CR Report. It should be noted that the current risk management system focuses on the management of financial sustainability-related risks (outside-in perspective) and non-financial risks from the inside-out perspective are currently identified and assessed in a separate process.

Reportable relations to the amounts of the Consolidated Financial Statements have not been determined.

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EU Taxonomy

The EU Taxonomy Regulation is a key element of the European Commission’s action plan to redirect capital flows towards a more sustainable economy. As a classification system for environmentally sustainable economic activities, the EU Taxonomy represents an important step towards achieving carbon neutrality by 2050 in line with the EU’s objectives. In the reporting year 2023, the two new legal acts “Amended Climate Delegated Regulation (EU 2023/2485)” and “Environmental Delegated Regulation (EU 2023/2486)” were adopted, resulting in new economic activities. In the section below, we report on the following environmental objectives:

Climate-related environmental objectives:

- 1) Climate change mitigation
- 2) Climate change adaptation to climate change

Non-climate-related environmental objectives:

- 1) Sustainable use and protection of water and marine resources
- 2) Transition to a circular economy
- 3) Pollution prevention and control
- 4) Protection and restoration of biodiversity and ecosystems

NORMA Group's economic activities were examined and analyzed for their taxonomy eligibility and alignment with regard to the climate-related environmental objectives, as was already the case in the reporting year 2022. The four non-climate-related environmental objectives were required to be examined and analyzed in terms of their taxonomy eligibility for the first time in the reporting year. A transitional period also applies to the newly added economic activities in the climate-related environmental objectives, as a result of which only taxonomy eligibility needs be reported for the reporting year 2023. From the reporting year 2024, taxonomy alignment also needs be reported for the non-climate-related environmental objectives.

Taxonomy eligibility is met if a company’s economic activities are described in the Climate Delegated Act or the Environmental Delegated Act. An economic activity is also considered Taxonomy-aligned if it makes a substantial contribution to at least one of the climate-related and non-climate-related environmental objectives, complies with minimum social safeguards such as human rights and does not significantly harm the other climate-related and non-climate-related environmental objectives (“do no significant harm”). Economic activities that are not covered by the EU Taxonomy and are therefore not relevant according to the EU Taxonomy are identified in the delegated acts as not Taxonomy-eligible across the board.

From the reporting year 2024, the EU Taxonomy will be implemented as part of the new CSRD legislation and included in the Management Report.

Taxonomy-eligible economic activities of NORMA Group

In the reporting year 2023, a comprehensive relevance analysis was carried out to identify potentially Taxonomy-eligible economic activities of NORMA Group and to derive the financial KPIs in accordance with the requirements of the EU Taxonomy. The economic activities of NORMA Group that have been identified and are Taxonomy-eligible are presented in the following sections.

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Climate-related environmental objectives:

NORMA Group has identified the following economic activities as defined in Annex I of the Delegated Act of the EU Taxonomy (EU 2021/2139) as climate-related environmental objectives. The “Climate change mitigation” objective is relevant for NORMA Group, the requirements of the “Climate change adaptation” objective are not met.

Economic activity 3.18 Manufacture of automotive and mobility components

Economic activity 3.18 “Manufacture of automotive and mobility components” refers, among other things, to the “manufacture of automotive and mobility components. NORMA Group’s activities to manufacture electromobility products (connectors, dry brake valves and flex systems) meet this activity description. Certain products can only be installed and used in electric vehicles. NORMA Group’s products are designed to mitigate climate change through their use in electric vehicles and the associated zero-emission automotive and mobility systems and components. Overall, the manufacturing processes thus correspond to economic activity 3.18 described in Annex 1 of the Delegated Act of the EU Taxonomy (2021/2139) in the version adopted on November 21, 2023. The activity is considered to be a separate business activity.

Based on the newly conducted relevance analysis, economic activity 3.18 “Manufacture of automotive and mobility components”, which was newly included in the Climate Delegate Act, was classified as relevant in the reporting year 2023. This results in new opportunities for NORMA Group on the path to taxonomy alignment and the products of economic activity 3.6 could be assigned to economic activity 3.18 in the reporting year. Taxonomy-eligible turnover, CapEx and OpEx are reported in this regard.

Economic activity 4.1 Electricity generation using solar photovoltaic technology

Economic activity 4.1 “Electricity generation using solar photovoltaic technology” is defined by the EU as: “Construction or operation of electricity generation facilities that produce electricity using solar photovoltaic (PV) technology.” NORMA Group installs photovoltaic systems and solar panels for projects to generate energy. Overall, the activities of NORMA Group thus correspond to economic activity 4.1 described in Annex 1 of the Delegated Act of the EU Taxonomy (2021/2139). This activity is classified as an ancillary activity.

Based on the newly conducted relevance analysis, the economic activities for “4.1 Electricity generation using solar photovoltaic technology” were classified as relevant for the first time in the reporting year 2023. The distinction to economic activity 7.6 was made on the basis of the building component required therein, which did not exist in the reporting year. The Taxonomy-eligible CapEx is reported in this regard.

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Economic activity 5.1 Construction, extension and operation of water collection, treatment and supply systems

Economic activity 5.1 is defined by the EU as: “Construction, extension and operation of water collection, treatment and supply systems.” In the Water Management product area, NORMA Group manufactures systems that are used to collect and distribute water, and in some cases also to treat it. The “Drip Irrigation” product category comprises solutions for efficient irrigation and the “Flow Management” product area includes a variety of valves and couplings for a wide range of irrigation and wastewater applications. In both areas, the aim is to find joining solutions for treating and draining wastewater. Overall, the manufacturing processes thus correspond to economic activity 5.1 described in Annex 1 of the Delegated Act of the EU Taxonomy (2021/2139). The activity is considered to be a separate business activity.

With the publication of the “Draft Commission Notice” in the Official Journal of the EU on October 23, 2023, the water management products allocated to the reporting year 2021 were no longer reported as Taxonomy-eligible in the reporting year 2022 due to the clarification on question 66 of the Climate Delegated Act, which was consequently published in the Commission Notice (C/2023/267).

Further analyses were carried out with product experts in the reporting year 2023 and a new approach to the allocation of certain product groups was applied. This made it possible to meet the criteria of activity 5.1 with the products from the “Drip Irrigation and Flow Management” group in the reporting year 2023 and to exclude non-Taxonomy-eligible revenue from the analysis. Taxonomy-eligible turnover, CapEx and OpEx are reported in this regard.

Economic activity 6.4 Operation of personal mobility devices, cycle logistics

Economic activity 6.4 is defined by the EU as: “Selling, purchasing, financing, leasing, renting and operation of personal mobility or transport devices where the propulsion comes from the physical activity of the user, from a zero-emissions motor, or a mix of zero-emissions motor and physical activity. This includes the provision of freight transport services by (cargo) bicycles.” NORMA Group offers bicycle leasing to its employees at several locations. Overall, the activities of NORMA Group thus correspond to economic activity 6.4 described in Annex 1 of the Delegated Act of the EU Taxonomy (2021/2139). This activity is classified as an ancillary activity. Expenses from short-term leases arise in connection with bicycle leasing for employees. The Taxonomy-eligible OpEx is reported in this regard.

Economic activity 6.5 Transport by motorbikes, passenger cars and light commercial vehicles

Economic activity 6.5 is defined by the EU as: “The purchase, financing, hiring, leasing and operation of vehicles of categories M1, N1, both covered by Regulation (EC) No 715/2007 of the European Parliament and of the Council, or L (two- and three-wheeled vehicles and four-wheeled vehicles).” The leasing of company cars by employees can be assigned to this category. Overall, the activities of NORMA Group thus correspond to economic activity 6.5 described in Annex 1 of the Delegated Act of the EU Taxonomy (2021/2139). This activity is classified as an ancillary activity. Additions to property, plant and equipment and expenses from short-term leases arise in connection with company car leasing for employees. Taxonomy-eligible CapEx and OpEx are reported in this regard.

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Economic activity 6.13 Infrastructure for personal mobility, cycling logistics

Economic activity 6.13 is defined by the EU as: “Construction, modernization, maintenance and operation of infrastructure for personal mobility, including the construction of roads, motorways bridges and tunnels and other infrastructure that are dedicated to pedestrians and bicycles, with or without electric assist.” NORMA Group manufactures so-called “Landscape Barrier”, which are used in the construction of new roads, bridges, tunnels or other infrastructure and protect infrastructure for personal mobility. Overall, the activities of NORMA Group thus correspond to economic activity 6.13 described in Annex 1 of the Delegated Act of the EU Taxonomy (2021/2139). These activities are considered to be a separate business activity.

Based on the newly conducted relevance analysis, the economic activities “6.13 Infrastructure for personal mobility, cycling logistics” were classified as relevant for the first time in the reporting year 2023. Taxonomy-eligible turnover, CapEx and OpEx are reported in this regard.

Economic activity 7.2 Renovation of existing buildings

Economic activity 7.2 is defined by the EU as: “Construction and civil engineering works or preparation thereof.” NORMA Group fulfills the description of economic activity 7.2 “Renovation of existing buildings” with its renovation work on buildings and can assign itself to the economic activity of Annex 1 of the Delegated Act of the EU Taxonomy (EU 2021/2139) in the reporting year 2023. This activity is classified as an ancillary activity. The Taxonomy-eligible CapEx is reported in this regard.

With regard to renovation activities on existing buildings, activity 3.2 of the non-climate-related environmental target “Sustainable use and protection of water and marine resources” was also taken into consideration and examined. Investment expenditure can be allocated to both activity CCM 7.2 and activity CE 3.2. NORMA sees the more significant contribution in CCM 7.2. When allocating expenditure to the objectives, the amount under both objectives is shown, as required by the EU Commission.

Economic activity 7.3 Installation, maintenance and repair of energy efficiency equipment

Economic activity 7.3 is defined by the EU as: “Individual renovation measures consisting of the installation, maintenance or repair of energy efficiency equipment.” NORMA Group fulfills the description of economic activity 7.3 “Installation, maintenance and repair of energy efficiency equipment” with its maintenance and repair work on energy-efficient equipment and can assign itself to the economic activity of Annex 1 of the Delegated Act of the EU Taxonomy (EU 2021/2139). This activity is classified as an ancillary activity. The Taxonomy-eligible CapEx is reported in this regard.

Non-climate-related environmental objectives:

NORMA Group has identified the following economic activities as defined in Annex I of the Delegated Act of the EU Taxonomy (EU 2023/2486) as non-climate-related environmental objectives. The non-climate-related target “Sustainable use and protection of water and marine resources” is relevant for NORMA Group; the requirements of the other three environmental objectives are not met.

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Economic activity 2.3 “Sustainable urban drainage systems (SUDS)”

Economic activity 2.3 “Sustainable urban drainage systems (SUDS)” is defined by the EU as: “Construction, extension, operation and renewal of urban drainage systems facilities that mitigate pollution and flood hazards due to discharges of urban runoff and improve the urban water quality and quantity, by harnessing natural processes, such as infiltration and retention.” NORMA Group’s activities for the production of “Stormwater product solutions” fulfill this activity description in the sections “Construction, expansion and renovation of facilities.” This product category aims to increase the amount of water that can be used and to protect drinking water from contamination. Overall, the manufacturing processes thus correspond to economic activity 2.3 described in the Annex of the Environmental Delegated Act of the EU Taxonomy (EU 2023/2486). The activity is considered to be a separate business activity.

Based on the newly conducted relevance analysis, the “Stormwater” product group was assigned to the new economic activity “2.3 Sustainable urban drainage systems (SUDS)” within the non-climate-related environmental objectives in the reporting year 2023. Taxonomy-eligible turnover, CapEx and OpEx are reported in this regard.

Special features in relation to the climate-related environmental objectives

As reported in the reporting year 2022, activity 3.6 cannot meet the substantial contribution criteria as part of the Climate Protection target per se, as the electromobility sector is already classified as emission-free by definition of the EU Taxonomy. For this reason, the applicable e-mobility products from NORMA Group have been reclassified from economic activity 3.6 to economic activity 3.18, and activity 3.6 is no longer applicable.

Activity 6.3 was identified for the first time within NORMA Group in the reporting year 2023, but the impact was classified as immaterial during the data collection and validation process. For this reason, a materiality threshold of EUR 10,000 was defined within activity 6.3.

Based on the newly conducted relevance analysis, the economic activities “7.1 Construction of new buildings” and “7.5 Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling energy performance of buildings” were classified as not relevant within the “Climate change mitigation” target in the reporting year 2023.

Taxonomy-aligned economic activities of NORMA Group

NORMA Group initially reviewed the identified Taxonomy-eligible economic activities for the climate-related environmental objectives under the Climate Delegated Act for taxonomy alignment in the reporting year 2022 and extended this review to the non-climate-related environmental objectives in the reporting year 2023. This included meeting the technical evaluation criteria (substantial contribution and “do no significant harm” criteria), as well as the minimum safeguards. Prior to the start of the alignment review, the issues to be examined were prioritized, giving priority to the criteria that were perceived as significant at the time. The results were reviewed in the reporting year to ensure that they were up to date. The audit has shown that NORMA Group still does not meet the alignment requirements.

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Performance indicators according to EU Taxonomy⁸

The following section presents Group turnover, capital expenditures (CapEx) and operating expenses (OpEx) for the reporting period 2023, broken down into Taxonomy-aligned, Taxonomy-eligible as well as not Taxonomy-aligned and not Taxonomy-eligible components.

Turnover KPI (Key Performance Indicator) definition

The Taxonomy-aligned share of Group turnover is defined as the share of net turnover in the reporting year 2023 derived from products and services related to Taxonomy-aligned economic activities (numerator) divided by net turnover (denominator) (Total turnover correspond to turnover from [TABLE T061: CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME](#), 2023 [denominator]). The Taxonomy-eligible share of Group turnover is defined as the share of net turnover in the reporting year 2023 derived from products and services related to Taxonomy-eligible economic activities (numerator) divided by net turnover in 2023 (denominator).

For NORMA Group, this numerator results from turnover of certain products of the strategic business unit Mobility & New Energy, which can only be installed in electric vehicles (economic activity CCM 3.18), and from turnover of certain products of the strategic business unit Water Management (economic activity CCM 5.1, CCM 6.13, WTR 2.3). An analysis of the Water Management products was carried out in relation to the NORMA Group sites NDS (USA), Malaysia and Kimplas (India), as the relevant Water Management products are manufactured at these sites. As the system can only evaluate turnover by product category on a gross basis, i.e. without taking into account subsequent discounts etc., an imputed key was used to calculate the percentage difference between the gross and net turnover of the respective entities in order to calculate the Taxonomy-eligible net turnover.

The denominator corresponds to NORMA Group's total net turnover in the fiscal year 2023 from the income statement. When calculating turnover, it was ensured that no turnover were recorded twice by clearly allocating the products to the respective activity.

Proportion of turnover / Total turnover

T011

Objectives	Proportion of turnover / Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate Change Mitigation (CCM)	— %	12.0 %
Climate Change Adaptation (CCA)	— %	0.0 %
Water (WTR)	— %	12.5 %
Circular Economy (CE)	— %	0.0 %
Pollution (PPC)	— %	0.0 %
Biodiversity (BIO)	— %	0.0 %

⁸ NORMA Group does not complete the specific reporting forms for gas and nuclear activities as they are not relevant.

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Information of the following tables in relation to Turnover, CapEx and OpEx

(a) The code consists of the abbreviation of the relevant target to which the economic activity can make a significant contribution and the number of the section of the activity in the relevant Annex that covers the target; for example, the activity “Reforestation” would have the following code: CCM 1.1. If activities can make a significant contribution to more than one target, the codes for all target should be indicated. For example, if the company reports that the activity “Construction of new buildings” makes a significant contribution to climate protection and the circular economy, the code would read as follows: CCM 7.1./CE 3.1.

(b) The abbreviations in the tables have the following meaning:

- Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with regard to the relevant environmental objective
- N – No, Taxonomy-eligible activity, but not Taxonomy-aligned with regard to the relevant environmental objective
- N/EL – not eligible, i.e. non-Taxonomy-eligible activity with regard to the relevant environmental target, non Taxonomy-aligned activity

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Turnover-Key-Performance-Indicator (KPI)										T012
Financial year 2023		Year		Substantial contribution criteria						
Economic Activities (1)	Code (a) (2)	Turnover in TEUR (3)	Proportion of Turnover, year 2023 (4)	Climate Change Mitigation(5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	
Text		Currency	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	
A. Taxonomy-eligible activities										
A.1. Environmentally sustainable activities (Taxonomy-aligned)										
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)										
Of which Enabling			— %	— %	— %	— %	— %	— %	— %	
Of which Transitional			— %	— %						
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)										
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	
3.18 Manufacture of automotive and mobility components	CCM 3.18	26,232	2.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	
5.1 Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1	116,565	9.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	
6.13 Infrastructure for personal mobility, cycle logistics	CCM 6.13	3,986	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	
2.3 Sustainable urban drainage systems (SUDS)	WTR 2.3	152,548	12.5%	N/EL	N/EL	EL	N/EL	N/EL	N/EL	
Turnover of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		299,331	24.5%	12.0%	0.0%	12.5%	0.0%	0.0%	0.0%	
A. Turnover of Taxonomy eligible activities (A.1+A.2)		299,331	24.5%	12.0%	0.0%	12.5%	0.0%	0.0%	0.0%	
B. Taxonomy-non-eligible activities										
Turnover of Taxonomy non-eligible activities		923,450	75.5%							
Total		1,222,781	100.0%							

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(Continued) Turnover-Key-Performance-Indicator (KPI)

Economic Activities (1)	DNSH-criteria („Do no significant harm“) (h)							Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Turnover, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)			
A. Taxonomy-eligible activities										
A.1. Environmentally sustainable activities (Taxonomy-aligned)										
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)	N	N	N	N	N	N	N	— %		
Of which Enabling	N	N	N	N	N	N	N	— %	E	
Of which Transitional	N	N	N	N	N	N	N	— %		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)										
3.18 Manufacture of automotive and mobility components								1.57%*		
5.1 Construction, extension and operation of water collection, treatment and supply systems								9.8%*		
6.13 Infrastructure for personal mobility, cycle logistics								— %		
2.3 Sustainable urban drainage systems (SUDS)								— %		
Turnover of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)								11.37%		
A. Turnover of Taxonomy eligible activities (A.1+A.2)								11.37%		

* The taxonomy-eligible share was taken from the information on economic activity CCM 3.6 from the previous year, as the products were reclassified from CCM 3.6 to CCM 3.18, thus ensuring direct comparability. In the reporting year 2023, a slight increase in taxonomy-eligible shares was achieved compared to the reporting year 2022. The key figures remain essentially stable. The taxonomy-eligible share of economic activity CCM 5.1 was calculated retrospectively for the reporting year 2022 using the imputed methods defined in the reporting year 2023.

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Capex KPI definition

The CapEx KPI is defined as the share of Taxonomy-aligned capital expenditure (CapEx) in the numerator, which is broken down into three categories (a-c) as defined by the EU, divided by total Group CapEx (see the corresponding additions to property, plant and equipment and intangible assets before depreciation, amortization and impairment losses and remeasurements excluding goodwill) under [TABLE 098 GOODWILL AND OTHER INTANGIBLE ASSETS](#) and [TABLE 099 DEVELOPMENT OF PROPERTY, PLANT AND EQUIPMENT](#) for the reporting year 2023 as a denominator.

Based on the relevance analysis, new economic activities were identified across the Group, which is why it was necessary to expand the CapEx process. The total CapEx in category (c) was calculated on the basis of the CapEx requests approved for the reporting year by assigning the CapEx requests to an economic activity. As the system-side expansion of the newly identified economic activities was implemented in November, all CapEx requests were checked retroactively for the reporting year 2023 using a keyword search and assigned to the identified economic activities, namely CCM 3.18, CCM 4.1, CCM 6.5, CCM 7.2 and CCM 7.3.

In addition to the direct allocation of capitalized costs, the imputed turnover key “Technical machine equipment” was used to determine CapEx in relation to activity CCM 3.18 on a pro rata basis.

To calculate CapEx in relation to the Taxonomy-eligible Water Management products, an imputed turnover key was applied to the capitalized costs of the Water Management sites and allocated to CCM 5.1, CCM 6.13 and WTR 2.3. A report was created in the accounting system and corresponding formulas were stored to avoid accounting for investments twice.

Proportion of CapEx / Total CapEx

T013

Objectives	Proportion of CapEx / Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate Change Mitigation (CCM)	— %	22.1 %
Climate Change Adaptation (CCA)	— %	0.0 %
Water (WTR)	— %	18.2 %
Circular Economy (CE)	— %	0.4 %
Pollution (PPC)	— %	0.0 %
Biodiversity (BIO)	— %	0.0 %

Capex category a)

CapEx category a) is defined according to the EU as capital expenditures “related to assets or processes that are associated with Taxonomy-aligned economic activities;” As NORMA Group cannot report Taxonomy-aligned activities in the reporting year 2023, no Taxonomy-aligned CapEx is reported. However, we have reported on our Taxonomy-eligible activities CCM 3.18, CCM 5.1, CCM 6.13, WTR 2.3.

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Capex category b)

CapEx category b) is defined by the EU as capital expenditures as “part of a plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned” No such investments were made in the reporting year 2023.

Capex category c)

CapEx category c) is defined according to the EU as capital expenditures related to the purchase of products and services from Taxonomy-aligned economic activities and individual measures that enable the target activities to become low-carbon or lead to greenhouse gas reductions. As NORMA Group has not yet been able to identify any Taxonomy-aligned activities among third parties in this reporting year, Taxonomy-aligned CapEx cannot be reported. However, we have reported on our Taxonomy-eligible activities CCM 4.1, CCM 5.1, CCM 6.5, CCM 7.2 and CCM 7.3.

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CapEx-Key-Performance-Indicator (KPI)

T014

Financial year 2023		Year		Substantial contribution criteria					
Economic Activities (1)	Code (a) (2)	CapEx in TEUR (3)	Proportion of CapEx, year 2023 (4)	Climate Change Mitigation(5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)
Text		Currency	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)
A. Taxonomy- eligible activities									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)			— %	— %	— %	— %	— %	— %	— %
Of which Enabling			— %	— %	— %	— %	— %	— %	— %
Of which Transitional			— %	— %					
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)									
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)
3.18 Manufacture of automotive and mobility components	CCM 3.18	3,182	4.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
5.1 Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1	10,980	14.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
6.13 Infrastructure for personal mobility, cycle logistics	CCM 6.13	369	0.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
2.3 Sustainable urban drainage systems (SUDS)	WTR 2.3	14,106	18.2%	N/EL	N/EL	EL	N/EL	N/EL	N/EL
4.1 Electricity generation using solar photovoltaic technology	CCM 4.1	685	0.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	1,371	1.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
7.2 / 3.2 Renovation of existing buildings	CCM 7.2/ CE 3.2	271	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
7.3 Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	196	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
CapEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		31,159	40.3%	22.1%	0.0%	18.2%	0.4%	0.0%	0.0%
A. CapEx of Taxonomy eligible activities (A.1+A.2)		31,159	40.3%	22.1%	0.0%	18.2%	0.4%	0.0%	0.0%
B. Taxonomy-non-eligible activities									
CapEx of Taxonomy non-eligible activities		46,151	59.7%						
Total		77,311	100%						

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(Continued) CapEx-Key-Performance-Indicator (KPI)

Economic Activities (1)	DNSH-criteria („Do no significant harm“) (h)							Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)			
A. Taxonomy-eligible activities										
A.1. Environmentally sustainable activities (Taxonomy-aligned)										
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	N	N	N	N	N	N	N	— %		
Of which Enabling	N	N	N	N	N	N	N	— %	E	
Of which Transitional	N	N	N	N	N	N	N	— %		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)										
3.18 Manufacture of automotive and mobility components								1.45%*		
5.1 Construction, extension and operation of water collection, treatment and supply systems								14.50%*		
6.13 Infrastructure for personal mobility, cycle logistics								— %		
2.3 Sustainable urban drainage systems (SUDS)								— %		
6.5 Transport by motorbikes, passenger cars and light commercial vehicles								1.83%		
7.1 Construction of new buildings								3.19%		
7.2 / 3.2 Renovation of existing buildings								1.03%		
7.3 Installation, maintenance and repair of energy efficiency equipment								3.37%		
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings								0.22%		
CapEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)								25.59%		
A. CapEx of Taxonomy eligible activities (A.1+A.2)								25.59%		

* The taxonomy-eligible share was taken from the information on economic activity CCM 3.6 from the previous year, as the products were reclassified from CCM 3.6 to CCM 3.18, thus ensuring direct comparability. In the reporting year 2023, a slight increase in taxonomy-eligible shares was achieved compared to the reporting year 2022. The key figures remain largely stable. The taxonomy-eligible share for economic activity CCM 5.1 was calculated retrospectively for the reporting year 2022 using the imputed methods defined in the reporting year 2023. No CapEx could be verified for the activities CCM 7.1 and CCM 7.5 in the reporting year 2023, which is why only the previous year's figures are shown.

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Opex KPI definition

The OpEx KPI is defined as the share of Taxonomy-aligned operating expenses (OpEx), which is broken down into three categories (a-c) in accordance with the EU definition (see more detailed explanation in the following sections). Direct, non-capitalized expenses, in particular for research and development, building renovation measures, short-term leasing and maintenance and repairs, are to be included in the denominator and proportionately in the numerator. Based on the relevance analysis, account mapping was carried out and the OpEx for category (c) comprising the activities CCM 6.4 and CCM 6.5 was verified by manual queries.

In order to determine the OpEx in relation to the activity CCM 3.18, the operating expenses for the maintenance of production equipment were also taken into account on a pro rata basis using the imputed turnover key in addition to the allocation of the calculated average R&D costs.

To calculate OpEx in relation to the Taxonomy-eligible Water Management products, an imputed turnover key was applied to the capitalized costs of the Water Management sites and allocated to CCM 5.1, CCM 6.13 and WTR 2.3. A report was created in the accounting system and corresponding formulas were stored to avoid accounting for investments twice.

Proportion of OpEx / Total OpEx

T015

Objectives	Proportion of OpEx / Total OpEx	
	Taxonomy-aligned per objective („Alignment“)	Taxonomy-eligible per objective („Eligibility“)
Climate Change Mitigation (CCM)	— %	8.9%
Climate Change Adaptation (CCA)	— %	0.0%
Water (WTR)	— %	4.8%
Circular Economy (CE)	— %	0.0%
Pollution (PPC)	— %	0.0%
Biodiversity (BIO)	— %	0.0%

Opex category a)

OpEx category a) is defined by the EU as operational expenditures “related to assets or processes associated with Taxonomy-aligned economic activities, including training and other human resource adaptation requirements and direct non-capitalised costs that represent research and development”. Since NORMA Group cannot report any Taxonomy-aligned activities in 2023, no Taxonomy-aligned OpEx is reported. However, we have reported on our Taxonomy-eligible activities CCM 3.18, CCM 5.1, CCM 6.13 and WTR 2.3.

Opex category b)

OpEx category b) is defined by the EU as operational expenditures that are part of a OpEx plan to expand Taxonomy-aligned economic activities or enable Taxonomy-eligible economic activities to become Taxonomy-aligned. No such operating expenses were incurred in the reporting year 2023.

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Opex category c)

OpEx category c) is defined by the EU as operational expenditures “related to the purchase of output from Taxonomy-aligned economic activities and to individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions as well as individual building renovation measures as identified in the delegated acts”. As NORMA Group has not yet been able to identify any Taxonomy-aligned activities among third parties in this reporting year, Taxonomy-aligned OpEx cannot be reported. However, we have reported on our Taxonomy-eligible activities CCM 6.4 and CCM 6.5.

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OpEx-Key-Performance-Indicator (KPI)

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Financial year 2023		Year		Substantial contribution criteria					
Economic Activities (1)	Code (a) (2)	OpEx in TEUR (3)	Proportion of OpEx, year 2023 (4)	Climate Change Mitigation(5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)
Text		Currency	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)
A. Taxonomy- eligible activities									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)			— %	— %	— %	— %	— %	— %	— %
Of which Enabling			— %	— %	— %	— %	— %	— %	— %
Of which Transitional			— %	— %					
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)									
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)
3.18 Manufacture of automotive and mobility components	CCM 3.18	3,109	4.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
5.1 Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1	2,873	3.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
6.13 Infrastructure for personal mobility, cycle logistics	CCM 6.13	96	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
2.3 Sustainable urban drainage systems (SUDS)	WTR 2.3	3,666	4.8%	N/EL	N/EL	EL	N/EL	N/EL	N/EL
6.4 Operation of personal mobility devices, cycle logistics	CCM 6.4	150	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	560	0.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
OpEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		10,453	13.6%	8.9%	0.0%	4.8%	0.0%	0.0%	0.0%
A. OpEx of Taxonomy eligible activities (A.1+A.2)		10,453	13.6%	8.9%	0.0%	4.8%	0.0%	0.0%	0.0%
B. Taxonomy-non-eligible activities									
OpEx of Taxonomy non-eligible activities		66,148	86.4%						
Total		76,532	100.0%						

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(Continued) OpEx-Key-Performance-Indicator (KPI)

Economic Activities (1)	DNSH-criteria („Do no significant harm“) (h)							Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)			
A. Taxonomy-eligible activities										
A.1. Environmentally sustainable activities (Taxonomy-aligned)										
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	N	N	N	N	N	N	N	— %		
Of which Enabling	N	N	N	N	N	N	N	— %	E	
Of which Transitional	N	N	N	N	N	N	N	— %		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)										
3.18 Manufacture of automotive and mobility components								1.57%*		
5.1 Construction, extension and operation of water collection, treatment and supply systems								3.10%*		
6.13 Infrastructure for personal mobility, cycle logistics								—%		
2.3 Sustainable urban drainage systems (SUDS)								—%		
6.4 Operation of personal mobility devices, cycle logistics								0.1%		
6.5 Transport by motorbikes, passenger cars and light commercial vehicles								0.1%		
OpEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)								4.9%		
A. OpEx of Taxonomy eligible activities (A.1+A.2)								4.9%		

* The taxonomy-eligible share was taken from the information on economic activity CCM 3.6 from the previous year, as the products were reclassified from CCM 3.6 to CCM 3.18, thus ensuring direct comparability. In the reporting year 2023, a slight increase in taxonomy-eligible shares was achieved compared to the reporting year 2022. The key figures remain largely stable. The taxonomy-eligible share of economic activity CCM 5.1 was calculated retrospectively for the reporting year 2022 using the imputed methods defined in the reporting year 2023.

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Global Reporting Initiative (GRI) and UN Global Compact

The reported information within the Corporate Responsibility Report in conjunction with other information from the Annual Report has been prepared with reference to the GRI Standards 2021 with the exception of the materiality analysis conducted in accordance with GRI 2016. It also offers an orientation to GRI Standards within the non-financial report. The GRI Content Index can be found on NORMA Group's website: www.normagroup.com.

This report also serves as a Communication on Progress for the implementation of the ten principles of the UN Global Compact. References to the Global Compact principles have been integrated into the GRI Content Index.

Content of the combined non-financial report

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Mandatory information according to HGB	Reconciliation in report content / material topics	Page
Business model	Principles of the Group	108
	Environmental Strategy and Management Systems (material according to GRI)	62
	Climate Protection	63
	Water	67
	Resource Efficiency and Materials	68
	Responsible Procurement (material according to GRI)	57
Environmental issues	Sustainable Products (material according to GRI)	61
	Compliance Management	52
	Human Rights (material according to GRI)	56
	Employee Satisfaction	71
	Occupational Health and Safety (material according to GRI)	72
	Learning and Development	74
	Diversity and Equality in Opportunity (material according to GRI)	78
Labor issues		
Social issues	This aspect was found to be non-material in the materiality analysis.	cf. 44-46
	Compliance	52
	Human Rights (material according to GRI)	56
	Responsible Procurement (material according to GRI)	57
Respect for Human Rights		
Combating corruption and bribery	Compliance	52
Presentation of risks	cf. corresponding subchapters	cf. corresponding subchapters
Correlations to the Consolidated Financial Statements	Combined Non-Financial Report, EU Taxonomy, GRI and UN Global Compact	82
Additional Company-specific topics	Product Quality and Safety	56

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CR Performance Indicators

Governance / Integrity		T018		
Indicator	Unit	2023	2022	Change in %
Compliance management system & compliance training				
Employees who were trained on compliance topics online	Headcount	1,264	2,080	-39.2
Completed hours in compliance online training	h	1,864	2,535	-26.5
Substantial fines for non-compliance with laws and regulations ¹	EUR thousand	0	0	0
Human rights: elimination of discrimination				
Discriminations determined by courts	Number	0	0	0
Human rights: freedom of association				
Violations of freedom of association determined by courts	Number	0	0	0
Share of permanent staff covered by collective bargaining agreements	%	48.6	49.1	n/a
Product quality and safety				
Manufacturing locations certified according to quality standards (ISO 9001, IATF 16949 or EN 9100)	Number	24	26	n/a
Defective parts	ppm (parts per million)	2.2	2.9	-24.1
Customer complaints ²	average per month per entity	3.9	3.7	5.4
Invention applications	Number	20	21	-4.8
Sustainability in purchasing				
Purchasing turnover	EUR million	537.1	538.9	-0.3
Total production materials turnover	EUR million	377.9	417.8	-9.6
Share of preferred suppliers who have signed the Supplier Code of Conduct (SCoC)	%	93.3	100	-6.7
Preferred production material suppliers	Number	20	15	33.3
Share of preferred suppliers in production material purchasing spend	%	22.9	18.3	25.1
Share of suppliers in supplier scoring that participated in sustainability self-assessment	%	31.5	33.5	-6.0

1_A fines exceeding EUR 50,000 is considered significant.
2_Total number of customer complaints accepted in a calendar month.

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Environment		T019		
KPI	Unit	2023	2022	Change in %
Eco-management systems				
Manufacturing locations certified according to ISO 14001	Number	23	25	n/a
Share of manufacturing locations certified according to ISO 14001	%	92.0	92.6	-0.6
CO₂ Footprint				
Absolute emission				
Scope 1 emissions (from gas consumption) ¹	tons CO ₂ equivalents	4,837	4,645	4.1
Scope 2 emissions (from purchased electricity/heat, market-based ¹)	tons CO ₂ equivalents	227	234	-3.0
Scope 1 and 2 emissions (from purchased electricity/heat, market-based ¹)	tons CO ₂ equivalents	5,064	4879	3.8
Scope 1 and 2 emissions (from purchased electricity/heat, location-based ¹)	tons CO ₂ equivalents	52,783	54,209	-2.6
Energy				
Absolute energy consumption				
Solar energy	MWh	1,019	n/a ²	n/a ²
Gas	MWh	16,961	18,579	-8.7
Liquefied natural gas	MWh	2,561	n/a ²	n/a ²
Electricity	MWh	107,117	107,547	-0.4
District heating	MWh	450	405	11.1
Normalized energy consumption				
Solar energy	kWh / EUR thousand of revenue	0.8	n/a ²	n/a ²
Gas	kWh / EUR thousand of revenue	13.8	14.9	-7.8
Liquefied natural gas	kWh / EUR thousand of revenue	2.1	n/a ²	n/a ²
Electricity & district heating	kWh / EUR thousand of revenue	87.3	86.8	0.6
Water in production processes				
Water consumption	m ³	171,943	163,680	5.0
Water consumption (normalized)	Liter / EUR thousand of revenue	139.6	131.6	6.0
Resource efficiency				
Hazardous waste	tons	835	764	9.3
Non-hazardous waste	tons	11,455	11,990	-4.5
Metallic waste	tons	6,394	6,809	-6.1
Plastic waste	tons	1,047	1,164	-10.1
Cardboard/paper waste	tons	716	671	6.7
Wood waste	tons	944	995	-5.1
Other waste	tons	2,355	2,351	0.2

1_CO₂ emissions are reported in accordance with the GHG Protocol. Scope 1 only includes emissions from natural gas and liquid gas and Scope 2 emissions from purchased electricity and district heating. When recording emissions, only emissions relating to the production sites are taken into account. Market-based emissions are calculated using supplier-specific data and emission factors from the International Energy Agency (IEA), while location-based emissions are calculated exclusively using IEA emission factors. Since January 2022, NORMA Group has purchased electricity from renewable energy sources at all production sites. NORMA Group purchases "Energy Attribute Certificates" for this purpose.

2_The consumption of solar energy and liquefied natural gas has only been systematically recorded for NORMA Group since 2023.

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Social		T020		
KPI	Unit	2023	2022	Change in %
Occupational Health and safety				
Manufacturing locations certified according to ISO 45001	Number	23	24	n/a
Share of manufacturing locations certified according to ISO 45001	%	92.0	88.9	3.5
Accident rate	accidents/1,000 employees	4.0	4.2	-4.0
Medical treatment rate	treatments/1,000 employees	23.1	21.3	8.5
Number of lost time incidents	Number	34	37	-8.1
Number of medical treatments (non-notifiable accidents)	Number	195	185	5.4
Training and development				
Average training hours	Hours / employee	29.1	38.7	-24.8
Employee satisfaction				
Attrition rate (voluntary)	%	12.0	14.2	-15.5
Diversity and equality of opportunity				
Countries in which NORMA Group is currently represented	Number	25	25	0.0
Share of women in permanent staff	%	35.9	36.9	-2.8
Women in the six-person Supervisory Board	Number	3	2	50.0
Social commitment				
Donations	EUR thousand	20	5	292.3
Sponsoring	EUR thousand	50	100	-50.0

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Assurance Report

Independent assurance practitioner's report⁹

To the Supervisory Board of Norma Group SE, Maintal

We have performed a limited assurance engagement on the consolidated non-financial statement of Norma Group SE, Maintal (hereinafter the "company") and the non-financial statement of the parent company that is combined with it (hereinafter the "consolidated non-financial report") for the period from January 1 to December 31, 2023.

Not subject to our assurance engagement are the external sources of documentation or expert opinions mentioned in the combined non-financial report, as well as sections which are not marked as assured (see annex to the assurance report).

Responsibilities of Management

The executive directors of the Company are responsible for the preparation of the Separate Non-financial Group Report in accordance with §§ (Articles) 315c in conjunction with 289c to 289e HGB ("Handelsgesetzbuch": "German Commercial Code") and Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18. June 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder, as well as for making their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder, as set out in section "EU-Taxonomy" of the Separate Non-financial Group Report.

This responsibility includes the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the Group that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal controls as the executive directors consider necessary to enable the preparation of a Separate Non-financial Group Report that is free from material misstatement whether due to fraud or error.

The EU Taxonomy Regulation and the Delegated Acts issued thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section "EU-Taxonomy" of the Separate Non-financial Group Report. They are responsible for the defensibility of this interpretation. Due to the immanent risk that indeterminate legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

Independence and Quality Assurance of the Assurance Practitioner's firm

We have complied with the independence and quality assurance requirements set out in the national legal provisions and professional pronouncements, in particular the Professional Code for German Public Auditors and

⁹ Our assurance engagement applies to the German version of the Norma Group SE's combined non-financial report. This text is a translation of the authoritative German Independent assurance practitioner's report.

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Chartered Accountants (in Germany) and the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1).

Responsibility of the Assurance Practitioner

Our responsibility is to express a conclusion with limited assurance on the combined non-financial report based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the IAASB. This standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the company's combined non-financial report, other than sections not marked as assured as well as the external sources of documentation or expert opinions mentioned in the combined non-financial report, are not prepared, in all material respects, in accordance with Sections 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by management disclosed in section "Combined Non-Financial Report, EU Taxonomy, GRI and UN Global Compact" of the combined non-financial report.

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgment of the assurance practitioner.

In the course of our assurance engagement we have, among other things, performed the following assurance procedures and other activities:

- Interviews with employees responsible for the materiality analysis at Group level to gain an understanding of NORMA Group SE's approach to identifying material topics and corresponding reporting boundaries.
- A risk assessment, including a media analysis, of relevant information about NORMA Group SE's sustainability performance in the reporting period.
- An assessment of the design and implementation of systems and processes for the collection, processing and monitoring of disclosures on environmental, employee and social matters, human rights and combating corruption and bribery, including the consolidation of data.
- Interviews with employees at Group level who are responsible for the determination of disclosures on concepts, due diligence processes, results and risks, the implementation of internal control procedures and the consolidation of disclosures.
- Inspection of selected internal and external documents.
- Analytical assessment of the data and trends of the quantitative disclosures reported for consolidation at Group level by all locations.
- Assessment of the local data collection, validation and reporting processes as well as the reliability of the reported data through site visits at the following NORMA Group sites: National Diversified Sales, Inc., NORMA Germany Maintal GmbH, NORMA Grupa Jugoistocna Evropa d.o.o., NORMA Pennsylvania Inc., NORMA EJT(Changzhou) Co., Ltd., NORMA Czech, s.r.o., NORMA Polska Sp. z o.o., NORMA China Co., Ltd.
- Interviews with responsible employees at Group level to gain an understanding of the procedure for identifying relevant economic activities in accordance with the EU taxonomy.

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- Assessment of the design and implementation of systems and processes for the determination, processing and monitoring of information on turnover, capital expenditures and operating expenditures for taxonomy-relevant economic activities.
- Assessment of the overall presentation of the information.

In determining the disclosures in accordance with Article 8 of the EU Taxonomy Regulation, management is required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

Assurance Opinion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the combined non-financial report of Norma Group SE, Maintal for the period from January 1 to December 31, 2023 has not been prepared, in all material respects, in accordance with Sections 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by management as disclosed in section “Combined Non-Financial Report, EU Taxonomy, GRI and UN Global Compact” of the combined non-financial report.

We do not express an assurance opinion on the external sources of documentation or expert opinions mentioned in the combined non-financial report, as well as sections which are not marked as assured (see annex to the assurance report).

Restriction of Use

This assurance report is solely addressed to Norma Group SE, Maintal.

Our assignment for Norma Group SE, Maintal and professional liability is governed by the General Engagement Terms for Wirtschaftsprüfer (German Public Auditors) and Wirtschaftsprüfungsgesellschaften (German Public Audit Firms) (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated January 1, 2017 (https://www.kpmg.de/bescheinigungen/lib/aab_english.pdf). By reading and using the information contained in this assurance report, each recipient confirms having taken note of provisions of the General Engagement Terms (including the limitation of our liability for negligence to EUR 4 million as stipulated in No. 9) and accepts the validity of the attached General Engagement Terms with respect to us.

Mannheim, March 13, 2023

KPMG AG
Wirtschaftsprüfungsgesellschaft

Beyer
Wirtschaftsprüfer

Tiecks

4

CONDENSED MANAGEMENT REPORT¹⁰

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Adjusted EB IT in FY 2023:

EUR 97.5 million



NORMACLAMP® TORRO® is a multi-range hose clamp that suits perfectly for applications with high mechanical load. Thanks to continuous further development, it continues to be the benchmark for modern clamp design.

¹⁰ All references within the annual report or to websites of NORMA Group and their contents were not subject to the statutory audit.

COMBINED MANAGEMENT REPORT¹¹

Principles of the Group

Business model

NORMA Group positions itself among the international market and technology leaders for advanced and standardized joining and fluid handling technology. With its 25 production sites and numerous sales offices, the Group has a global network with which it supplies more than 10,000 customers in over 100 countries. NORMA Group's product portfolio includes more than 40,000 joining products and solutions for many different cross-industry applications. NORMA Group has received several awards from customers for its quality. The focus is on innovative solutions for promising end markets by focusing on the strategically important areas of Water Management, Industry Applications and Mobility & New Energy. With its products and solutions, NORMA Group actively supports its customers and business partners in responding to key global megatrends such as climate change and the increasing scarcity of resources. High customer satisfaction is the foundation of NORMA Group's continued success. The main factors here are the Company's customer-specific system solutions and the global availability of its products, combined with reliable quality, delivery reliability and well-known brands.

Organizational structure

Corporate legal structure

NORMA Group SE is the parent company of NORMA Group. The Company has its headquarters in Maintal, near Frankfurt/Main, Germany. NORMA Group SE acts as the legal holding company for the Group. It is responsible for the strategic management of business activities. In addition, it is also responsible for communicating with the Company's most important target audiences as well as Legal and M&A, Compliance, Risk Management and Internal Auditing.

Group-wide central management responsibilities such as information technology (IT), Treasury, Group Accounting and Group Controlling, for example, are all based at NORMA Group Holding GmbH, a wholly owned subsidiary of NORMA Group SE, which is also located in Maintal. Three regional management teams based in Auburn Hills (USA), Maintal (Germany) and Singapore steer the specific holding activities for the three regions Americas (North, Central and South America), EMEA (Europe, Middle East, Africa) and Asia-Pacific (APAC).

As of December 31, 2023, NORMA Group SE held direct or indirect interests in 46 companies that belong to NORMA Group and are fully consolidated.

The following changes to the legal structure of the Group were recorded in fiscal year 2023:

Firstly, two companies in the EMEA region, which functioned as holding companies under company law, were merged into operating units ('merger'). The first merger at the beginning of 2023 concerned the merger of the

¹¹ All references in the annual report or to websites of NORMA Group and their contents were not subject to the statutory audit.

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parent company DNL Sweden AB with the subsidiary NORMA Sweden AB as of February 10, 2023; the second merger in August 2023 consisted of the merger of NORMA Group APAC Holding GmbH with NORMA Group Holding GmbH with effect from January 1, 2023.

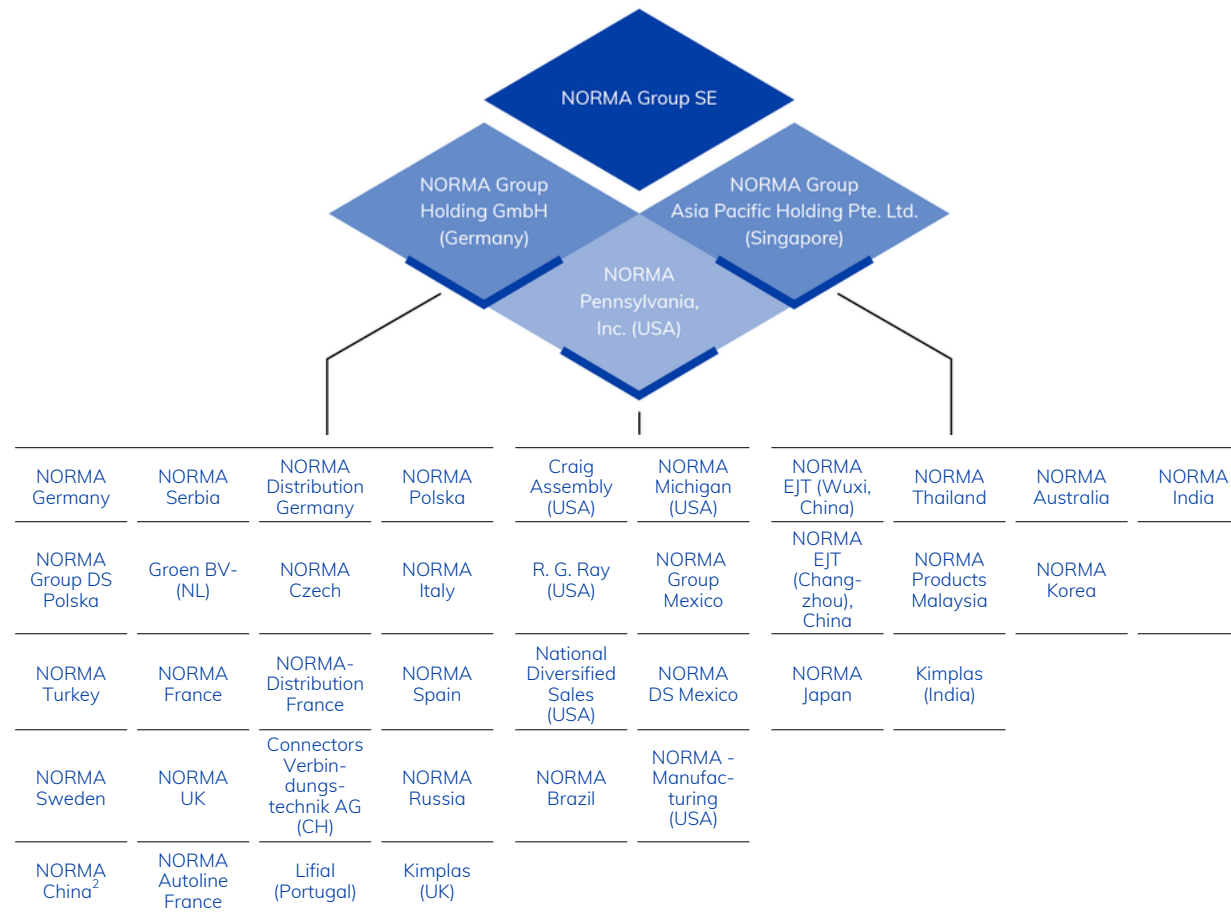
In addition, NORMA Netherlands, which no longer fulfills an active Group function, sold its 30% stake in Groen Bevestigingsmaterialen BV to NORMA Group Holding GmbH in December 2023 in preparation for its liquidation.

Furthermore, NORMA Group Italia S.p.A. signed an agreement on December 21, 2023, to acquire the Italian provider of irrigation products Teco Srl, which was completed on February 29, 2024.

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NORMA Group (simplified structure)¹

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1_This illustration provides an overview of the operating companies of NORMA Group. The company names correspond to the company names that are used internally. A complete list of all Group companies and NORMA Group's shareholdings as of December 31, 2023, can be found in the corresponding disclosure in the [NOTES](#).
 2_NORMA China is organizationally assigned to the Asia-Pacific segment; under company law, it belongs to NORMA Group Holding GmbH.

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Group Management

NORMA Group SE has a dual management system consisting of a Management Board and a Supervisory Board. The Management Board manages the Company under its own responsibility and is advised and monitored by the Supervisory Board.

In fiscal year 2023, the following changes were made to the Management Board of NORMA Group SE:

From January 2023 to May 31, 2023, Mr. Miguel Ángel López Borrego, member of the Supervisory Board of NORMA Group since March 2021, initially held the position of CEO of NORMA Group SE on an interim basis following the resignation of Dr. Michael Schneider at the end of 2022. Mr. López Borrego's position on the Supervisory Board was suspended during this time. Further details on this transition phase can be found in the [SUPERVISORY BOARD REPORT](#).

Effective June 1, 2023, Mr. Guido Grandi took over as Chairman of the Management Board of NORMA Group SE. Dr. Daniel Heymann had already joined the Management Board of NORMA Group SE on May 1, 2023. He took over the position of Chief Operating Officer (COO) from Dr. Friedrich Klein, who left the Management Board at his own request on April 30, 2023. In addition, the contract with CFO Annette Stieve was extended by three years until the end of September 2026.

The Management Board of NORMA Group SE thus had the following three members at the end of 2023: Guido Grandi (CEO), Dr. Daniel Heymann (COO) and Annette Stieve (CFO). In fiscal year 2023, the newly formed Management Board team focused on further optimizing NORMA Group's efficiency and productivity, and aligning the Company strategically and operationally for the future.

In accordance with the Articles of Association, the Supervisory Board of NORMA Group SE consists of six independent members elected by shareholders at the Annual General Meeting. The Chairman of the Supervisory Board is Mark Wilhelms, the Deputy Chairman of the Supervisory Board is Erika Schulte [CORPORATE GOVERNANCE REPORT](#). From January 1, 2023, to May 31, 2023, the Supervisory Board of NORMA Group SE had only five active members and not six active members as usual. This was due to the fact that Miguel Ángel López Borrego was acting as interim CEO during this period. Meanwhile, his office as a member of the Supervisory Board had been suspended. [SUPERVISORY BOARD REPORT](#)

Detailed information on the composition of the Management Board and Supervisory Board and their distribution of responsibilities among themselves can be found in the Corporate Governance Report, which forms part of this Annual Report. The Corporate Governance Report contains the Statement of Corporate Governance required by Section 289f HGB and Section 315d of the German Commercial Code (HGB), including the Condensed Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG), a description of the procedures of the Management Board and Supervisory Board, as well as relevant information on significant corporate governance practices. Furthermore, the declaration on the diversity concept to be disclosed in accordance with the CSR Directive Implementation Act is also an integral part of the Corporate Governance Report [CR REPORT](#), which is part of this Annual Report and can also be found on the company website at WWW.NORMAGROUP.COM. The combined non-financial statement in accordance with Sections 289b and 315b HGB is also included in the [CR REPORT](#).

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Operative segmentation by regions

NORMA Group's strategy is focused, among other considerations, on regional growth targets. In order to achieve these, the operating business is managed by the three regional segments EMEA, Americas and Asia-Pacific. All three regions have networked regional and cross-company organizations with different functions. For this reason, the Group's internal management reporting and control system has a strong regional focus. Regional and local priorities are set in the area of sales service. In the future, the dimension of the global, strategic business units will gain in importance.

Products and end markets

Two complementary distribution channels in three strategic business units

NORMA Group supplies its customers via two distribution channels in three strategic business units (shown in brackets below):

Standardized Joining Technology – SJT (Water Management and Industry Applications):
via wholesalers and sales representatives
and
Engineered Joining Technology – EJT (Mobility & New Energy):
directly to original equipment manufacturers

In the two strategic business units Water Management and Industry Applications, NORMA Group markets a broad portfolio of high-quality, standardized branded products via the Standardized Joining Technology (SJT) distribution channel. In addition to numerous solutions in the field of storm water management, this also includes the field of landscape irrigation and connecting components for infrastructure solutions in the water sector. In addition to its own global distribution network, the Company also relies on sales representatives, distributors and importers as multipliers. NORMA Group's customers include distributors, specialized wholesalers, do-it-yourself (DIY) stores and applications in smaller industries, and also OEM customers in the spare parts market. The brands ABA[®], Breeze[®], Clamp-All[®], CONNECTORS[®], FISH[®], Gemi[®], Kimplas[®], NDS[®], NORMA[®], Raindrip[®], R.G.RAY[®], Serflex[®], TRUSTLENE[®] and TORCA[®] intend to represent technical expertise, high quality and delivery reliability.

The strategic business unit Mobility & New Energy in the Engineered Joining Technology (EJT) distribution channel comprises sophisticated, individually customized joining technology, and is characterized especially by close development partnerships with original equipment manufacturers (OEMs). NORMA Group's central development departments and local resident engineers work together with the customer during multi-year project phases to develop solutions for specific industrial challenges. Due to the constant proximity to customers, NORMA Group's engineers gain comprehensive knowledge and a deep understanding of the various challenges faced by their end markets and customers. As a result, they generate significant added value for customers and contribute to their economic success. Such development partnerships result in holistic product and system solutions that meet both customer demands for efficiency and performance and take aspects such as weight reduction and quick assembly times into account. The Mobility sub-area is in turn divided into the two end markets Light Vehicles (passenger cars) and Heavy Vehicles (commercial vehicles and construction machinery). The New Energy sub-area brings together numerous applications for the sustainable energy industry, innovative solutions for electromobility and renewable energies, for example.

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By combining the provision of high-quality standardized branded products via a global sales network in the areas of Water Management and Industry Applications and expertise in the development of customized solutions for original equipment manufacturers (OEMs) in the area of Mobility & New Energy, NORMA Group is not only able to achieve cross-selling effects, but also numerous synergies in the areas of purchasing, production, logistics and sales. In addition, the Group benefits from significant economies of scale and scope due to the diversity of its product range and the high volumes. This sets the Group apart from competitors who predominantly specialize in individual product segments or regions.

The constant focus in the areas of Water Management and Industry Applications as well as Mobility & New Energy, which have been defined as strategically important since 2020, is intended to ensure an optimized focus on the respective end markets and customers with their specific requirements. For reasons of better transparency, NORMA Group will present its business in the EJT and SJT distribution channels in the above-mentioned relevant customer industries with effect from 2024. Against this backdrop, the EJT distribution channel was renamed Mobility & New Energy at the start of 2024. In addition, from now on, the SJT distribution channel, which comprises the strategic business units Water Management and Industry Applications, will be divided into these two relevant areas.

From the beginning of fiscal year 2024, NORMA Group also plans to present key sales figures for the three strategically important areas of Water Management, Industry Applications and Mobility & New Energy for the first time. From the 2024 fiscal year, the presentation of sales figures in these three strategically important areas will replace the previous presentation of sales development in the two historically known distribution channels EJT and SJT. During the transition phase, the historical distribution channels will continue to be named at the same time as the strategic business units and are expected to take a back seat in the coming years. At the same time, NORMA Group plans to fully focus its reporting on the three strategic business units in the future. The segmentation into the EMEA, Americas and Asia-Pacific regions will continue unchanged.

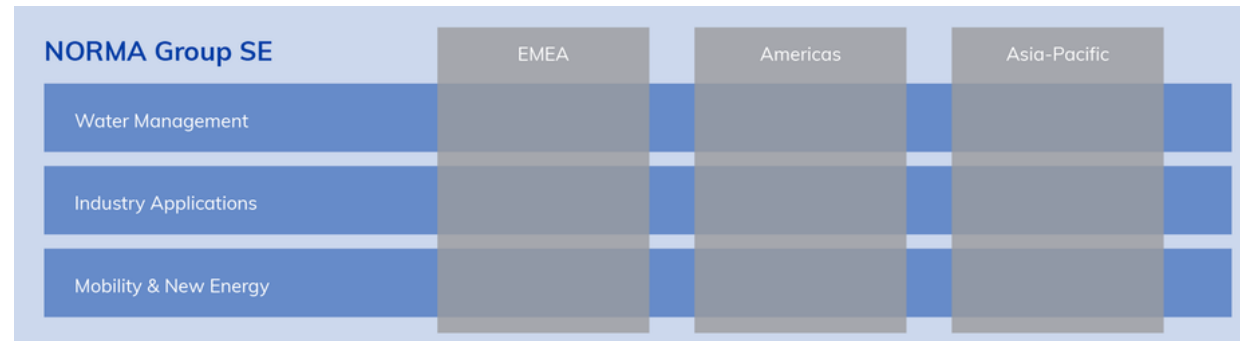
The resulting changes to the reporting-related organizational structure of NORMA Group SE are outlined below.



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Organizational structure of NORMA Group SE with effect from January 1, 2024

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1_The SJT and EJT distribution channels will no longer be the focus of external sales reporting from the fiscal year 2024, when key figures for the strategic business units will be published for the first time.

Product portfolio

NORMA Group's products can be fundamentally divided into three main product categories across all business units based on the technology used in the manufacturing process: **WATER** (applications in the area of Water Management), **FLUID** (fluid systems and connectors), and **FASTEN** (fastening clamps and joining elements made of metal).

The **WATER** product portfolio includes solutions for applications in the fields of storm water management and landscape irrigation, as well as joining components for water infrastructure solutions.

FLUID products consist of single or multiple layer thermoplastic plug-in connectors and fluid systems which, thanks to their special characteristics, reduce assembly times, ensure the reliable flow of liquids or gases and occasionally replace conventional products such as elastomer hoses. NORMA Group's FLUID products are already being used in many thermal management systems in hybrid and electric vehicles, and will also be used in heat pumps in the future.

The **FASTEN** product group includes a wide range of clamp products and joining elements made of non-alloy steels or stainless steel and are mainly used to clamp and seal hoses as well as to affix metal and thermoplastic pipes.

NORMA Group's Engineered Joining Technology is used in all applications in which pipes, tubes and other systems need to be connected. Given that joining technology is a mission-critical component in almost every industry, NORMA Group serves many different end markets. These include the drinking water and irrigation industries and agriculture. Besides the automotive, commercial vehicle and aerospace industries, other end markets comprise construction, mechanical engineering, pharmaceuticals and biotechnology. NORMA Group's products are also used in the consumer products, such as home appliances, for example.

Although some of NORMA Group's joining products have a low value share relative to the customer's end product, they are often mission-critical in use and decisive for the quality of the overall system. Group-wide compliance with high quality standards and stringent quality management therefore play a crucial role for NORMA Group.

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QUALITY MANAGEMENT. Moreover, important parameters for success include a strong brand strategy geared towards regional growth targets and the claim of ensuring first-class service quality and high availability of products. NORMA Group ensures this through its global sales network.

Market and competitive environment

NORMA Group offers products and solutions for a wide variety of different industrial applications. Thanks to the combination of expertise in the processing of both metal and plastics, and the broad diversification of its product portfolio, NORMA Group is able to offer its customers a comprehensive range of solutions to different problems from a single source. This sets the Group apart from competitors who predominantly specialize in individual product segments or regions.

With the strategic business units Water Management and Industry Applications in the Standardized Joining Technology (SJT) distribution channel, NORMA Group operates in a market environment with suppliers of comparable standardized products. It differentiates itself from them in particular through its well-established brands in the market, which are the result of a targeted brand policy geared to the regional needs of customers. Furthermore, NORMA Group has also received several awards from customers for its service quality. NORMA Group provides its trade customers with a comprehensive range of products in the areas of Water Management and Industrial Applications that is geared toward end customer needs.

In the Mobility & New Energy strategic business unit, respectively in the Engineered Joining Technology (EJT) area, and in particular in the area of FASTEN and FLUID, NORMA Group operates in a highly fragmented market in which numerous specialized industrial companies are active. In this environment, NORMA Group positions itself as a provider of customized, value-creating solutions that are the result of long-term development partnerships, and thus geared to the customer's specific requirements. NORMA Group distinguishes itself from its mostly regional competitors with its international business alignment and its cross-industry customer base, in particular. Thanks to its strong focus on innovation, NORMA Group offers its customers products that are particularly resistant to temperature and pressure as well as optimized in terms of weight and assembly time.

A clear structural change has been taking place in NORMA Group's traditional core business, the automotive industry, for a number of years. The Company positioned itself in the field of electromobility at an early stage and is closely monitoring current developments and trends in order to be able to seize positioning opportunities immediately. NORMA Group has a broad product portfolio with customized products and system solutions for applications in electric and hybrid vehicles. For the most part, they are manufactured at its existing production facilities and on the same equipment on which the traditional products for gasoline and diesel vehicles are manufactured. In addition to cooling systems for cars, commercial vehicles and charging infrastructure, these also include solutions for thermal management in batteries and media-carrying systems, fasteners and connectors for hydrogen vehicles. In this respect, the Group believes it is well equipped for the transformation to mobility based on alternative drive systems.

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Strategy and goals

Increase in value

NORMA Group's main strategic objective is achieving sustainable profitable growth for the company. Building on its many years of successful corporate development, the Company continues to strive for profitability above the industry average and an efficient use of the Group's capital. On its way to achieving these goals, NORMA Group pursues a stakeholder-oriented approach. This is based on the expectations of customers with regard to innovative, reliable and value-creating solutions as well as on the financial interests of shareholders, the needs of the workforce and the concerns of suppliers. A motivated, competent and loyal workforce is a fundamental prerequisite for meeting the diverse requirements of external stakeholders. To this end, NORMA Group strives to offer its employees an environment geared towards continuous growth, thus underpinning its position as an attractive employer. At the same time, NORMA Group considers it an integral part of its corporate responsibility to reconcile the effects of its business activities with the expectations and needs of society. Accordingly, the principles of responsible corporate governance and sustainable action apply to all business decisions. Therefore, the Management Board regards Corporate Responsibility (CR) – NORMA Group's responsibility vis-à-vis people and the environment – as an integral part of the Company's strategy. Further information on this can be found in the [CR REPORT](#) as part of the Group's [CORPORATE RESPONSIBILITY STRATEGY](#).

NORMA Group's strategy for long-term value enhancement is based on the following key objectives and strategic measures:

Profitable growth

NORMA Group's primary goal is to achieve a sustained increase in the Company's value. Therefore, the focus is on the continuous profitable expansion of business activities. By continuously expanding application solutions for existing customers and identifying and acquiring new customers, business activities are being steadily expanded, thus increasingly strengthening its international presence. Making selective additions to its product portfolio, expanding its regional presence and market position in the focus end markets of Water Management, Industry Applications, and Mobility & New Energy are at the core of NORMA Group's growth strategy. In identifying its business areas, NORMA Group focuses on markets with attractive margins, sophisticated products, strongly growing sales potential and a fragmented competitive structure. Global megatrends such as climate change are increasing the need for low-emission technologies. The growing scarcity of resources and the increased occurrence of extreme weather events constitute attractive growth potential for NORMA Group, especially in terms of its global water business.

Selective product portfolio

The technological requirements for NORMA Group's end products are constantly changing. Increasing environmental awareness, scarcity of resources and growing cost pressure – further intensified by the huge rise in energy costs – play a major role in nearly every sector of industry. Furthermore, there are binding legislative requirements that are becoming more stringent, particularly in the automotive and commercial vehicle industries, due to stricter emission regulations or special requirements for the materials used. This is also accompanied by increasing technological change, away from conventional combustion engines towards alternative drive technologies such as hybrid, electric and hydrogen drives. [LEGAL AND REGULATORY INFLUENCING ASPECTS](#) These framework conditions form the starting point for the development of new products. NORMA Group focuses on value-enhancing solutions that help its customers to reduce emissions, leakage, weight, space and assembly time. One main focus here is also on the area of thermal management for vehicles. [RESEARCH AND DEVELOPMENT](#) With its Water Management strategic business unit and its extensive product portfolio for applications in landscape irrigation,

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storm water management and infrastructure solutions in the water sector, NORMA Group helps its customers to optimize their use of scarce resources. Innovations play an important role in meeting the increasing customer demands that accompany each new production cycle. NORMA Group therefore has more than 300 employees working in research and development, where engineers and developers work on developing new products and optimizing processes and systems that are currently in use. In order to sustainably strengthen its innovative capability, the Group plans to spend around 3% of its sales on research and development activities each year.

RESEARCH AND DEVELOPMENT

Selective acquisitions to supplement organic growth

By making targeted acquisitions, NORMA Group contributes to strengthening its growth and expanding its business. Acquisitions are therefore an important part of its long-term growth strategy. NORMA Group continuously monitors developments in the strategic business units Water Management, Industry Applications and Mobility & New Energy and contributes to their consolidation with targeted acquisitions. Since its IPO in 2011, the Group has acquired a total of 14 companies and integrated them into the Group. The main focus of M&A activities is on companies that contribute to realizing NORMA Group's strategic goals, strengthening its competitive position and/or generate synergies. Continued growth and high profitability also play an important role here. Since acquiring the US company National Diversified Sales (NDS) in fiscal year 2014, NORMA Group has built up an established market position in the fast-growing water industry, which is to be expanded through further acquisitions in this area. One example of this is the agreement signed in December 2023 to acquire the Italian supplier of irrigation products Teco.

Strategic and regional growth initiatives

In order to achieve the goals anchored in its strategy, NORMA Group is driving specific initiatives in the various regions and strategic business units. They include, in particular, the concerted expansion of the water business in all regions. The activities that are already underway in the area of Water Management in the Americas are to be strengthened by further expanding the online and e-commerce channels. To expand the water business in the EMEA and Asia-Pacific regions, the current structures will be used to advance business development organically or complete value-enhancing acquisitions. Further details can be found in the section on "Step Up". **GROWTH AND EFFICIENCY PROGRAM "STEP UP"** In addition to the regional expansion of activities, the focus of business activities is also on entering new areas of application. This relates in particular to the examples in the section **RESEARCH AND DEVELOPMENT**.

In the area of Industry Applications, the focus is on active portfolio management and a targeted brand strategy. E-commerce initiatives are also to be enhanced in this business unit, especially relating to the region EMEA. By localizing production even further, selectively expanding the product range and focusing on fast-growing markets, the business unit Industry Applications in Asia-Pacific is to be further expanded and at the same time made to be even more profitable.

NORMA Group also intends to further expand the activities of the business unit Mobility & New Energy globally. Here, the Company will focus on strategic and profitable applications that meet the current and future requirements of its customers. At the same time, NORMA will seek to achieve and defend a leading market position in all regions by constantly improving its cost structures.

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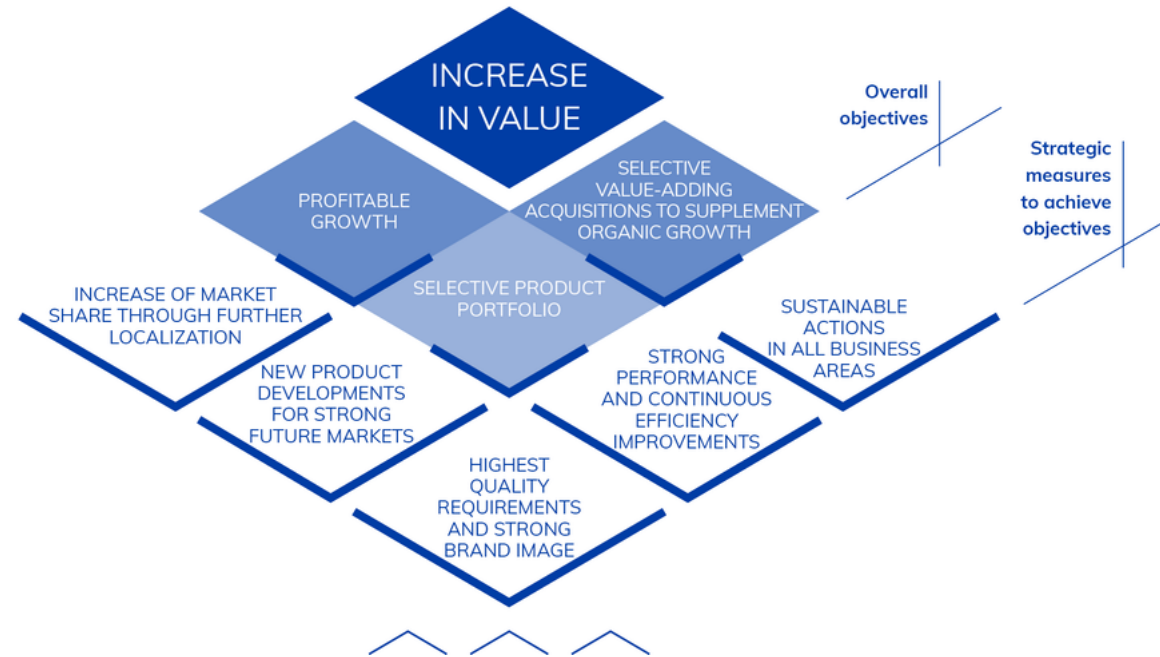
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Strategic goals of NORMA Group

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MARKET LEADER FOR JOINING AND FLUID-HANDLING TECHNOLOGY FOR EXISTING AND FUTURE MARKETS



CLIMATE CHANGE AND SCARCITY OF RESOURCES

ARE GLOBAL MEGATRENDS WHICH FORM THE BASIS FOR NORMA GROUP'S BUSINESS MODEL

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Growth and efficiency program “Step Up”

In mid-2023, NORMA Group introduced a continuous improvement program to make its operating business even more efficient and productive, therefore enabling further profitable growth. The approach was developed in spring 2023 together with NORMA Group’s management team. The program is divided into two core elements: Operational Efficiency and Growth. In particular, “Step Up” includes measures to increase operational efficiency as well as growth plans for the three strategically important areas of Water Management, Industry Applications and Mobility & New Energy. In particular, resources – such as in research and development – should be used with the aim of achieving the best possible economic effect. The implementation of the individual measures contained therein is continuously monitored. All activities will focus even more strongly on the needs of customers.

The measures in the area of **Operational Efficiency** are aimed at further improving internal and external business processes and gearing them towards sustainable profitable growth. Among other things, the focus here is on improving processes. To this end, the IT systems are being further optimized and globally standardized, and complexities are being systematically reduced. NORMA Group wants to further improve its delivery capability while keeping inventories low and further shortening response times. The internal reporting system will also be precisely aligned with the objectives of the program.

NORMA Group was already able to achieve noticeable improvements in operating efficiency in fiscal year 2023. For example, supply chain management in the EMEA region was leveraged efficiently. The availability of products also improved significantly. This positive development puts NORMA Group in a position to better support the sales of its products in the future. The issue of optimizing production processes is also essential given the objective of using resources in the production process to extract a high economic gain. The focus here is particularly on the automation of processes. In fiscal year 2023, work was carried out to identify further potential for improvement. Based on this, a roadmap for automation processes was defined. Important production processes were also automated in the past fiscal year.

Growth plans for the three strategic business units are pooled under the **Growth** mantle. In doing so, the alignment in strategic business units is to be consistently implemented in the corporate organization and the business units are to be given more autonomy. This is to promote customer centricity while growth and investment decisions are to be made increasingly in the units. This allows opportunities to be seized more quickly and in a more targeted manner and customer requirements to be taken into account more specifically. In concrete terms, the plan is to generate stronger growth in the areas of Water Management and Industry Applications by gaining stable business. In the Mobility & New Energy segment, NORMA Group focuses on seizing sales opportunities in the area of alternative drive systems, such as battery-electric or hydrogen-powered vehicles, as well as customer requirements for stricter emission regulations through innovative products.

NORMA Group also made significant strides in the area of growth in the past fiscal year in the three strategic business units Water Management, Industry Applications and Mobility & New Energy. This included primarily launching new products while existing products were expanded to additional countries or customer groups.

In the Water Management segment, the Company succeeded in taking an important step into the European water business with the acquisition of Teco Srl. NORMA Group intends to build on this success and push ahead with the further expansion of its activities in the EMEA region. To this end, an executive with in-depth expertise in the field of water management was placed in Europe in fiscal year 2023. By opening a new production site in Lithia Springs in the USA, further significant production capacities were created in the water business, which is strategically important for NORMA Group. Thanks to this step, the Group will further improve its product range in the US market

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and better reach and develop the East Coast geographically. The expansion of the Raindrip product series in the end customer segment in North America and in the Asia-Pacific region, particularly in Australia, was also stepped up.

In the current reporting year, the Group also worked on identifying new sales potential. This also means that NORMA Group's teams in the strategic business units also focus on alternative applications for products already established on the market in order to open up new product application areas. In the field of water management, for example, valve boxes are offered for use in maintenance boxes for telecommunications networks. This created a synergy for an application relating to a product that is primarily in demand in the neighboring strategic business unit Industrial Applications.

In the Industry Applications strategic business unit, NORMA Group developed new business applications in the past fiscal year 2023. With the aim of creating synergies, existing core competencies from the Mobility & New Energy division's connection technology were applied to entirely new product areas. One example is the successful transfer of NORMA Group expertise to heat pump applications. A significant order from a leading German manufacturer underlines the need for innovative solutions for use in renewable energies. New sales opportunities were also identified. Aviation is a good example of this. The Company also identified further sales opportunities in the 2023 fiscal year in connection with a stronger footprint in the European DIY sector. NORMA Group is continuously working to expand its sales opportunities by stepping up its customer relations and support.

Significant progress was also made in the Mobility & New Energy segment, NORMA Group's third strategic business unit, in the past fiscal year. This progress was mainly achieved in the field of innovation and further development. In particular, product improvements with a focus on efficiency and standardization were implemented in 2023 [RESEARCH AND DEVELOPMENT](#). Work was also carried out on the development of a new connector standard that significantly reduces flow losses. This is in line with NORMA Group's commitment to always offer highly developed joining technologies tailored to the individual needs of the customer and in doing so gain new customers. New Asian customers were successfully gained in fiscal year 2023. The continuous expansion of the footprint in electromobility is also a key success factor for NORMA Group.

Financial and liquidity management objectives and strategies

NORMA Group's objectives and strategies with regard to central finance and liquidity management are unchanged compared to the previous year and are as follows:

I. Ensuring solvency at all times

NORMA Group's most important financial objective is to secure its ongoing solvency in the long term. This is ensured through sufficient operating liquidity and the maintenance of corresponding strategic liquidity reserves. These reserves also include readily available credit lines to take advantage of short to medium-term acquisition opportunities.

Regular rolling liquidity planning for all major Group companies, which is analyzed and aggregated by the centrally organized Group Treasury forms the main strategic cornerstone of NORMA Group's financial management. This is also a valuable tool for measuring and managing liquidity risk, particularly with regard to current geopolitical and economic conditions.

Financing flexibility is ensured by maintaining the appropriate credit lines. These are negotiated loan commitments that can be drawn down within a very short period of time and can subsequently compensate peaks in required liquidity. NORMA Group has a revolving credit line as part of the syndicated bank loan. This

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credit line can be drawn in various currencies and maturities up to an amount of EUR 50 million. In order to increase flexibility, NORMA Group agreed on a further revolving credit line within the existing syndicated bank loan of EUR 50 million in October 2021, so that a credit line of EUR 100 million in total can be drawn from. NORMA Group uses asset-backed security (ABS), factoring and reverse factoring programs to manage liquidity, optimize working capital and improve the predictability of cash flows.

The financing measures undertaken in fiscal year 2023 are described in detail in the explanatory notes to the financial position. [FINANCIAL POSITION](#)

II. Limiting financial risks

The Group Treasury division constantly identifies and assesses interest rate and currency risks and selects suitable hedging instruments to reduce these risks. Here, not only derivative hedging instruments, but also the appropriate foreign currency financing, are used to reduce currency risks. The overall goal is to optimize the assets and liabilities side of the balance sheet with regard to currency risks. In addition, operating currency risks are also reduced in the Group companies above a defined threshold by using derivative financial instruments. Here, Group-wide liquidity planning is crucial to identifying and managing such risks.

In order to limit interest rate risks, NORMA Group aims to hold a balanced ratio of fixed and variable interest rate instruments, either originally or with the aid of interest rate swaps. As at December 31, 2023, around 58% (2022: 46%) of all debt instruments had variable interest rates and were not hedged by interest rate swaps. In addition, current risk positions are monitored regularly by Group Treasury and assessed for their risk-bearing capacity. Group Treasury initiates appropriate countermeasures if the defined risk parameters are exceeded.

Key elements of the policy on limiting financial risks are the clear definition of process responsibilities, multistage approval processes and regular risk assessments.

III. Optimizing the Group's internal liquidity

NORMA Group Holding manages its liquidity centrally and is responsible in particular for investing surplus liquidity as well as for internal Group financing. The Group Treasury of NORMA constantly works on improving internal financing opportunities and bundling the Group's liquidity in order to make it available for a wide variety of funding purposes. This is achieved by optimizing the allocation of cash and cash equivalents in NORMA Group Holding and at the same time ensuring the solvency of the respective individual companies at all times. A professional treasury management system is used for this purpose that provides a daily overview of the cash holdings of almost all subsidiaries. Regional cash pools have been installed to enable the technical implementation of liquidity centralization. Further cash concentrations are carried out at regular intervals. Manual pooling makes it possible to ensure an optimized cash position for all Group companies. Particular attention must be paid to local conditions in international payment transactions.

Control system and key performance indicators

The consistent focus on the Group objectives mentioned is also reflected in the internal control system at NORMA Group, which relies on both financial and non-financial control parameters.

Important financial control parameters

NORMA Group's most important financial performance indicators include the following value and growth oriented key figures, which have a direct impact on NORMA Group's value creation: Group sales, adjusted EBIT margin and

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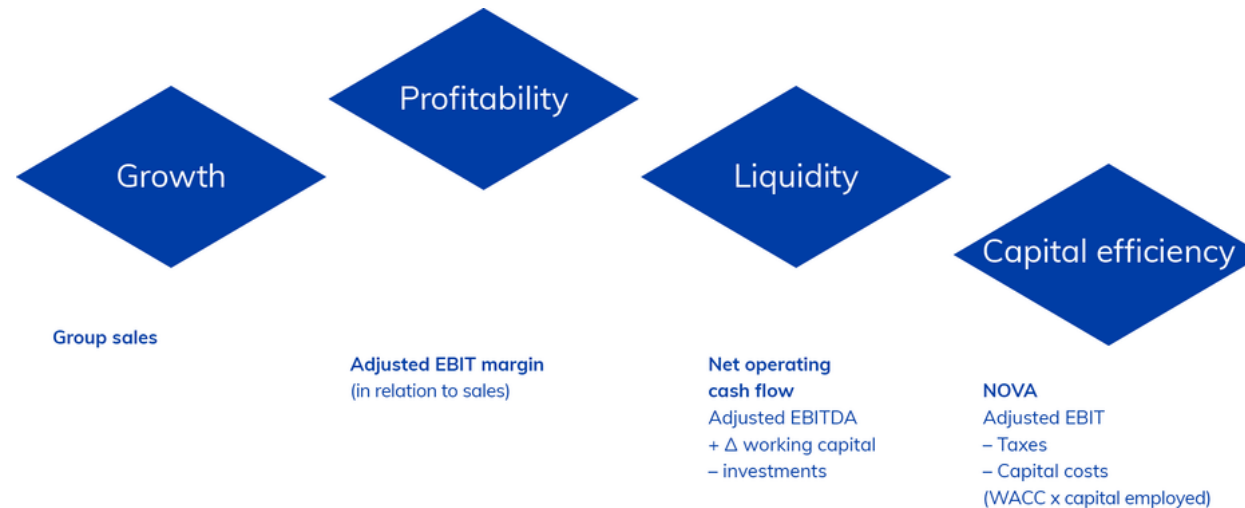
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net operating cash flow. These key figures lead to the NORMA Value Added (NOVA) as the primary strategic performance indicator. NORMA Group uses these key figures to continuously monitor its success in terms of growth, profitability, liquidity and capital efficiency.

Important financial control parameters

G024



Group sales

As a growth-oriented company, NORMA Group attaches particular importance to profitable sales growth. The Group seeks to achieve short and medium-term growth above the market average. In contrast to previous years and since the fiscal year 2024, the Group is providing an absolute range when it comes to the targeted Group sales figure as part of its forecast. [FUTURE DEVELOPMENT OF THE NORMA GROUP](#)

Due to the broad market structure in the area of joining technology, the Management Board is guided by internal analyses as well as studies by leading economic research institutes on the development of the gross domestic product of the respective regions and on the production and sales figures of the relevant customer industries in developing the forecast on the expected development of sales. In addition, Management is including selected leading indicators such as customer order behavior in the trading business (Standardized Joining Technology/SJT = strategic business units “Water Management” and “Industry Applications”) and the order backlog in the Engineered Joining Technology segment (EJT = strategic business unit “Mobility & New Energy”) in its forecast.

Adjusted EBIT margin

The adjusted EBIT margin, which shows adjusted EBIT in relation to sales, provides information on the profitability of the business activities and represents a key internal control and evaluation indicator for the Group's ongoing operating activities. In addition, adjusted EBIT forms the basis for the remuneration of the Management Board and the incentive basis for non-tariff employees. In order to maintain the Group's profitability at a high level, NORMA Group constantly strives to optimize its company processes and structures. In doing so, the Company focuses primarily on sustainably reducing key cost factors.

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For long-term comparison and for a better understanding of how the business is developing, NORMA Group adjusts the operating result for certain expenses in connection with realized M&A transactions. Further information can be found in the section [ADJUSTMENTS](#).

Net operating cash flow

In order to maintain the Group's financial independence and solvency at all times, NORMA Group is also guided by net operating cash flow in managing the Company. This comprises the most important cash-effective items that can be influenced by the individual business units and provides information on whether NORMA Group can finance its operating business out of its cash flow. It is calculated on the basis of adjusted EBITDA plus changes in working capital, less investments from operations. The main starting points for improving net operating cash flow are therefore to increase sales, to improve the operating result (EBITDA) adjusted for special effects and to engage in sustained value-enhancing investment activity. In addition, consistent management of working capital focusing on continuous optimization also has a positive impact on net operating cash flow.

NORMA Value Added (NOVA)

NORMA Group's objective is to use the capital provided to it by shareholders and lenders as efficiently as possible in order to ensure the long-term positive development of the Group. In order to manage this, NORMA Group determines the annual increase in value in the form of the so-called NORMA Value Added (NOVA). NOVA is calculated as adjusted EBIT less tax and the cost of capital. The cost of capital is defined by the weighted average cost of capital (WACC) and the capital employed (equity plus net debt).

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NOVA =
(adjusted EBIT x (1 – s)) – (WACC x capital employed)

NORMA Value Added (NOVA)		2023	2022
Adjusted EBIT ¹	EUR million	97.5	99.0
Adjusted Group tax rate	%	41.3	35.2
Taxes	EUR million	40.3	34.8
Adjusted EBIT after taxes¹	EUR million	57.2	64.2
– WACC ² x capital employed (in EUR million)	EUR million	100.8	91.3
NOVA	EUR million	-43.6	-27.1

1 Adjusted for expenses in connection with acquisitions
2 Weighted Average Cost of Capital

Capital employed¹		2023	2022
Equity	EUR million	705.4	668.6
Net debt	EUR million	349.8	318.5
Capital employed	EUR million	1,055.1	987.1

1 As of the beginning of the year.

The cost of capital rate is calculated on the basis of the following assumptions and calculations:

Assumptions for the calculation of WACC		2023	2022
(in %)			
Risk-free interest rate		2.75	2.00
Market risk premium		7.50	7.50
Beta factor of NORMA Group		1.65	1.65
Cost of equity rate		16.04	15.41
Borrowing cost rate after taxes		3.04	2.8
WACC after taxes		9.55	9.25

The base interest rate is derived from the interest rate structure data of Deutsche Bundesbank (three-month average: October 1 to December 31, 2023). The market risk premium represents the difference between the expected return on a risky market portfolio and the risk-free interest rate. NORMA Group uses the recommendation of the Institut der Wirtschaftsprüfer in Germany (Institute of Public Auditors in Germany (IDW)) to determine this risk premium. The beta factor represents the individual risk of a share compared to a market index. It is first determined as the average value of the unindebted beta factors of the peer group and subsequently adjusted to NORMA Group's individual capital structure. The cost of equity is calculated by adding the risk-free interest rate and the weighted country risk of NORMA Group with the product of the market risk premium and the indebted

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beta factor of the peer group. The credit spread used to calculate the cost of debt was determined on the basis of the terms of the current external financing of NORMA Group. Invested capital is calculated from consolidated equity plus net financial debt as of January 1 of the respective fiscal year.

The financial control parameters are planned and continuously monitored in the Group, but also for the most part at the segment and Group company levels. Deviations between planned and actual figures are tracked in the local companies and aggregated at the regional segment level as part of the monthly analysis. Business development is regularly forecast on the basis of the available monthly and quarterly results and assuming various scenarios.

Important non-financial control parameters

Compliance with applicable environmental protection requirements and the avoidance of environmental risks are key priorities for NORMA Group. The Company is guided by international standards and guidelines in this regard.

Since fiscal year 2023, only CO₂ emissions which since 2020 have also been a target figure within Management Board remuneration for determining part of the long-term Management Board remuneration (ESG LTI), have been considered a key non-financial performance indicator.

CO₂ emissions

NORMA Group's CO₂ emissions are reported in accordance with the GHG Protocol (market-based, Scope 1 and Scope 2). Scope 1 includes only emissions from natural gas and LPG and Scope 2 emissions from purchased electricity and district heating. When recording emissions, only emissions relating to the production sites are taken into account. Further information can be found in the [CR REPORT 2023](#).

The Group strives to continuously reduce these emissions. NORMA Group's target of reducing CO₂ emissions from its production processes by around 19.5% by 2024 compared to the reference year 2017 was already significantly exceeded in 2022. In fiscal year 2023, CO₂ emissions amounted to 5,064 t CO₂e (2022: 4,879 t CO₂e).¹²

Other non-financial performance indicators

Other important non-financial indicators include the Group's innovative capacity, measured by the number of invention applications, the problem-solving behavior of employees, expressed in defective parts per million parts produced (parts per million/PPM), and the accident rate, measured in accidents per 1,000 employees. The detailed set of personnel and environmental key figures as well as key figures on occupational health and safety in the Group can be found in the [CR REPORT](#).

The target figures for the financial and non-financial control parameters for 2023 and the assumptions underlying the forecast are presented in the [FORECAST REPORT](#).

¹² Since January 2022, NORMA Group has purchased electricity from renewable energies at all production sites. NORMA Group purchases "Energy Attribute Certificates" for this purpose. CO₂ emissions are reported in accordance with the GHG Protocol (Scope 1 and Scope 2). Scope 1 includes only emissions from natural gas and LPG and Scope 2 emissions from purchased electricity and district heating. When recording emissions, only emissions relating to the production sites are taken into account. Further information can be found in the [CR REPORT](#).

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Financial control parameters

T024

		2023	2022	2021	2020	2019
Revenue	EUR million	1,222.8	1,243.0	1,091.9	952.2	1,100.1
Adjusted EBIT ¹	EUR million	97.5	99.0	113.8	45.3	136.1
Adjusted EBIT margin ¹	%	8.0	8.0	10.4	4.8	12.4
Net operating cash flow	EUR million	87.3	65.3	99.8	78.3	122.9
NORMA Value Added	EUR million	-43.6	-27.1	16.0	-46.4	17.3

¹Since 2020: adjusted for acquisition-related costs only; up until and including 2019: adjusted for acquisition-related costs and non-recurring expenses.

Non-financial control parameter

T025

		2023	2022	2021	2020	2019 ⁴
CO ₂ emissions ^{1,2}	t CO ₂ e	5,064	4,879 ²	43,449	49,813	54,494 ^{3,4}

¹Since 2020, CO₂ emissions have been a target figure for determining part of the long-term Executive Board remuneration and have therefore been included in the management system for the first time.
²In total, emissions from Scope 1 and 2 (method: market-based) were 3.8% higher than in the previous year (2022: 4,879 tons). Since January 2022, NORMA Group has been purchasing electricity from renewable energies at all production sites through "Energy Attribute Certificates". NORMA Group's CO₂ emissions are reported in accordance with the GHG Protocol (market-based, Scope 1 and Scope 2). Scope 1 includes only emissions from natural gas and LPG and Scope 2 emissions from purchased electricity and district heating. When recording emissions, only emissions relating to the production sites are taken into account. Further information can be found in the [CR REPORT](#).
³Recalculated values due to the integration of the acquired companies Kimplas and Statek into environmental reporting in 2020. For calculation, see Greenhouse Gas Protocol, chapter 5.
⁴The key figures for 2019 and earlier were audited with limited assurance.

Research and Development

NORMA Group's research and development activities are aimed at identifying technological trends at an early stage and addressing them in a targeted manner. This is intended to optimally support the achievement of the Company's strategic goals. The focus is on opening up new markets, gaining new customers and developing new products and system solutions. NORMA Group assesses new technologies according to the extent to which they help to optimize current processes, minimize the use of materials or further improve the functionalities and sustainability of the end products. The focus is on innovative and high-quality solutions to the global challenges of the respective end markets. Besides water management and electromobility, these include topics such as digitalization, stationary battery storage systems and hydrogen as an alternative energy carrier, for example. By specifically considering the relevant global megatrends in close coordination with customers, NORMA Group is able to recognize technological developments at an early stage and launch corresponding product and technology innovations. The protection of resources and the environment plays an important role here.

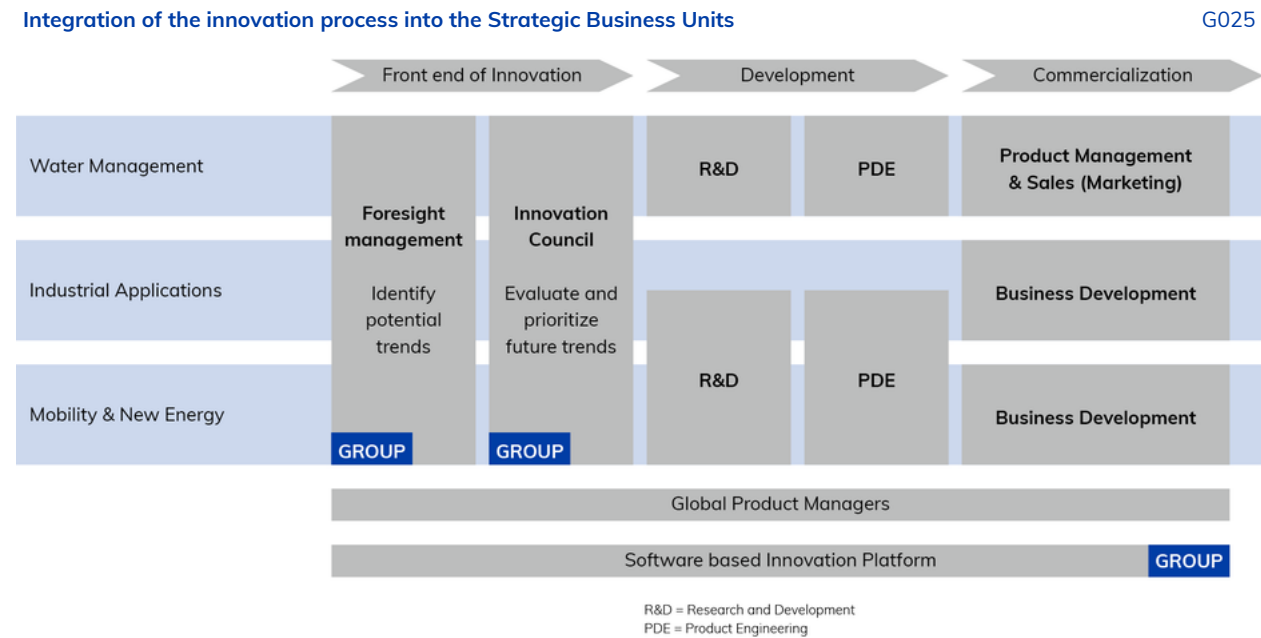
The new organizational structure for the R&D departments already implemented in previous years according to the three Strategic Business Units Water Management, Industry Applications and Mobility & New Energy enables optimized cross-regional cooperation between the teams and better dovetailing of development activities with the business development teams (Sales and Application Engineering). The global focus of the business units enables more targeted and efficient working on the tasks that lie ahead. At the same time, tasks and projects continue to be prioritized in line with strategic requirements, by the Innovation Council and Global Product Management, for example.

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Focus on innovations

The focus of NORMA Group’s research and development activities is on strengthening the Company’s innovative strength. The emphasis therefore continues to be on the systematic planning and implementation of innovation projects. The so-called Foresight Manager and Global Product Management are jointly responsible for monitoring the strategic end markets and bundling the knowledge gained in the internal innovation management process.

NORMA Group further continued the above-described concept of innovation, research and (product) development in fiscal year 2023. A software-based innovation platform is used to support the systematic identification, documentation and assessment of new ideas by involving all NORMA Group employees. Networking with start-ups and universities, complemented by visits to trade fairs, and close communication with our customers’ technical teams, was used in 2023 to generate additional impetus for new products and fields of application.



Numerical simulation and validation of new technologies

NORMA GROUP is committed to including future-driven technologies identified on the basis of the global megatrends into the development and design of new products. Mathematical models and numerical simulations play a key role in the early development phases for the efficient development and optimization of new product concepts. In addition to theoretical-technical investigations (known as verification), the respective concepts are also subjected to subsequent extensive physical tests (known as validation). Numerical simulation allows for the required development times to be optimized. The number of experimental optimization loops required, including the time needed for prototyping and testing in the laboratory, can thus be reduced. The final experimental

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validation of new products ideally confirms the product properties previously determined via simulation. This simulation serves to safeguard that the investigated products, technologies, materials and manufacturing processes meet the needs of the market.

Strategic cooperation with customers and research institutions

In the Strategic Business Unit Water Management, NORMA Group maintains close contact with its distributors, end customers, installers, trading and construction companies, as well as regulatory authorities, due to the wide range of standards, varying regulatory requirements and best practices. By doing so, differentiated product solutions can be developed to serve local market needs.

Within the Industry Applications strategic business unit, which traditionally represents a trading segment, the requirements of NORMA Group's customers focus more on high quality and a strong brand image, product availability at all times and a largely complete product range. Therefore, the focus in the area of Industry Applications is on the meaningful optimization of the product range and targeted marketing activities. [MARKETING](#)

The strategic business unit Mobility & New Energy is characterized by the fact that NORMA Group works closely with its end customers, leading research and development institutions, suppliers and other external partners. Customer requirements can thus be incorporated directly into the development of new products and technologies. This also ensures rapid marketing. For competitive reasons, the Company refrains from publishing the specific contents of these development partnerships.

Development focuses in 2023

Research and development activities in fiscal year 2023 were dominated by the trend topics of water management, mobility, digitalization, globalization and sustainability.

In the Water Management strategic business unit, activities focused on global, market-oriented and innovative solutions for the efficient use of water. Work was also carried out on the use of sustainable materials and the range of "smart" control technology. Highly efficient components for irrigation systems (such as micro-sprayers, precision drippers and drip lines) in combination with pressure regulators, particle filters and intelligent control components (e.g. valves and control units) form system solutions that meet current and future requirements for local water management. In drainage water management, development efforts range from technologies for water recovery in catch basins, flexible drainage channels and drainage ditches, to technologies for filtering all suspended solids (TTS) using underground chambers, to measures to optimize the water permeability of soil pavements on green and gravel surfaces. In line with NORMA Group's objectives regarding its social and environmental responsibility, further initiatives were also launched in the strategic business unit Water Management to expand the use of sustainable and recycled raw materials and plastics in product and process design. NORMA Group's extensive in-house expertise and proximity to customers, sales partners and authorities enables the Company to adapt its current product portfolio and develop innovative new products to meet market requirements.

In the area of Electromobility, thermal management of batteries and systems remains a key topic. For this purpose, NORMA Group develops special line systems in the FLUID product area that ensure uniform temperature distribution inside the battery and maintain the optimal operating state of the cells. The consistent use of numerical simulation has been instrumental here in developing fluid components and systems with the lowest flow resistances and thus maximized efficiency and resource conservation. Innovations in the FASTEN product area in 2023 were again aimed at the goal of being the market and technology leader. In addition to new product

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solutions, significant work was also carried out here on the continuous improvement of products based on the aspects of efficiency, standardization, robustness, resource conservation and weight savings.

NORMA Group continues to be active in the field of fuel cells and supplies line systems and fastening elements here. In this environment, further projects are underway to help prepare the Company's current and new product solutions for use in fuel cell technology. Examples of this include the development of components made from special plastic grades that meet new customer requirements for hydrogen line systems.

Know-how protected by patents

Its unique know-how in the field of joining technology represents a key success factor for NORMA Group. Therefore, the Group protects its innovations through patents. A total of 729 patents and utility models were held as of December 31, 2023 (2022: 960) held. In fiscal year 2023, the number of internal invention disclosures amounted to 20 (2022: 21), while the number of new patent applications filed was 28 (2022: 30).

R&D Expenses

Research and development expenses amounted to EUR 44.3 million in 2023 (2022: EUR 40.6 million). This corresponds to around 3.6% (2022: 3.3%) of NORMA Group's total sales in fiscal year 2023. The capitalization ratio, i.e., the share of own work capitalized in R&D expenses in the current reporting year was 6.8% (2022: 6.0%)

Employees in R&D

As at December 31, 2023, the Group employed 316 people in research and development (2022: 311 employees) worldwide. This represents around 5.3% of the core workforce (2022: 5.0%).

R&D Figures			T026			
		2023	2022	2021	2020	2019
Employees in R&D	Number	316	311	343	340	345
R&D employee ratio	% of permanent staff	5.3	5.0	5.5	5.1	5.3
R&D expenses ¹	EUR million	44.3	40.6	38.0	29.0	31.2
R&D ratio ¹	% of revenue	3.6	3.3	3.5	3.1	4.7
Invention applications	Number	20	21	25	22	22

¹ Up to and including 2019, only R&D expenses in the EJT area were documented and reported. The R&D ratio was derived from the ratio to EJT sales. With the increasing strategic relevance of Water Management at NORMA Group, R&D expenses in this area have also been recorded and set in relation to total sales since 2020.

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Economic Report

External factors of influence

Economic factors

NORMA Group is active in many different industries and regions. Seasonal and economic fluctuations in individual countries or industries can have an impact on customer demand and the order situation of NORMA Group. At the same time, NORMA Group is less vulnerable to temporary declines in demand in individual industries or countries thanks to its diversified product portfolio and broad customer base.

Global economy relatively robust in 2023 despite polycrises, inflation and higher interest rates

The global economy recovered only slightly in 2023 after overcoming the coronavirus pandemic. According to the International Monetary Fund (IMF), this was due to long-term burdens. These include geopolitical tensions and upheavals, in particular Russia's war of aggression in Ukraine, as well as the political and economic fragmentation that can be observed worldwide. The dissolution of established supply chains as well as new trade conflicts and sanctions curbed global free trade. In addition, cyclical factors such as high inflation and tighter monetary policy, the expiry of the previously stimulating pandemic fiscal packages, increased debt and frequent extreme weather events also had a negative impact in 2023. While the US economy was surprisingly strong in 2023, China and Europe in particular performed weakly. Nevertheless, the global economic trend was better than initially expected. The Kiel-based IfW assumes that the global economy will have grown by 3.1% in 2023 despite all the burdens. According to the IMF, global growth also amounted to 3.1%, although momentum in the industrialized countries was very low at just 1.6%. In contrast, the economic output of emerging and developing countries rose by 4.1%.

China showed a radical change of course at the beginning of 2023 by completely abandoning its strict zero Covid policy. Despite this, the economy was slow to recover. The main negative factors here were the crisis in the construction and real estate sectors, high youth unemployment, the weaker consumer climate and subdued export demand. Investments also lost momentum noticeably. In order to stabilize the economy against this backdrop, the central bank eased interest rates further. The government also took measures to support the construction industry. China's industrial production remained robust with an increase of 4.6%. The automotive and mechanical engineering sectors in particular were on the upswing, as was the production of solar cells. The economy in Southeast Asia (ASEAN-5) also continued its recovery after the pandemic (+4.2%). In India, growth was also positive (+6.7%), driven by lively private consumption and government infrastructure expansion.

In the US, the originally feared slide into recession in 2023 did not materialize. On the contrary, the economy there proved surprisingly resilient and dynamic with growth of 2.5%, despite the Fed continuing its restrictive course to combat inflation. Overall, the key interest rates were raised in four further steps until July 2023. The reasons for the nevertheless strong domestic demand were rising real incomes on the one hand and a very expansive fiscal policy on the other. Both effects resulted in very lively private consumption. On the other hand, industrial development faltered noticeably due to higher interest rates: US industrial production stagnated (+0.2%) and capacity utilization was lower than in the previous year at an annual average of 79.3%.

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GDP growth rates (real) in %

	2023	2022	T027 2021
World ¹	3.1	3.5	6.3
USA ²	5.2	3.0	8.4
China ³	2.5	1.9	5.8
Euro zone ⁴	0.5	3.4	5.9
Germany ⁵	-0.3	1.8	3.2

¹IMF
²US Department of Commerce
³National Bureau of Statistics (NBS)
⁴Eurostat
⁵Federal Statistical Office (Destatis)

Europe's economy close to stagnation in 2023 due to headwinds

The European economy proved to be very weak due to high levels of uncertainty. To curb high inflation, the ECB raised the key interest rate in six steps to 4.50%. Interest rates were also tightened in the UK and Switzerland. As a result, the economy in both countries grew only moderately. Overall, the Eurozone lacked impetus from abroad. In addition, domestic demand faltered noticeably due to the sharp rise in the cost of living. Furthermore, the significant tightening of monetary policy led to an increase in financing costs. Taken together, these factors resulted in a slowdown in economic development. At the end of 2023, price pressure eased again as energy prices fell, resulting in an inflation rate of 2.9% in December (December 2022: +9.2%). Industrial production (excluding construction) in the Eurozone has contracted since March 2023, with the decline accelerating significantly again from August 2023. Capacity utilization fell steadily. It averaged 79.4% in the final quarter of 2023 compared to 81.4% at the end of the previous year. At the turn of 2023/2024, the Eurozone was in an economic slump. According to the Eurostat statistics office, the gross domestic product grew only marginally by +0.5% in 2023. In a comparison of the Eurozone, the trends in Spain, Portugal and France were better, but worse than average in Germany, Austria, the Netherlands and parts of Scandinavia.

Germany's economy in decline in 2023, industrial sector under pressure

The German economy faltered in the crisis-ridden environment and shrank by 0.3% in 2023, according to the Federal Statistical Office (Destatis). This was triggered by high prices at all levels of the economy, less favorable financing conditions due to higher interest rates and lower demand domestically and from abroad. Private consumption fell by 0.8%, mainly due to inflation, and even fell below the level of the pre-crisis year 2019. In addition, government consumption declined for the first time in three years, especially as publicly financed coronavirus measures had expired. While investment in construction fell significantly, particularly in residential construction, due to high construction prices and the sharp rise in interest rates, investment in machinery, equipment and vehicles increased noticeably. The main driver for this was the boom in commercial electric vehicles driven by an environmental bonus.

The stabilization of supply chains with the gradual overcoming of material bottlenecks and the reduction of accumulated high order backlogs tended to be positive for the German industrial economy. However, new business remained weak until the end of the year, meaning that the German industry came under increased pressure from June 2023. Energy-intensive industries in particular – including the chemical, steel and aluminum sectors – have reduced their production. According to the ifo Institute, they must undergo a far-reaching structural change in response to the massive energy price shock triggered by Russia's attack on Ukraine. Overall, capacity

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utilization in German industry has fallen further. In the final quarter, it averaged 81.7%. This was a total of 300 basis points less than a year earlier.

Exchange rate fluctuations

Due to its international activities, exchange rate fluctuations have an impact on NORMA Group's business.

[RISK AND OPPORTUNITY REPORT](#)

In fiscal year 2023, NORMA Group generated around 40% of its sales in US dollars. The development of the US dollar against the euro led to a negative effect on sales in fiscal year 2023. There were also further negative effects from the Chinese renminbi yuan.

Industry-specific influencing factors

Mechanical engineering stagnates worldwide in 2023 with predominantly low propensity to invest

In the difficult economic environment with high energy costs, global industrial production (excluding the construction sector) grew only minimally by 0.8% in the first eleven months of 2023 (2022: +3.2%). This development had the effect of slowing down the willingness to invest worldwide. Exceptions to this were the mechanical engineering and automotive industries in China, which saw increased investment. In the USA, too, massive subsidies were used to stimulate semiconductor factories and renewable energy production. By contrast, capital investment in the UK slipped into negative territory after a robust start to the year, and investment in machinery and equipment in the Eurozone lost momentum from the summer onwards. According to the VDMA (German Engineering Federation), global machine sales stagnated in this environment. At country level, the trends in this regard were in some cases clearly contradictory. India and Turkey, for example, achieved strong increases in sales (+10% in real terms in each case), while machine sales in Taiwan plummeted (-17%). Brazil (-6%), South Korea (-5%), Japan (-6%) and the USA (-3%) also performed weakly, whereas machine sales in Canada (+5%) increased. China's mechanical engineering sector grew very moderately at +2%.

The European mechanical engineering sector proved robust in the challenging environment of 2023. However, the supporting effect of the high, pent-up order backlog waned over the course of the year. According to the VDMA, price-adjusted machine sales in Switzerland fell by 2%. In contrast, the sector in the UK has recovered noticeably with growth of 5% in real terms. In the EU, as in the Eurozone, the mechanical engineering sector recorded a decline of 1% in real terms. Developments varied greatly from country to country. Real sector sales in Poland (+4%), Belgium (+4%) and Sweden (+3%) grew robustly, while the sector stagnated in France and Spain. In Italy and Denmark, sector sales fell slightly (-1% in each case). In the Netherlands (-5%) and some Eastern European countries, the mechanical engineering sector experienced a significant downturn in 2023. In Germany, the sector had to accept real sales losses of 2% in 2023 with nominal growth of 9%. Production in the mechanical engineering sector in Germany fell by 1% in real terms.

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Engineering: Real change in industry sales

in %	2023	2022	T028
Germany	-2.0	0.0	6.0
Eurozone	-1.0	3.0	11.0
USA	-3.0	3.0	12.0
China	2.0	2.0	13.0
World (excl. China)	0.0	3.0	13.0

Source: VDMA

Strong recovery in global car and commercial vehicle production almost without exception

The global automotive industry recovered at double-digit rates almost everywhere in 2023 despite considerable burdens. According to Global Data (GD, formerly LMC Automotive), sales of light vehicles (LV, up to 6 tons) increased worldwide by 10.1% to 89.3 million LV. On the one hand, the previous year's basis for comparison was very weak, while on the other, the availability of primary products improved, allowing production to be ramped up. According to GD, global production rose to 90.7 million units (+10.1%). The production of vehicles with classic combustion engines fell slightly (-1.0%), whereas vehicles with alternative drive systems boomed. The production of plug-in hybrids (PHEV) and pure battery electric vehicles (BEV) was increased significantly. Their combined global production volume grew by 37.8% to 14.5 million units (PHEV + BEV). The global market for commercial vehicles (commercial vehicles, trucks + buses) was also on the upswing in the reporting year 2023. This was evident in Europe (+12.8%), North America (+7.3%) and China (+36.5%), among others, where production was ramped up considerably in some cases. In contrast, Brazil's commercial vehicle manufacturers recorded heavy losses (-38.7%) according to GD.

According to the ACEA (Association des Constructeurs Européens d'Automobiles), demand in Europe (EU + EFTA + UK) rose by a strong 13.7% to 12.8 million cars in 2023. Despite this, sales in Europe were still almost a fifth lower than in the pre-crisis year of 2019. The volume markets of the UK, France, Italy and Spain grew at rates of around 16% to 19%. In Germany, the largest single market, sales growth was somewhat more subdued (+7.3%). Across Europe, sales of vehicles with petrol combustion engines rose by 10.7%, while demand for diesel cars continued to shrink (-6.4%). As a result, the overall share of sales of vehicles with classic combustion engines in Europe fell from 51% to 48%. In contrast, the market for electric vehicles has grown significantly (pure BEV +28.2%, hybrid vehicles +19.7%). Supported by buoyant demand in the domestic and export markets and more stable supply chains, Europe's automotive industry increased its passenger car output: Production rose by 13.7% to 18.1 million units in 2023. In addition, Europe's commercial vehicle market has seen a double-digit recovery from the previous year's decline. Sales of trucks and buses rose by 22.9% in 2023 and commercial vehicle production increased by 12.8% – in Germany by as much as 16.6%.

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Automotive Industry: Global production and development of sales

in %	2023	2022 ¹	T029 2021 ¹
Production of light vehicles	10.1	7.1	3.0
Classic combustion engine	-1.0	-0.5	-5.1
PHEV	52.7	33.5	67.4
BEV	33.1	72.8	108.1
Sales of light vehicles	10.1	-0.6	4.9
Production of commercial vehicles	11.6	-14.3	1.3
Sales of commercial vehicles	16.1	-19.3	4.1

Source: LMC Automotive
¹ Revised date according to LMC

Construction industry mixed in 2023, rise in interest rates intensifies downturn in residential construction

Asia's construction industry developed heterogeneously in 2023 as a result of the global economic slowdown, high inflation and predominantly higher interest rates. While Indonesia's construction sector remained in crisis mode, Singapore recorded strong growth. India's construction industry has grown strongly, driven by urbanization. In contrast, China was unable to overcome the crisis in the construction industry. Building construction there shrank by 9.6% in nominal terms, while residential construction fell by 9.3%. In contrast, investments in the water industry rose by 7.6%. Europe's construction industry entered an accelerated downturn in 2023. Developments in residential construction were the main driver. The high interest rates and construction prices had a direct negative impact here. According to the Euroconstruct industry network (including the ifo Institute), renovations of existing buildings also declined. While new construction of other buildings stagnated, civil engineering supported the sector due to government investment. According to Euroconstruct, European construction output shrank by 1.7% in real terms. However, a country comparison shows a mixed picture: In Scandinavia, the decline was double-digit in some cases. In addition, construction activity declined in Austria, France, Italy, the UK and Switzerland, whereas construction activity in Spain and Portugal was on the upswing.

Germany's construction sector continued its negative trend in 2023 with an economic decline in construction investment of 2.1% in real terms (2022: -1.8%). Initially, a high level of existing orders provided support, but new business in residential construction was very weak. At the same time, cancellations are reaching new records. This was due to the sharp rise in interest rates and construction prices. After many years of strong growth, residential construction slipped into a deep crisis in 2023. In contrast, commercial construction was only slightly down in 2023 and public construction bucked the trend. According to the analysis by the German Institute for Economic Research (DIW), the construction volume increased by 6.1% in nominal terms, but excluding price increases (+7.1%), a contraction of 1.1% (2022: -2.2%) was observed. New residential construction fell disproportionately by 5.8% in real terms (2022: -5.2%). The area of extensions and conversions as well as the modernization and refurbishment of existing buildings, which together account for around 70% of the construction volume, declined slightly by -0.7% in real terms.

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Construction Industry: Development of European construction output

in %	2023	2022 ¹	T030 2021 ¹
Western Europe	-1.7	2.6	5.5
Eastern Europe	-0.6	4.9	3.2
Europe	-1.7	2.7	5.3

Source: Euroconstruct / ifo Institute (19 core markets in total)
 1_Revised data according to Euroconstruct / ifo institute

US construction industry showing growth for the most part in 2023 despite high interest rates, renewed brisk investment in the water business

In the USA, the construction industry remained on the upswing in 2023 despite the rise in interest rates. Measured in terms of expenditure volume, construction output rose by 7.0% thanks to high public infrastructure investment and as a result of lively investment in commercial construction. The massively subsidized investments in renewable energies and the construction of semiconductor factories in particular are likely to have had a positive impact here. Although the financing environment continued to deteriorate due to the interest rate trend, multi-family house construction continued to grow. Private single-family house construction, on the other hand, plummeted. According to official data, the decline amounted to 13.5%. This was due to high inflation and higher interest rates, which led to an immediate slump in demand. According to calculations by the industry experts at FMI, investments in the expansion, conversion and renovation of apartments also fell by 4%. Investments in the expansion of the US water supply, most of which were made by the government, increased by a substantial 17% overall.

According to industry experts at the Harvard Center of Joint Housing Studies (Remodeling LIRA Index), spending on repair and renovation work, which is another key driver of NDS product sales, rose by 2.2% in fiscal year 2023. The annual growth rate in the area of remodeling decreased over the course of the year as project backlogs decreased and HELOC (Home Equity Line of Credit) interest rates increased. By contrast, construction activity in the commercial sector, which includes office, retail and lodging buildings, increased by 12%. This positive development was mainly supported by steady infrastructure investment. Although the commercial sector accounts for a smaller share of NDS revenues, it is an important growth market which still lags behind the residential market in terms of its current size, however.

Legal and regulatory influencing factors

As part of the international orientation of its business and against the background of its acquisition strategy, NORMA Group is obliged to comply with various legal and tax regulations. Product safety and product liability laws, construction, environmental and employment law requirements as well as foreign trade and patent law all play a role here. [RISK AND OPPORTUNITY REPORT](#)

Due to the growing water management business and the increasing importance of this strategic business unit, various regulatory initiatives and government measures aimed at improving the supply of water to the population have gained considerable influence for NORMA Group.

NORMA Group's product strategy is also influenced by the growing density of regulations in environmental law and the current structural change in the automotive industry, in which the focus is shifting to lower-emission drive technologies. New regulations on emissions and fleet management provisions, as well as the strong trend toward

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hybrid and fully electric drive models, have a positive impact on NORMA Group's business. After all, the increasing complexity of systems in vehicles – due to downsizing or hybrid vehicles, for example – also increases the number of interfaces and thus the demand for reliable joining technology. In addition, the increasing electrification of the automotive industry presents OEMs with new challenges and opens up new opportunities and business fields for NORMA Group, especially in the area of thermal management. [RESEARCH AND DEVELOPMENT](#)

Significant events and developments in fiscal year 2023

Changes in the Management Board of NORMA Group SE

Effective May 1, 2023, Dr. Daniel Heymann joined the Management Board of NORMA Group as COO. In addition, Guido Grandi has been the Company's new CEO since June 1, 2023. Together with Annette Stieve, who has been CFO of NORMA Group since October 2020, the newly composed Management Board team started in fiscal year 2023 to further develop NORMA Group strategically and operationally and to position it for the future. This also includes the management and implementation of the "Step Up" growth and efficiency program.

"Step Up" growth and efficiency program launched

In mid-2023, NORMA Group introduced a continuous improvement program to make its operating business even more efficient and productive and so achieve further profitable growth in the three strategic business units Water Management, Industry Applications and Mobility & New Energy. The approach was developed in spring 2023 together with NORMA Group's management team. The program, which is divided into the two core elements of Growth and Operational Efficiency, consists of clearly defined individual measures that are continuously tracked. The needs of customers will be placed even more strongly at the center of attention. [STRATEGY AND GOALS](#)

Production capacities for water management solutions expanded

The US subsidiary NDS opened a new plant on May 4, 2023. The site is located in Lithia Springs, Georgia, near Atlanta. Valve boxes for irrigation systems and products for draining storm water are manufactured on a production area of 10,900 square meters. Over the next three years, the workforce is set to increase from an initial 40 employees to 120. The products manufactured at the Lithia Springs plant are sold to wholesalers and retailers in the USA. The new site represents another milestone in the strategic expansion of NORMA Group's water management business.

Production expansion in China celebrated

The grand opening of the expansion of the NORMA Group site in Changzhou, China, took place at the end of June 2023. With 9,900 square meters of additional space for production, warehouse and offices, the site is now positioned to meet the growing demand for high-quality metal fastening products in China. In this context, the second production site in Changzhou was closed in November 2023 following the relocation of production.

NORMA Group financing concluded with sustainable component

In the third quarter of 2023, NORMA Group SE completed its financing with a platform-based promissory note in the amount of EUR 120 million, which features a sustainability component. NORMA Group used the funds raised to repay existing financial liabilities and for general corporate financing. The promissory note was issued in tranches with maturities of three, five and seven years and fixed and variable interest components. The interest

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margin is increased or decreased by 2.5 or 5 basis points depending on NORMA Group's respective sustainability rating. A consistent improvement in the various sustainability criteria also leads to savings in the financing costs of the new promissory note. As with previous transactions, the Company is consistently implementing its sustainability strategy.

Adjustment of the sales forecast in fiscal year 2023 and specification of further forecast components

On November 2, 2023, the Management Board of NORMA Group SE announced an adjustment to the sales forecast for fiscal year 2023 in an ad hoc announcement. Based on the then current, preliminary sales figures for October, reduced call-offs from automotive and supplier customers and expectations for the remainder of fiscal year 2023, management since then has forecasted organic Group sales growth in the range of around 0% to 1% compared to the previous year (previously: "mid-single-digit organic Group sales growth"). Among other things, this was due to the consequences of strikes at US vehicle manufacturers, which were no longer expected to lead to any catch-up effects in the remainder of the fiscal year. In the EMEA and Asia-Pacific regions, management was also no longer expecting any compensation due to the general market weakness. Further forecast components were also specified in the ad hoc announcement. The existing forecasts for the adjusted EBIT margin of around 8% and the net operating cash flow of around EUR 70 million were confirmed by the Management Board. [COMPARISON OF TARGET AND ACTUAL VALUES](#)

Expansion of the water business in Europe

On December 21, 2023, NORMA Group signed an agreement to acquire Teco Srl, an Italian supplier of irrigation products for the gardening, landscaping and agricultural sectors. The Company offers around 800 products, including drippers, sprayers, valves and connecting elements. Teco's customers are wholesalers and manufacturers of water management systems. In fiscal year 2022, sales of the company, which had been founded in 2004, amounted to around 4.7 million euros. The acquisition serves the gradual expansion of the business in the strategic area of water management in Europe. The acquisition was completed on February 29, 2024.

NORMA Group's Annual Report and Investor Relations Department honored once again

NORMA Group received the "FOX FINANCE Award in SILVER" for its Annual Report 2022. In addition, NORMA Group was ranked 7th out of 70 SDAX companies in the "Investors' Darling" capital market competition, in which the capital market communication of Prime Standard companies is assessed according to numerous criteria. [IR-WORK](#)

Good marks in ESG ratings

In the ESG (Environmental, Social, Governance) category, the Group was rated "ESG Industry Top Rated" by the sustainability rating agency Sustainalytics. NORMA Group was certified as having above-average sustainability risk management and thus a low probability that a lack of corporate responsibility could have a negative impact on the Company's value. [SUSTAINABILITY RATINGS](#)

Comparison of target and actual values

NORMA Group issued a forecast on the development of the Group's key performance indicators in fiscal year 2023 when it published its Annual Report 2022 on March 28, 2023. [ANNUAL REPORT 2022](#)

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NORMA Group's performance was influenced by a number of factors over the course of fiscal year 2023. These included the continued high level of inflation. This was partly reflected in continued higher prices for energy and selected commodities and (input) materials compared to the period before the Russian war of aggression against Ukraine. Uncertainties in connection with the further development of geopolitical and economic conditions and a tense interest rate environment also had a negative impact. Taking this into account, the Management Board of NORMA Group had made more precise assumptions regarding the financial result in fiscal year 2023 with the publication of the half-year report on August 8, 2023, and since then has expected a financial result of up to EUR -15 million (previously: "of up to EUR -12 million"). In addition, the corridor for the adjusted tax rate was anticipated in a range of 33% to 37% for the fiscal year (previously: "between 28% and 30%"). The other key financial figures, which are not presented in detail here, did not deviate from the figures forecast in the Annual Report 2022.

In the further course of the current reporting year, the development of NORMA Group's operating earnings figures was additionally negatively impacted by the occurrence of strikes at US vehicle manufacturers. In this context, no further sales-relevant catch-up effects were expected in the remainder of the fiscal year. Due to the general market weakness in the EMEA and Asia-Pacific regions, NORMA Group's management had also no longer expected any compensation in the remaining weeks of 2023. Against this backdrop, the Management Board announced an adjustment to the sales forecast for the fiscal year 2023 in an ad hoc announcement on November 2, 2023. Based on preliminary sales figures for October, reduced call-offs from automotive and supplier customers and expectations for the remainder of the fiscal year 2023, management since then forecasted organic Group sales growth in the range of around 0% to 1% compared to the previous year (previously: "mid-single-digit organic Group sales growth"). With regard to the existing forecasts for the adjusted EBIT margin of around 8% and the net operating cash flow of around EUR 70 million, the Management Board kept to the estimate published in the Annual Report 2022. However, the following elements of the Company forecast were also specified in the ad hoc announcement: The Management Board expected the cost of materials ratio to improve in the fiscal year 2023 compared to the previous year (previously: "stable cost of materials ratio compared to previous year"). With regard to the personnel cost ratio, management has since then forecasted an increase for 2023 as a whole (previously: "stable personnel cost ratio compared to the previous year") and also expected the financial result to be up to EUR -22 million (previously: "up to EUR -15 million") due to the further increase in interest rates in the meantime. The adjusted tax rate for the fiscal year was also defined more precisely with an updated range of between 35% and 39% (previously: "between 33% and 37%"). For adjusted earnings per share, management anticipated a year-on-year decrease since August 8, 2023 (previously: "moderate year-on-year increase") and for NORMA Value Added a value in the range between EUR -45 million and EUR -30 million (previously: "between EUR -10 million and EUR 10 million").

With the publication of the interim statement for the 3rd quarter on November 7, 2023, the management also specified the expected development of organic sales growth in the regions and distribution channels based on the sales forecast adjusted at the beginning of November. Since then, the Management Board assumed low to mid single-digit organic sales growth for the EMEA region (previously: "mid single-digit organic sales growth") and low to mid single-digit organic sales growth for the Asia-Pacific region (previously: "organic sales growth in the low double-digit range"). In contrast, the Management Board forecasted a low to mid-single-digit decline in organic sales for the Americas region (previously: "low single-digit organic sales growth") due to the developments outlined above in connection with the labor strikes in the USA. For the SJT segment – with the associated strategic business units Water Management and Industry Applications – the Management Board then expected a low single-digit organic sales decline for the full year 2023 (previously: "mid single-digit organic sales growth"), while the management in the EJT business (the strategic business unit Mobility & New

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Energy) had updated its assumption of low single-digit organic sales growth for the full year 2023 (previously: “mid single-digit organic sales growth”).

[TABLE T031: COMPARISON OF TARGET AND ACTUAL VALUES](#) provides an overview of the target and actual values as well as the forecast adjustments during the year.

Explanations of the deviations from the target values

With organic sales growth of 0.7%, NORMA Group is in line with the forecast of organic Group sales growth in the range of around 0% to 1%, which was adjusted in November 2023. The development of organic sales growth was also achieved in the Americas, EMEA and Asia-Pacific regions, as outlined above.

The cost figures also developed as most recently anticipated for 2023: NORMA Group achieved an improvement in the cost of materials ratio compared to the previous year (2023: 45.0%; 2022: 48.0%) and the personnel cost ratio increased compared to the previous year (2023: 26.3%; 2022: 24.9%).

The adjusted EBIT margin was 8.0% in fiscal year 2023 and thus developed in line with the expected target of “around 8%”.

NORMA Value Added (NOVA) was also in line with the updated range of “between EUR -45 million and EUR -30 million” in the fiscal year. It amounted to EUR -43.6 million.

Net operating cash flow reached EUR 87.3 million, exceeding the target of “around EUR 70 million” expected for fiscal year 2023. The main driver of the positive development was, among other things, optimized working capital management, which was partly due to further improved inventory management and good receivables management.

In 2023, the financial result amounted to EUR -22.7 million due to the increase in net interest expenses and was therefore slightly above the forecast target value of “up to EUR -22 million.” In this context, the adjusted tax rate of 41.3% in fiscal year 2023 was also slightly higher than the most recently assumed (“between 35% and 39%”). Two effects in particular had an impact on this: On the one hand, earnings before taxes fell significantly due to the deterioration in the financial result compared to the previous year. On the other hand, the adjusted tax rate was negatively impacted by non-creditable withholding taxes, non-deductible expenses and unrecognized deferred tax assets on losses.

The investment ratio in fiscal year 2023 amounted to 5.0% and was therefore at the lower end of the forecast range of “between 5% and 6%” of Group sales. At 3.6%, the R&D investment ratio exceeded the expected target value of “around 3% of sales.”

In fiscal year 2023, CO₂ emissions totaled 5,064 tons of CO₂-equivalents¹³ and thus remained well below the target value of “below 9,800 tons of CO₂-equivalents.”

All key figures not mentioned here have developed in line with NORMA Group's forecast.

¹³ Since January 2022, NORMA Group has purchased electricity from renewable energy sources at all production sites. NORMA Group purchases "Energy Attribute Certificates" for this purpose. CO₂ emissions are reported in accordance with the GHG Protocol (market-based, Scope 1 and Scope 2). Scope 1 includes only emissions from natural gas and LPG and Scope 2 emissions from purchased electricity and district heating. When recording emissions, only emissions relating to the production sites are taken into account. Further information can be found in the [CR REPORT](#).

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Comparison of target and actual values						T031
	Results 2022 ¹	March 28, 2023	August 8, 2023	November 2, 2023	Nov 7, 2023 (Q3)	Results 2023 ¹
Group sales	EUR 1,243.0 million	n/a	n/a	n/a	n/a	EUR 1,222.8 million
Organic Group sales growth	7.1%	Medium single-digit organic Group sales growth	No adjustments	Organic Group sales growth in the range of around 0% to 1%	No adjustments	0.7%
Organic sales growth EMEA	6.1%	Medium single-digit organic sales growth	No adjustments	No adjustments	Low to medium single-digit organic sales growth	5.7%
Organic sales growth Americas	11.9%	Low single-digit organic sales growth	No adjustments	No adjustments	Low to medium single-digit organic sales decline	-4.5%
Organic sales growth Asia-Pacific	-2.6%	Organic sales growth in the low double-digit range	No adjustments	No adjustments	Low to medium single-digit organic sales growth	4.0%
Organic sales growth EJT	7.5%	Medium single-digit organic sales growth	No adjustments	No adjustments	Low single-digit organic sales growth	3.8%
Organic sales growth SJT	6,4 %	Medium single-digit organic sales growth	No adjustments	No adjustments	Low single-digit organic sales decline	-2.8%
Cost of materials ratio	48.0%	Stable cost of materials ratio compared to previous year	No adjustments	Improvement in cost of materials ratio compared to the previous year	No adjustments	45.0%
Personnel cost ratio	24.9%	Stable personnel cost ratio compared to previous year	No adjustments	Increase in personnel cost ratio compared to the previous year	No adjustments	26.3%
Adjusted EBIT margin	8.0%	Around 8%	No adjustments	No adjustments	No adjustments	8.0%
NORMA Value Added (NOVA)	EUR -27.1 million	Between EUR -10 million and EUR 10 million	No adjustments	Between EUR -45 million and EUR -30 million	No adjustments	EUR -43.6 million
Financial result	EUR -12.6 million	Up to EUR -12 million	Up to EUR -15 million	Up to EUR -22 million	No adjustments	EUR -22.7 million
Adjusted tax rate	35.2%	Between 28% and 30%	Between 33% and 37%	Between 35% and 39%	No adjustments	41.3%
Earnings per share	EUR 1.75 (adjusted) EUR 1.23 (reported)	Moderate increase compared to previous year	No adjustments	Decrease compared to previous year	No adjustments	EUR 1.37 (adjusted) EUR 0.87 (reported)
Net operating cash flow	EUR 65.3 million	Around EUR 70 million	No adjustments	No adjustments	No adjustments	EUR 87.3 million
R&D investment ratio ²	3.3%	Around 3% of sales	No adjustments	No adjustments	No adjustments	3.6%

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(Continued) Comparison of target and actual values

Investment ratio (excluding acquisitions)	4.3%	Between 5% and 6% of Group sales	No adjustments	No adjustments	No adjustments	5.0%
Dividend Payout ratio	EUR 0.55 31.3%	Approx. 30% to 35% of adjusted Group net income for the year ³	No adjustments	No adjustments	No adjustments	EUR 0.45 ⁴ 32.7% ⁴
CO ₂ emissions	4,879 tons of CO ₂ -equivalents ⁵	Below 9,800 tons of CO ₂ -equivalents	No adjustments	No adjustments	No adjustments	5,064 tons of CO ₂ equivalents ⁵
Invention applications	21	More than 20	No adjustments	No adjustments	No adjustments	20
Number of defective parts per million	2.9	Below 5.5	No adjustments	No adjustments	No adjustments	2.2

¹The adjustments relate exclusively to adjustments of depreciation and amortization of property, plant and equipment and intangible assets from purchase price allocations. The expenses incurred within the "Get on track" program are not adjusted.

²Due to the increasing strategic relevance of the area of Water Management, NORMA Group includes the R&D expenses in this area in the calculation since the reporting year 2020 and uses total sales as a reference value to determine the R&D ratio (previously 5% of EJT sales)

³As far as the future economic situation allows, NORMA Group pursues a sustainable dividend policy based on a payout ratio of around 30% to 35% of adjusted consolidated net income.

⁴In accordance with the proposal for the appropriation of net income, subject to approval by the Annual General Meeting on May 16, 2024.

⁵This corresponds to an increase of 3.8% compared to 2022. Since January 2022, NORMA Group has been purchasing electricity from renewable energies at all of the Group's production sites. NORMA Group purchases "Energy Attribute Certificates" for this purpose. CO₂ emissions are reported in accordance with the GHG Protocol (Scope 1 and Scope 2). Scope 1 includes only emissions from natural gas and LPG and Scope 2 emissions from purchased electricity and district heating. When recording emissions, only emissions relating to the production sites are taken into account. Further information can be found in the [CR-REPORT](#)

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Earnings, assets and financial position

General statement by the Management Board on the course of business and economic situation

Fiscal year 2023 was characterized by a persistently challenging environment due to polycrises. The dominant issues included the ongoing war in Ukraine, numerous geopolitical tensions and a largely tight interest rate policy by central banks. The price level, which although slower in its momentum, remains high in many areas, and at times soft demand due to economic conditions, had an impact on the markets and the business of NORMA Group.

In this environment, NORMA Group's sales amounted to EUR 1,222.8 million, down only slightly by 1.6% on the previous year despite the numerous turbulences in the market (2022: EUR 1,243.0 million). Organic growth amounted to 0.7% and developed in line with the Management Board's expectations, which were adjusted in November. This was supported in particular by the successful price increase initiatives negotiated during the year. In contrast, currency effects, mainly in connection with the US dollar but also the Chinese renminbi yuan, had a negative impact on sales of -2.4%.

While the EMEA region developed positively overall due to strong demand from the automotive industry and good business in the area of standardized joining technology, the Americas region showed a downward trend compared to the exceptionally good prior-year period. This related to the water business of the subsidiary NDS, on the one hand. Its development in the first half of 2023 was very subdued, but from the third quarter onwards organic revenue showed a more positive trend again. On the other hand, the development of sales in the Americas region was negatively impacted by labor strikes in the automotive industry. Although the Asia-Pacific region achieved positive volume growth, it also fell short of the previous year, mainly due to negative currency effects.

At EUR 97.5 million, the adjusted operating result – adjusted EBIT – was lower than in the previous year by 1.5% (2022: EUR 99.0 million). At 8.0%, the adjusted EBIT margin was exactly the same as in the previous year (2022: 8.0%). In the fourth quarter of 2023, the EBIT margin improved significantly compared to the same quarter of the previous year. Despite the slight decline in sales, NORMA Group achieved stable profitability in fiscal year 2023. This is due in particular to measures to increase efficiency in the areas of production and supply chain management. Inflation-related cost increases were also largely offset by targeted cost-cutting measures.

Net operating cash flow developed very strongly. It amounted to EUR 87.3 million in 2023, exceeding the previous year's figure (2022: EUR 65.3 million) and the expectations for 2023 as a whole. The positive development was due to optimized (trade) working capital, partly as a result of further improved inventory management and good receivables management.

NORMA Group's Management Board is looking ahead to 2024 with the necessary caution due to the challenges that partly continue to prevail in the business environment. Further information on expected developments for 2024 can be found in the [FORECAST REPORT](#)

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Adjustments

Management adjusts the result for the fiscal year for certain expenses and income in connection with realized M&A transactions in order to manage the Group's operations. The adjustments are made in accordance with the management approach in segment reporting. The adjusted results presented below reflect the management's view.

In fiscal year 2023 adjustments for acquisition-related expenses in the amount of EUR 0.2 million (2022: EUR 0 million) were made within EBITDA (earnings before interest, taxes, depreciation of property, plant and equipment and amortization of intangible assets). Within EBITA, depreciation of property, plant and equipment from purchase price allocations amounted to EUR 0.8 million in fiscal year 2023 (2022: EUR 1.3 million). In addition, amortization of intangible assets from purchase price allocations in the amount of EUR 20.3 million (2022: EUR 21.2 million) was adjusted within EBIT.

Notional income taxes resulting from the adjustments are calculated using the tax rates of the respective local companies concerned and included in adjusted earnings after taxes.

TABLE T032: ADJUSTMENTS shows the adjusted figures in fiscal year 2023. More detailed information on the unadjusted figures can be found in the **NOTES**.

		Adjustments ¹			T032
		2023 adjusted	Adjustments	2023 reported	
Group sales	EUR million	1,222.8	–	1,222.8	
EBITDA	EUR million	154.2	0.2	154.0	
EBITDA margin	%	12.6	–	12.6	
EBITA	EUR million	101.7	1.0	100.7	
EBITA margin	%	8.3	–	8.2	
EBIT	EUR million	97.5	21.4	76.1	
EBIT margin	%	8.0	–	6.2	
Financial result	EUR million	-22.7	–	-22.7	
Profit for the period	EUR million	43.9	16.0	27.9	
EPS	EUR	1.37	0.50	0.87	

¹ Deviations may occur due to commercial rounding.

Earnings position

Development of sales

Group sales

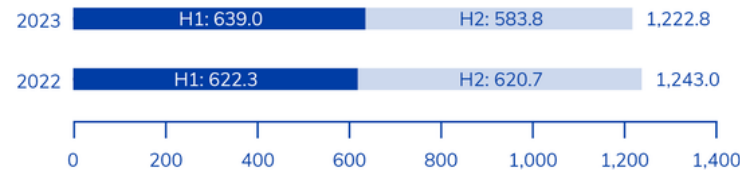
NORMA Group's sales amounted to EUR 1,222.8 million in fiscal year 2023, falling short of the previous year (2022: EUR 1,243.0 million) by a slight 1.6%. This includes organic sales growth of 0.7%, which was primarily supported by price increase initiatives. On the other hand, currency effects, mainly in connection with the US dollar, but also with the Chinese renminbi yuan, had a negative impact of -2.4% on sales.

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Fiscal year 2023 was characterized by a persistently challenging environment due to polycrises. The dominant issues included the ongoing war in Ukraine, numerous geopolitical tensions and a largely tight interest rate policy by central banks. The continued high price level in many areas and periodically weaker demand due to the economic situation also had a negative impact on the markets and companies. These factors also had an impact on NORMA Group's business. In addition, the second half of 2023 saw weak development in the Americas region in particular, which was partly due to the work stoppages within the automotive industry in the USA and the prioritization of profitable business. The Asia-Pacific region was also subdued. This was mainly due to negative currency effects in the region, which had a negative impact on sales. In contrast, the EMEA region performed solidly in fiscal year 2023, although the last quarter of 2023 was also more subdued, as is typical for the business.

Development of 2023 sales in EUR million

G026



SJT area (Water Management and Industry Applications) records decline; EJT area (Mobility & New Energy) shows solid development

With its Standardized Joining Technology (SJT) division – and the associated Water Management and Industry Applications business units – NORMA Group generated sales of EUR 506.7 million in fiscal year 2023, 5.3% below the previous year's figure (2022: EUR 535.3 million). This includes an organic sales decline of 2.8%. Price increase initiatives negotiated with customers counteracted a further decline. Negative currency effects had an additional negative impact of 2.6% on sales. The decline is primarily due to lower demand in the industrial business in the Americas and Asia-Pacific regions. In addition, the lower revenue was due to a normalization within the US water business compared to the strong growth in the previous year, which was, however, not as strong after the subdued first half of the year, but organic sales showed a positive trend again in the second half of the year.

In the EJT business, the Mobility & New Energy strategic business unit, sales revenue in fiscal year 2023 amounted to EUR 709.6 million. Compared to the previous year (2022: EUR 698.8 million), this results in an increase in sales of 1.6% (organic: 3.8%). Currency effects dampened growth by 2.2%. The positive development was primarily due to a strong increase in sales in the EMEA region. Price increase initiatives negotiated with customers also had a stimulating effect. In contrast, the Americas region saw an overall decline in the past financial year, which can be attributed to two main effects: On the one hand, the previous year had been characterized by strong positive catch-up dynamics. On the other hand, the labor strikes within the US automotive industry in the second half of 2023 had a strong negative impact. In the Americas region, this was only partially offset by price increases negotiated with customers. In the Asia-Pacific region, positive impetus from organic growth was offset by strongly negative currency effects.

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Effects on Group sales¹

T033

	EUR million	Share in %
Group sales 2022	1,243.0	
Organic growth	9.0	0.7
Currency effects	-29.3	-2.4
Group sales 2023	1,222.8	-1.6

¹Discrepancies in decimal places can occur due to commercial rounding.

Development of sales channels

T034

	Engineered Joining Technology (EJT)		Standardized Joining Technology (SJT)	
	2023	2022	2023	2022
Group sales (EUR million)	709.6	698.8	506.7	535.3
Change (in %)	1.6		-5.3	
Share of sales (in %)	58	57	42	43

Development of earnings

(Adjusted) EBIT, (adjusted) EBITA and adjusted ROCE

The operating result (earnings before interest and taxes, EBIT) amounted to EUR 76.1 million in fiscal year 2023 and was therefore only slightly below the previous year's figure (2022: EUR 76.5 million). The EBIT margin was 6.2% (2022: 6.2%). EBIT was primarily impacted by inflation-related additional expenses for employee benefits, also in connection with the reduction of production backlogs in the EMEA region.

EBIT adjusted for depreciation and amortization from purchase price allocations and acquisition-related expenses fell slightly by 1.5% to EUR 97.5 million in the current reporting year, compared to EUR 99.0 million in the same period of the previous year. At 8.0%, the adjusted EBIT margin was in line with the previous year's level (2022: 8.0%).

Earnings before interest, taxes and amortization of intangible assets (EBITA) amounted to EUR 100.7 million and were also slightly below the previous year's figure (2022: EUR 105.6 million). The EBITA margin was 8.2% (2022: 8.5%). Adjusted EBITA of EUR 101.7 million in fiscal year 2022 was 4.8% lower than in the previous year (2022: EUR 106.9 million). The adjusted EBITA margin was 8.3% (2022: 8.6%).

Return on capital employed (ROCE) as a ratio of adjusted EBIT to average capital employed fell to 9.3% in the reporting period 2023 (2022: 9.7%). The year-on-year decline in ROCE was mainly due to lower adjusted EBIT. The decline in ROCE compared to the previous year was mainly due to the increase in average capital employed. The slightly lower adjusted EBIT also had a reducing effect.

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Return on capital employed (ROCE)

		T035	
		2023	2022
Adjusted EBIT	EUR million	97.5	99.0
Average capital employed	EUR million	1,047.0	1,021.1
ROCE	%	9.3	9.7

Key factors influencing the development of earnings

Cost of materials ratio and gross margin

In fiscal year 2023, NORMA Group's global purchasing organization was able to achieve significant cost reductions for some important raw materials and supplies. [PURCHASING AND SUPPLIER MANAGEMENT](#)

Against this backdrop, the cost of materials fell by 7.9% to EUR 549.6 million in the current reporting year (2022: EUR 597.0 million). The cost of materials ratio (cost of materials in relation to sales) amounted to 45.0% in the 2023 fiscal year, a significant improvement on the previous year (2022: 48.0%). At 45.1%, the cost of materials ratio in relation to total operating performance (sales revenue plus changes in inventories and other own work capitalized) was also lower than in fiscal year 2022 (47.3%).

Gross profit in the fiscal year 2023 reached EUR 668.0 million and exceeded the previous year's figure (2022: EUR 664.4 million) by a slight 0.5%. The gross margin amounted to 54.6%, an improvement of 1.1 percentage points compared to the previous year (2022: 53.5%) This development is primarily due to the lower cost of materials in the past fiscal year. In contrast, the reduction in inventories of finished goods and work in progress by EUR 8.2 million (2022: inventory build-up of EUR 15.6 million) had a diminishing effect on the gross margin.

Personnel cost ratio

Personnel expenses amounted to EUR 321.8 million in fiscal year 2023. Compared to the previous year (2022: EUR 309.4 million), this results in an increase of 4.0%. This development is mainly due to inflation-related wage increases. Furthermore, additional expenses for employee benefits in connection with the reduction of production backlogs in the EMEA region also increased personnel expenses in the past fiscal year. Inefficiencies in personnel structure and costs in the EMEA and Americas regions had an additional negative impact on performance. As a result, the personnel cost ratio increased significantly in the current reporting year. It amounted to 26.3% after 24.9% in fiscal year 2022.

Other operating income and expenses

The balance of other operating income and expenses amounted to EUR -192.0 million in the fiscal year 2023. (2022: EUR -197.8 million). This corresponds to an improvement of 3.0% compared to the previous year. As a percentage of sales, the balance of other operating income and expenses was 15.7% (2022: 15.9%).

While the costs for freight in the logistics area as well as IT and telecommunications fell within other operating expenses mainly as a result of the already largely implemented Group-wide new ERP system, expenses for temporary staff and other personnel-related expenses increased slightly. These are mainly related to the reduction of production backlogs in the EMEA region. The previous year also included higher costs for warranty expenses and contractual penalties, which were not repeated to this extent in fiscal year 2023. Other operating expenses also include costs for marketing and consulting, which were almost on a par with the previous year. [NOTES](#)

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Other operating income in fiscal year 2023 mainly related to foreign exchange gains from operating activities resulting from currency fluctuations in the European region. Income from the reversal of liabilities and unused provisions were also included. [NOTES](#)

NORMA Value Added (NOVA)

NORMA Value Added (NOVA), which also serves as the relevant benchmark for the long-term remuneration of the Management Board, amounted to EUR -43.6 million in fiscal year 2023 and thus decreased considerably compared to the previous year (2022: EUR -27.1 million). The reason for this development was the significantly higher tax rate compared to the previous year as well as the noticeable increase in the weighted average cost of capital (WACC).

Financial result

The financial result amounted to EUR -22.7 million in the fiscal year 2023, a significant deterioration compared to the previous year (2022: EUR -12.6 million). The financial result was mainly impacted by the significantly higher net interest expense compared to the previous year. This was due to a noticeable increase in interest expenses from liabilities to banks, which resulted from a tight interest rate environment in the USA and Europe. [NOTES](#).

Income taxes

In the reporting period, the tax expense at Group level amounted to EUR 25.5 million (2022: tax expense EUR 24.7 million). Measured against a pre-tax result of EUR 53.5 million (2022: EUR 63.9 million), this results in a tax rate of 47.8% (2022: 38.7%). The adjusted tax rate in fiscal year 2023 was 41.3% (2022: 35.2%). The reasons for the increase were non-creditable withholding taxes and non-deductible expenses as well as unrecognized deferred tax assets on losses.

Profit for the period and appropriation of profit

The profit for the period amounted to EUR 27.9 million in fiscal year 2023 and was therefore lower than in the same period of the previous year (2022: EUR 39.2 million). Based on an unchanged number of shares compared to the previous year of 31,862,400, this results in earnings per share of EUR 0.87 (2022: EUR 1.23) after deduction of the profit for the period attributable to non-controlling interests.

Adjusted profit for the period amounted to EUR 43.9 million in fiscal year 2023 (2022: EUR 56.0 million). This results in adjusted earnings per share of EUR 1.37 (2022: EUR 1.75) after deduction of the profit for the period attributable to noncontrolling interests.

The Management Board and Supervisory Board will propose to the Annual General Meeting on May 16, 2024, that a dividend totaling EUR 14.3 million be distributed from the commercial net profit of NORMA Group SE of EUR 27.3 million. This is equivalent to a dividend of EUR 0.45 per no-par value share entitled to a dividend. In fiscal year 2023, the proposed payout ratio amounts to 32.7% of the adjusted net profit and is thus in the corridor between 30% and 35% according to NORMA Group's sustainable dividend strategy.

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Development of sales and earnings in the segments

EMEA

External sales in the EMEA region increased by 5.2% to EUR 514.7 million in fiscal year 2023 (2022: EUR 489.2 million). Organic sales growth amounted to 5.7%. Translation effects in connection with currencies only had a minor negative impact on the development of sales in the fiscal year (-0.5%).

Sales growth in the EMEA region was primarily generated by positive business in the EJT area (Mobility & New Energy strategic business unit). Driven by high demand from the automotive industry and successful price negotiations, growth compared to the previous year amounted to 6.8% (organic: 7.1%). Revenue amounted to EUR 388.1 million (2022: EUR 363.5 million). By contrast, sales in the SJT area (strategic business units Water Management and Industry Applications) in the EMEA region only grew slightly by 0.6% (organic: 1.5%) to EUR 121.9 million (2022: EUR 121.2 million) due to subdued demand, reduced product availability and negative currency effects.

Overall, the EMEA region's share of total sales increased to around 42% in fiscal year 2023 (2022: 39%).

Adjusted EBIT in the EMEA region increased significantly in fiscal year 2023 to EUR 24.3 million (2022: EUR 13.8 million). The adjusted EBIT margin was 4.4% (2022: 2.6%). The reason for the improvement in profitability was the higher level of sales compared to the previous year as well as a reduction in cost-intensive special freight, which had been significantly higher in the previous year due to severe supply bottlenecks, and this had a positive effect on the adjusted EBIT margin. In contrast, the development of the operating result in the EMEA region was negatively impacted by higher personnel costs in connection with the reduction of production backlogs.

Americas

In the Americas region, external sales amounted to EUR 534.5 million in the reporting year 2023, falling short of the previous year (2022: EUR 574.2 million) by 6.9%. Organic sales growth was negative (-4.5%). Currency effects had an additional negative impact of 2.4%.

The decline was caused by weaker US water business, which fell noticeably in the full year 2023 compared to the exceptionally good prior-year period due to a weather-related one-off effect in the first half of 2023. The sales figures for the first half of 2023 fell noticeably compared to the exceptionally good prior-year period. In the second half of 2023, however, positive organic sales growth was achieved again in the US water business. Overall, the quality of earnings was prioritized over pure order growth. Industrial business in the Americas region was also subdued, with sales in the area of standardized joining technologies (SJT, with the strategic business units Water Management and Industry Applications) reaching a total of EUR 332.2 million (2022: EUR 355.2 million). This corresponds to a decrease of 6.5% (organic: -4.0%). In the EJT business (Mobility & New Energy strategic business unit), a lower level of sales was also achieved in the Americas region in fiscal year 2023. This was due to two key developments: In addition to the high comparative figures for 2022, which were driven by catch-up effects in the final months of 2022, several weeks of strikes in the US automotive industry in the second half of 2023 had a negative impact on business performance in the Americas region. The decline in demand could only be compensated to a limited extent by the price increases negotiated with customers over the course of the year. Sales in the EJT segment amounted to EUR 201.3 million after EUR 215.4 million in the previous year. This corresponds to a decline of 6.5% (organic: -4.3%).

The Americas region accounted for around 44% of Group sales in fiscal year 2023 (2022: 46%).

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At EUR 63.1 million, adjusted EBIT in the Americas region was below the previous year's figure (2022: EUR 74.4 million). The adjusted EBIT margin for the Americas region was therefore 11.6% (2022: 12.7%). Among other things, currency effects in the US dollar region had a negative impact here. The margin in the Americas region was also negatively impacted by inflation-related higher personnel costs coupled with a significantly lower level of sales, whereas lower prices for selected materials had a positive effect on the adjusted EBIT margin

Asia-Pacific

External sales in the Asia-Pacific region developed positively in organic terms (+4.0%) due to significant volume growth. However, the additional revenue was offset by significantly negative currency effects (-7.4%), meaning that revenue in the Asia-Pacific region fell by 3.3% overall to EUR 173.6 million in fiscal year 2023.(2022: EUR 179.6 million).

Sales revenues in the SJT segment, with the two business units Water Management and Industry Applications, amounted to EUR 52.7 million (2022: EUR 58.9 million). This results in a decline in sales of 10.6% compared to 2022, which is divided into a drop of 4.1% in terms of organic development and -6.6% due to negative exchange rate developments. In the Mobility & New Energy business unit (EJT area), NORMA Group again achieved a significant increase in volume business (organic) thanks to higher demand from the Chinese automotive industry: 8.0%). Influenced by strongly negative currency effects (-7.7%), revenue nevertheless changed only marginally compared to the previous year to EUR 120.2 million (2022: EUR 119.9 million). Growth amounted to 0.3% in total.

The Asia-Pacific region accounted for 14% of Group sales (2022: 14%), remaining stable in fiscal year 2023.

At EUR 19.9 million, adjusted EBIT in the Asia-Pacific region was almost on a par with the previous year (2022: EUR 20.0 million). The adjusted EBIT margin amounted to 10.8% (2022: 10.6%), while higher operating expenses, including in connection with the expansion of production and manufacturing capacities in China, dampened the margin development.

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Sales by segment

G027



Development of segments

T036

		EMEA			Americas			Asia-Pacific		
		2023	2022	Δ in %	2023	2022	Δ in %	2023	2022	Δ in %
Total segment sales	EUR million	546.6	522.4	4.6	543.8	585.6	-7.1	185.1	188.8	-2.0
External sales	EUR million	514.7	489.2	5.2	534.5	574.2	-6.9	173.6	179.6	-3.3
Contribution to Group sales	%	42	39	n/a	44	46	n/a	14	14	n/a
Adjusted EBIT ¹	EUR million	24.3	13.8	76.4	63.1	74.4	-15.2	19.9	20.0	-0.1
Adjusted EBIT margin ^{1,2}	%	4.4	2.6	n/a	11.6	12.7	n/a	10.8	10.6	n/a

¹Adjusted for expenses in connection with acquisitions. [ADJUSTMENTS](#); deviations in the decimal places may occur due to commercial rounding
²In relation to segment sales.

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Asset position

Assets

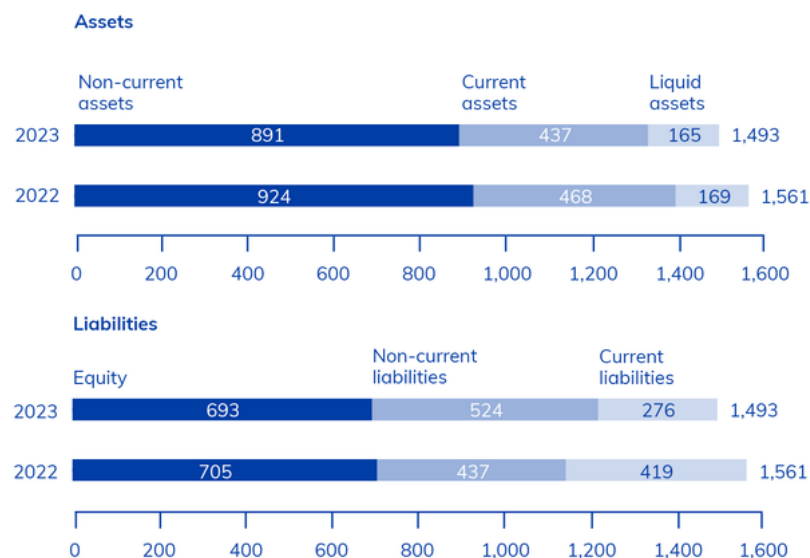
Total Assets

Total assets amounted to EUR 1,493.3 million as of December 31, 2023, a decrease of 4.3% compared to the previous year (Dec 31, 2022: EUR 1,560.7 million).

Asset and capital structure

G028

in EUR million



Non-current assets

Non-current assets amounted to EUR 890.9 million at December 31, 2023. Compared to the previous year's reporting date (Dec 31, 2022: EUR 924.5 million) this corresponds to a decrease of 3.6%. The goodwill included in this figure decreased by 1.9% to EUR 394.8 million due to currency effects (Dec 31, 2022: EUR 402.3 million), and other intangible assets fell by 13.8% to EUR 169.0 million (Dec 31, 2022: EUR 195.9 million). Here too, currency translation effects were the main reason for the decrease in the past fiscal year. In contrast, property, plant and equipment increased by 4.2% to EUR 308.4 million (Dec 31, 2022: EUR 295.8 million). In fiscal year 2023, a total of EUR 61.3 million (2022: EUR 53.2 million) was invested in fixed assets (property, plant and equipment and intangible assets, excluding leases). NORMA Group's investment activities in fiscal year 2023 resulted in a higher investment ratio than in the previous year (2023: 5.0%; 2022: 4.3%). In addition to the construction of a new plant for Water Management products in the USA, investments were made in the expansion and further development of production facilities in Europe. These included, in particular, locations in the UK, Eastern Europe and Germany. In addition, part of the investment volume in the fiscal year 2023 also related to the strategic expansion of production capacity at the Changzhou, Qingdao and Wuxi production sites in China. [PRODUCTION AND LOGISTICS](#)

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Non-current assets accounted for 59.7% of total assets as of the reporting date in 2023 (Dec 31, 2022: 59.2%).

[NOTES](#)

Current assets

Current assets amounted to EUR 602.4 million as at December 31, 2023, and were thus 5.3% below the level of the previous year's reporting date (Dec 31, 2022: EUR 636.2 million). The decline was primarily due to the significant reduction in inventories. These decreased compared to the previous year (2022: EUR 250.8 million) 12.2% and amounted to EUR 220.1 million as at the current balance sheet date.

Trade receivables and other receivables amounted to EUR 184.5 million as of December 31, 2023, corresponding to a decrease of 1.0% compared to the previous year's figure (Dec 31, 2022: EUR 186.3 million).

Cash and cash equivalents amounted to EUR 165.2 million, as at December 31, 2023 (Dec 31, 2022: EUR 168.7 million).

At 40.3%, current assets as a percentage of total assets decreased slightly compared to the previous year's reporting date (Dec 31, 2022: 40.8%).

(Trade) working capital

(Trade) working capital (inventories plus receivables less payables, in each case mainly trade payables) amounted to EUR 230.9 million as of December 31, 2023, and therefore only changed slightly (+0.2%) compared to the previous year's reporting date (Dec 31, 2022: EUR 230.4 million). The working capital ratio (trade working capital in relation to sales) was 18.9% as of December 31, 2023 (Dec 31, 2022: 18.5%)

Liabilities

Equity ratio

Group equity of NORMA Group amounted to EUR 693.4 million as of December 31, 2023, a decline of 1.7% compared to the previous year (Dec 31, 2022: EUR 705.4 million). The consolidated equity ratio rose to a level of 46.4% as of the reporting date of fiscal year 2023 (Dec 31, 2022: 45.2%). While negative currency effects from the translation of foreign business operations and the dividend payment made in 2023 totaling EUR 17.5 million (2022: EUR 23.9 million) reduced equity, the profit for the period of EUR 27.9 million increased equity.

Net debt

Net debt (financial liabilities including derivative hedging instruments in the amount of EUR 0.5 million less cash and cash equivalents) amounted to EUR 345.4 million at the end of December 2023. Compared to the previous year, (Dec 31, 2022: EUR 349.8 million) the reduction of 1.2% or EUR 4.4 million was mainly due to net cash inflows from the sum of cash inflows from operating activities and net cash outflows from the procurement and sale of non-current assets and from the dividend payment. This was offset by the current interest expenses for loans in the 2023 financial year, the increase in lease liabilities due to additions in the area of right-of-use assets and the valuation-related increase in liabilities from derivatives. In addition, cash-neutral negative net currency effects on foreign currency loans, cash and cash equivalents had an increasing impact on net debt.

Financial liabilities

NORMA Group's financial liabilities fell by 1.5% to EUR 510.6 million as of the reporting date in 2023 (Dec 31, 2022: EUR 518.4 million). The main reason for this was the repayment of loans in fiscal year 2023. The reduction in liabilities from ABS and factoring in the area of other financial liabilities and exchange rate effects also lowered

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financial liabilities. This was offset by the increase in liabilities from leases, which resulted from additions in the area of right-of-use assets due to newly concluded leases. These exceeded the changes due to repayments (payment of lease installments). [NOTES](#)

In the third quarter of 2023, NORMA Group successfully completed refinancing by taking out a new promissory note loan with a sustainability component in the amount of EUR 120 million. Loans totaling EUR 124.6 million were repaid in the fiscal year 2023 and loans amounting to EUR 119.4 million were taken out.

Gearing (net debt in relation to equity) was unchanged at 0.5 as of the reporting date in 2023 (2022: 0.5).

Leverage (net debt excluding hedging derivatives in relation to adjusted EBITDA for the past twelve months) was 2.2 and remained at the same level as in the previous year (Dec 31, 2022: 2.2). The leverage relevant for the financing agreements was also 2.2 as of the reporting date December 31, 2023 (Dec 31, 2022: 2.2)

Assets not recognized in the balance sheet

NORMA Group’s trademark rights and patents to the brands it holds as well as customer relationships, if acquired externally, are recognized in the balance sheet under intangible assets. However, important influencing factors for a successful business are also the awareness and reputation of these brands among customers and their trust in NORMA Group products. The trustful customer relationships based on NORMA Group’s long-established distribution network are equally important. In addition, NORMA Group’s workforce makes an important contribution to the Company’s success with its extensive experience and specific expertise, so that the knowledge gained over many years in the areas of research and development and project management is also seen as a competitive advantage. The values listed are not recognized individually in the balance sheet, but are partly reflected in goodwill and other assets.

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Financial position

Financing measures

NORMA Group constantly monitors risks from changes in exchange and interest rate changes and limits them, among other ways, by using derivative hedging instruments. Furthermore, NORMA Group generally strives to achieve a diversification of its financing instruments in order to reduce risks. This also includes the prolongation of repayment obligations and an even distribution of the maturity profile. Most of the supply and service relationships between individual currencies are hedged at matching maturities over the course of the year.

NORMA Group had successfully refinanced its bank credit lines in fiscal year 2019, thus creating further financial security and even greater flexibility for the future. The credit agreement has a total volume of initially EUR 300 million, including a revolving facility of EUR 50 million and a flexible accordion facility. An additional EUR 50 million revolving facility was agreed under the existing credit agreement in October 2021. The refinancing was concluded with a banking syndicate consisting of ten international banks. In addition, a sustainability component links the financing conditions to NORMA Group's commitment in the area of corporate responsibility. In 2023, as in the previous year, NORMA Group was able to achieve a positive sustainability scoring, which enabled further savings with regard to the credit margin to be realized. After exercising the two extension options from the syndicated loan agreement in fiscal years 2020 and 2021, all components of the loan agreement will be available to NORMA Group through at least 2026. This ensures maximum financing flexibility.

The commercial paper program that has been in place since 2019 and is used for short-term liquidity management, had been utilized in the amount of EUR 0 million as of December 31, 2023 (Dec 31, 2022: EUR 25 million). As of December 31, 2023, EUR 0 million (Dec 31, 2022: EUR 43 million) had been drawn from the revolving credit facilities. Promissory note loan tranches in the amount of EUR 56.35 million were also repaid as scheduled. To refinance this and for general corporate financing, NORMA Group issued a promissory note with a sustainability component in August 2023. The promissory note with a total volume of EUR 120 million was issued in tranches with three, five and seven years as well as fixed and variable interest components. NORMA Group's gross debt (liabilities to banks) decreased slightly from EUR 465 million as of December 31, 2022, to EUR 456 million as of the end of 2023.

NORMA Group uses interest rate hedges to hedge interest rate risks that could arise from the external financing components. As of December 31, 2023, the average interest rate of the gross debt (excluding derivatives) was 5.19%. The maturity profile of NORMA Group, based on the promissory note loans I (2013), II (2014), III (2016) and IV (2023) and the syndicated bank loan (2019), as of December 31, 2023 was as shown in the following graphics [G029: MATURITY PROFILE BY FINANCIAL INSTRUMENT](#) and [G030: MATURITY PROFILE BY CURRENCY](#).

As of the reporting date in 2023, NORMA Group has complied with all key figures contained in the credit agreements (financial covenants: net debt in relation to adjusted Group EBITDA).

Concrete future financing steps depend on the current changes in the financing markets and acquisition potentials.

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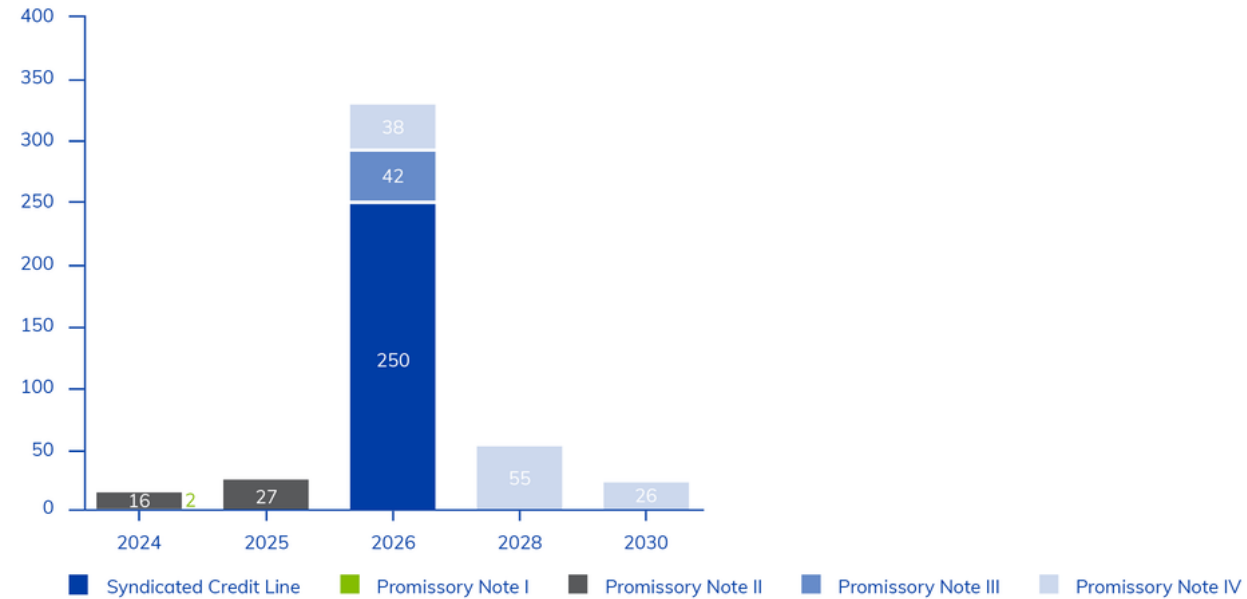
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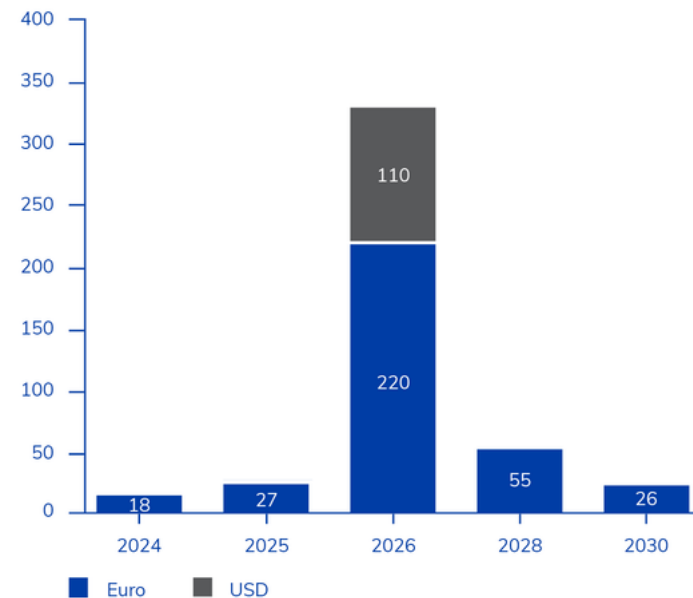
Maturity profile by financial instrument
in EUR million

G029



Maturity profile by currency
in EUR million

G030



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Cash flow

Net operating cash flow

In fiscal year 2023, NORMA Group generated net operating cash flow (adjusted EBITDA less changes in working capital and investments from operations) of EUR 87.3 million (2022: EUR 65.3 million). The main driver of this positive development was optimized working capital management. In contrast, investments increased significantly compared to the previous year.

Cash flow from operating activities

Cash flow from operating activities increased significantly to EUR 118.9 million in fiscal year 2023 (2022: EUR 76.6 million). [NOTES](#)

Cash flow from investing activities

The cash outflow from investing activities amounted to EUR 59.8 million in fiscal year 2023 (2022: EUR 44.5 million). It mainly includes outflows for the acquisition of intangible assets and property, plant and equipment, including the expansion and modernization of production sites.

Investments in the EMEA region included the expansion of production capacities for electromobility applications in Poland, capacity expansions in the area of fluid systems in Serbia, and investments in a new mold concept in the UK. In addition, further investments were made in the modernization of fully automated production lines at the Maintal site. This included the area of clamp production in fiscal year 2023.

Investments in the Americas region continued to include the construction and expansion of a new site for Water Management products on the US East Coast, as well as further capacity expansions in the areas of Water Management and electromobility and plant modernizations.

In the Asia-Pacific region, we continued to invest heavily in strategic expansion. This included the expansion of production capacity at the Changzhou site. Localization projects were also implemented in other regions in China and India and investments were made in preparing individual sites for the implementation of customer specific projects.

Cash flow from financing activities

The cash outflow from financing activities increased by 6.3% to EUR 57.9 million in the 2023 fiscal year (2022: EUR 54.5 million). This was primarily due to higher net loan disbursements compared to the previous year and higher interest payments. In contrast, fewer dividends were paid to NORMA Group SE shareholders in fiscal year 2023 (2023: EUR 17.5 million; 2022: EUR 23.9 million). Similarly, the payments for lease liabilities and repayments of hedging derivatives in the cash outflow from financing activities in fiscal year 2023 were lower than in the previous year.

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Production and logistics

NORMA Group produces and sells more than 40,000 products and has 25 production sites worldwide. In addition, the Company has a broad network of distribution, sales and competence centers through which it ensures timely delivery to its customers in the respective regions.

Production and capacity utilization

The degree of capacity utilization of NORMA Group's production and distribution sites varies between the global sites. In the emerging markets, where NORMA Group's business is still being established, the capacity utilization of the production plants can still be increased. Forward-looking investment decisions there ensure that sufficient space is available for the flexible expansion of production. In industrialized countries and markets where NORMA Group already has a long-standing market position and production space is largely utilized, investments in additional space are avoided wherever possible. NORMA Group's goal here is to optimize production processes by increasing efficiency in such a way that additional capacities are created within the existing area.

The capacity utilization of the production facilities can be varied according to customer demand and the order situation. Several different products with various specifications can be manufactured using the current production lines within the individual product categories by performing minor retooling measures. This allows production to be aligned with current customer demand.

In fiscal year 2023 again, the Ukraine crisis led to the interruption of supplies to Russia and Belarus as a result of the foreign trade laws enacted.

The war in the Gaza Strip and the conflicts in the Red Sea that emerged at the end of 2023 did not lead to any relevant supply bottlenecks or delivery difficulties in fiscal year 2023. The effects of these conflicts on the supply chains are continuously monitored, supported by digital risk warning systems.

Production capacities optimized and expanded in fiscal year 2023

The US subsidiary NDS opened a new plant on May 4, 2023, thereby expanding its production capacities for water management solutions. The site is located in Lithia Springs, Georgia, near Atlanta. Valve boxes for irrigation systems and products for draining storm water are manufactured on a production area of 10,900 square meters. The products manufactured at the Lithia Springs plant are sold to wholesalers and retailers in the USA. The new site represents a further milestone in the strategic expansion of NORMA Group's water management business.

As part of the consistent implementation of NORMA Group's localization strategy, production capacities were also expanded in China. At the Changzhou production site, a total of 9,900 square meters of additional space was created for production, warehousing and offices. The site is now better positioned to meet the increasing demand for high-quality metal fasteners in China. In this context, the second production site in Changzhou was closed in November 2023 for efficiency reasons following the relocation of capacities to the expanded production site. This helps to utilize production capacities in order to serve customers in a targeted manner.

NORMA Group also further enhanced its production facility in Guangzhou, China, in fiscal year 2023. The plant is strategically located near the Guangzhou Automobile Group (GAC) and other automotive suppliers (OEMs) for electric vehicles. NORMA manufactures and assembles thermal management systems for battery-powered vehicles (BEV) and plug-in hybrid cars (PHEV) at the new site. By offering its products and services where they are

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in demand, logistics processes can be designed to be more efficient, freight costs can be reduced and engineering services can be implemented in close exchange with customers.

The issue of optimizing production processes is also essential given the objective of using resources in the production process to extract a high economic gain. The focus here is particularly on the automation of processes. In fiscal year 2023, work was carried out to identify further potential for improvement. Based on this, a roadmap for automation processes was defined. Important production processes were also fully automated in the past fiscal year (see table [T037 STRATEGIC INVESTMENT HIGHLIGHTS 2023](#)).

Investments primarily in the areas of water management and electromobility

NORMA Group invested in the expansion of its capacities in fiscal year 2023. The focus of investment activities was mainly on the areas of Water Management and electromobility. The following table provides an overview of the most significant strategic investments in the current reporting year.

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Strategic investment highlights 2023

T037

Region	Country	City	Investment
EMEA	Serbia	Subotica	Further expansion of new production capacities in the field of fluid systems for a leading European automotive manufacturer
			Development of production capacities in the area of cable systems, particularly in the field of e-mobility for various new orders in the automotive sector
	United Kingdom	Newbury	Significant capacity expansion for an existing order in the area of clamp production for a leading German car manufacturer
			Installation of a photovoltaic system
	Czech Republic	Hustopeče	Modernization and further development of production facilities and tooling concepts in addition to expansion of capacity in the area of clamp production
			Expansion and modernization of production capacities in the area of clamp production
	Germany	Maintal	Modernization of a fully automated production line in the area of clamp manufacturing
			Installation of a photovoltaic system
	Poland	Pilica	Establishment of production capacities and tooling for a new product development as part of a global order from a leading automotive manufacturer
			Development of production capacities and tools in the field of electromobility for a product innovation
Americas	USA	Lithia Springs, Georgia	Establishment of the infrastructure at the new site for Water Management products on the East Coast
		Lindsay, California	Establishment of production capacities at the new site for the strategic Water Management division
	Mexico	Saltsburg, Pennsylvania	Expansion of production capacities in the Water Management division and modernization of infrastructure
		Juarez	Expansion of capacity and modernization to enable in-house production of an innovative new worm drive hose clamp
	Asia-Pacific	China	Monterrey
Changzhou			Development of assembly capacities in the area of FASTEN for the automotive and industrial sectors
China		Qingdao	Increase of capacity to enable localization in the area of clamp production for the Chinese market
			Strategic expansion and extension of the site
		Wuxi	Establishment of production capacities and tooling for a new product development as part of a global order from a leading automotive manufacturer
China	Qingdao	Significant expansion of production capacities and tools for new business in the field of wiring systems for various leading automotive manufacturers in China and Germany	
		Wuxi	Development of production capacities in the area of connectors for new business for a Chinese automotive supplier

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Continuous optimization of the entire value chain

At NORMA Group, all internal process steps in the value chain are constantly examined for optimization potential. The Global Operational Excellence Management System is an important tool for meeting this objective. This system is used to analyze existing processes, identify potential for improvements, introduce the appropriate measures for implementation and realize cost saving projects. As a result, many processes have already been automated and standardized in recent years, so that significant economies of scale have been achieved.

NORMA Group has been implementing the NORMA Group Production System (NPS) at all of its production plants worldwide since 2014. The goal of the NPS is to increase operational performance, safety, delivery reliability and quality at the plants and to identify and realize further cost savings. NORMA Group uses a “toolbox” of lean methods for this purpose. These include the 5S methodology, the daily Gemba walk, setup time optimization using SMED (Single Minute Exchange of Die) and TPM (Total Productive Maintenance). Furthermore, a standardized problem-solving process ensures that internal and external customer complaints are processed more quickly and effectively.

Customer proximity and a secure supply chain

In order to keep its supply chain costs as low as possible, NORMA Group strives to keep the geographical routes of the value chain as short as possible and avoid intermediate steps that do not add value via other NORMA Group sites. The goal is to manufacture close to the customer, which not only leads to an optimization of working capital and supply chain costs, but also minimizes delivery risks, reduces negative effects on the environment and ensures the higher flexibility that is increasingly being demanded. The value of short and direct delivery routes is essential. This also became clear in 2023 in an environment characterized by polycrises. The coronavirus pandemic, which was still clearly noticeable at the beginning of 2023, as well as geopolitical tensions and the associated short-term fluctuations in availability and demand are the main influencing factors here. Consequently, capacity bottlenecks at ports and the resulting shortage of sea containers, sea transports in particular kept posing new challenges for the logistics of internationally operating companies, including NORMA Group. The Company remains committed to reacting flexibly to fluctuating customer demand at all times despite longer transit times. This also includes the "Step Up" program implemented in spring 2023. In fiscal year 2023, for example, targeted measures were implemented to increase efficiencies in supply chain management throughout the EMEA region. The availability of products also improved significantly. This positive development puts NORMA Group in a position to better support the sales of its products in the future.

Despite the demand for short logistics routes, cross-border deliveries are often unavoidable for NORMA Group in order to meet customers’ needs and requirements at all times. Optimized and secure customs processes are therefore indispensable. For this reason, NORMA Group participates in various customs trade partnership programs in the US, China and the EU, for example. Through supply chain security programs, in particular the Authorized Economic Operator (AEO) and Customs Trade Partnership against Terrorism (C-TPAT), which are part of the global Compliance Program, NORMA Group strives to ensure a legally compliant supply chain. By conducting regular audits of all its business partners, the Company is able to rule out the supply of legally sanctioned third parties. In addition, internal organizational instructions and regular reviews ensure compliance with the relevant statutory export control regulations.

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Quality management

NORMA Group's products are often "mission-critical" in its customers' end products. For this reason, quality defects or functional failures can have a significant direct impact on customers or end users. In this context, product safety and the health of end users correlate strongly with the quality of NORMA Group products. Ensuring that products meet all customer expectations and quality requirements is of the highest priority for NORMA Group.

[PRODUCT QUALITY AND SAFETY](#)

In order to ensure a global and standardized quality approach, all NORMA Group production sites are certified according to international quality standards. The production facilities for the Water Management, Industry Applications and Mobility & New Energy divisions are currently certified in accordance with ISO 9001, EN 9100 or IATF 16949. The exception is the new location in Lithia Springs, USA, which will open in 2023 and is currently undergoing the certification process. In addition to the production sites, NORMA Group Holding GmbH is certified according to ISO 9001. This certification helps ensure that NORMA Group as a whole and all relevant specialist departments at Group level comply with high quality standards. The extensive requirements of the quality standards also ensure the safety of the end products through numerous measures. These include for example risk assessments, training, incident assessments and appropriate corrective actions.

NORMA Group's Quality Management is responsible for the introduction, certification and continuous implementation of the quality management system. To this end, local quality management officers have been appointed at each NORMA Group production site. They report to the respective regional quality managers and global quality management.

NORMA Group operates globally. A key challenge is thus to recognize and understand the various customer requirements as well as the many different standards and market conditions. NORMA Group meets this challenge by localizing its production and using standardized tools.

NORMA Group uses a variety of metrics to measure quality, customer satisfaction and delivery performance. The most important indicator is the number of defective parts rejected by customers – so-called parts per million (PPM). This key figure is recorded continuously and reported to the Management Board on a monthly basis. At the same time, root cause analyses are carried out at plant level and countermeasures defined and initiated. Further information can be found in the [CR REPORT](#).

Purchasing and supplier management

The procurement costs of materials, goods and services have a significant impact on NORMA Group's earnings position. By managing all procurement activities efficiently and selecting the proper suppliers, Purchasing can make a significant contribution to the success of the Group. The main task here is to optimize the services purchased and minimize costs by taking Group-wide economies of scale into account.

Global purchasing organization

NORMA Group's purchasing activities are divided into four superordinate product groups:

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- Steel and metal components (FASTEN)
- Technical granulates, plastic and rubber products (FLUID)
- Standard plastics, components and commodities (WATER)
- Capital goods, non-production materials and services (indirect goods and services)

With its existing expertise in the product groups, the purchasing organization supports the established strategic business units Water Management, Industry Applications and Mobility & New Energy. [GROWTH AND EFFICIENCY PROGRAM "STEP UP"](#)

In addition to this central structure, there is a subdivision into the regional segments EMEA (Europe, Middle East and Africa), Asia Pacific (East Asia, Southeast Asia, Australia and Oceania) and the Americas. This organizational structure enables centralized control by the respective experts of the product groups and the integration of the knowledge of the regional or local purchasing teams concerning specific local market conditions. NORMA Group thus ensures professional purchasing management and the achievement of competitive prices for goods and services. Digital procurement solutions support the global organization in its work and thereby enable efficient reporting.

Development of material prices

In fiscal year 2023, the cost of materials amounted to EUR 549.6 (2022: EUR 597.0 million), which corresponds to a share of 45.0% (2022: 48.0%) of sales. The cost of materials ratio was therefore once again lower than in the previous year [EARNINGS POSITION](#) as the inflation rate in many purchasing areas was lower than in previous years. The purchasing volume, which is used for internal management purposes and adjusted for currency effects, amounted to EUR 537.1 million (2022: EUR 538.9 million). Of this amount, EUR 377.9 million, or 71%, was attributable to sales of production materials.

Steel and metal components


In the area of purchasing and supplier management, there were already signs of the tense supply situation from the beginning of 2022 easing in the second half of 2022. This trend continued in the reporting year 2023. A general improvement in the availability of materials subsequently also led to an easing of procurement prices, particularly in the EMEA and Asia-Pacific regions. In addition, the normalization of energy prices in Europe also resulted in an easing of inflation rates.

In the fiscal year 2023, the supply of raw materials (steel and wire) and metal components to the global production sites was very good, bar a few exceptions. In addition, delivery times shortened immensely during the year. This development is attributable to lower capacity utilization at the supply plants, accompanied by a decline in demand in many industry segments. Geopolitical crises – including the war in Ukraine in particular – had no significant impact on the availability of materials in the metals sector in 2023.

In the stainless steel product group, which is important for NORMA Group, significant price reductions in contract prices (basic purchase price for stainless steel without alloy surcharges) were achieved in the annual price negotiations for fiscal year 2023 in the EMEA region. In contrast, price negotiations in the Americas region proved to be much more difficult. On the one hand, protectionist instruments to isolate the market continued to have an effect, meaning that no material price changes were initially achieved despite intensive efforts. On the other hand, the high level of base prices from fiscal year 2022 continued to persist. The situation eased slightly in the second half of 2023 on the back of an important supplier contract expiring and a discount being agreed in renegotiations. In the Asia-Pacific region, and particularly in China, lower purchase prices for stainless steel products were

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achieved in negotiations – similar to the EMEA region. This was helped by the fact that the alloy surcharges are included in the price agreements there and are not charged additionally downstream in the attachment procedure.

In the EMEA and Americas region, prices of the newly agreed monthly alloy surcharges (price components include nickel, scrap and ferrochrome prices) developed inconsistently on closer inspection. Austenitic materials (the main cost driver is the alloying element nickel) initially increased in the first quarter of 2023 and then, from the second quarter 2023 on, followed the falling price trend for nickel – as illustrated by the example of the material 1.4301 in Germany ( [CHART G031: DEVELOPMENT OF NICKEL PRICES AND THE ALLOY SURCHARGE](#)). Ferritic materials tended to follow the fluctuating prices of the main cost drivers ferrochrome and scrap. Overall, it should be noted that following the sharp increase in 2022, alloy surcharges remained at a high level in the current reporting year and were well above the price level of recent years.

Only in a few cases, NORMA Group was able to substantially reduce the purchase prices for metal components used in fiscal year 2023.

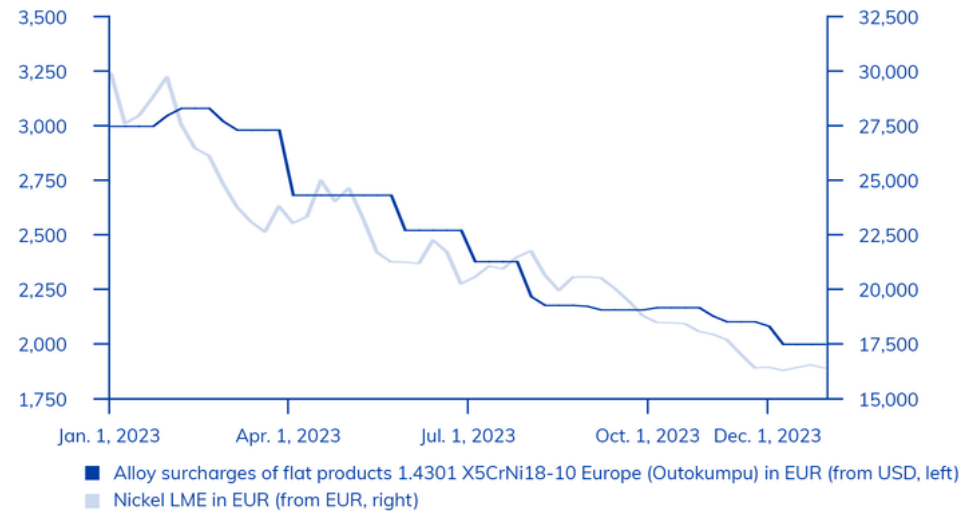
In the case of expiring contracts, slight increases often had to be accepted despite intensive negotiations due to the general market and economic situation. High energy and increased wage costs as well as higher packaging and transportation costs were the reasons for the price increases in the EMEA and Americas regions.

In the product group of surface-finished stainless steel and cold-rolled strip, purchase prices remained elevated in the first half of 2023. The high energy costs and limited availability due to production cuts supported the producers' pricing policy. In the case of standard materials, prices could be reduced slightly in the second half of 2023, in line with a decline in demand in many industrial segments. For the year as a whole, procurement prices in this segment fell slightly compared to the previous year.

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Development of nickel prices and the alloy surcharge 1.4301

G031



Technical granulates, plastic and rubber products

In the product group of technical granules, plastic and rubber products, the first half of the fiscal year 2023 was sustainably impacted by high gas and energy prices caused by the Ukraine conflict. The upward price trend that began in the second and third quarters of 2022 continued until January 2024 and subsequently remained at a high level in the first two quarters of the 2023 financial year.

The massive increase mainly affected the EMEA region, but also the Americas region to a lesser extent. The Asia-Pacific region was less affected by the increase, largely due to the subdued economic development in China.

This situation was exacerbated by a shortfall in volumes that had already started in the previous year. This was largely due to a lack of capacity for high-performance plastics and a shortage of raw materials. This development ultimately led to some suppliers declaring force majeure.

Both the challenging price situation and the availability of quantities of technical granules improved significantly in the second half of 2023. Falling prices for gas and energy, a significant increase in capacity at manufacturers and the possibility of accessing new producers led to a significant easing of the situation on the market. In line with slowing demand in the fourth quarter of 2023, prices began to ease noticeably. This enabled NORMA Group to achieve price reductions in some cases.

High purchasing costs for granulates, combined with the sharp rise in energy and gas prices, also led to a significant price increase for plastic components, which continued throughout the entire fiscal year 2023.

The rubber products product group was negatively impacted by the Ukraine crisis throughout the fiscal year 2023. For example, the conflict led to a massive shortage of volumes and consequently to high price pressure, as important primary raw materials for rubber are largely produced in the two countries involved in the conflict.

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NORMA Group was able to address this situation through targeted supplier management, which led to a sufficient volume supply, albeit at significantly higher input costs. In the fourth quarter of 2023, there were signs of prices for certain commodities falling again for the first time, although prices remained at a significantly higher level than before the Ukraine conflict. The upward price trend for some raw materials remains unbroken, meaning that there will be no significant improvement in the first half of 2024 in the rubber commodity product group.

Standard plastics, components and commodities

Following the unexpected events of recent years, recovery in the global economy varied from region to region in the reporting year 2023. The Russian attack on Ukraine led to further disruptions in the supply and logistics chains, which resulted in an initial rise in commodity prices. The subsequent decline in global demand as well as the build-up of inventories in the second half of 2022 led to a weakening of raw material prices as well as the prices for natural gas and crude oil, which influence the cost of plastic raw materials. This trend continued in 2023, meaning that the situation for standard plastics stabilized significantly.

The market for standard plastics, components and commodities already showed signs of stabilization in 2022 and continued this trend in 2023. Despite the challenges posed by various existing crises and conflicts – including the ongoing war in Ukraine, geopolitical rivalry between the USA and China, reduced crude oil production volumes by OPEC – negotiations and adjustments in the supply chains have enabled a return to predictable price structures.

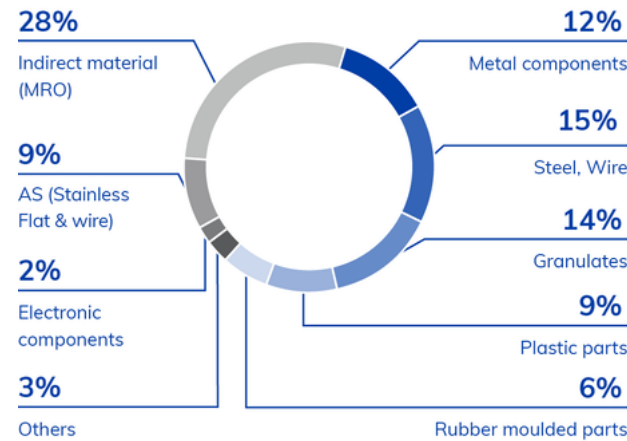
NORMA Group, for example, successfully overcame these challenges and was able to negotiate purchase prices for synthetic resins that in most cases were back to pre-pandemic levels. The expanded supply base also enabled NORMA Group to validate new raw materials and suppliers, which strengthened its market position.

However, there are still regional price differences. Domestic prices for PVC in the USA are still around 15% higher than before 2020.

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Purchasing turnover in 2023 by material groups

G032



High energy prices in 2023

Following significant changes on the electricity and gas markets in 2022, the fiscal year 2023 was marked by less volatility and variability in gas and electricity prices. Nevertheless, the market remained unstable and susceptible to even minor signals on the geopolitical map of the world. This was particularly the case in Europe. Electricity and gas prices there shot up substantially in 2022. Although the subsequent price declines at the beginning of 2023 were significant, the adverse effects of the previous record price levels were very pronounced in some of NORMA Group's European plants. This affected those plants for which electricity and gas supply contracts had to be renegotiated by the end of 2022. This led to price increases, some of which exceeded the 100% mark. In order to mitigate the negative effects, NORMA Group explored the possibilities of state subsidies in all European countries. Subsidies were applied for where NORMA Group met the government requirements, with the aim of alleviating some of the financial burden of the increased prices.

Supplier management and structure

The purchasing organization continuously monitors the performance of suppliers. Annual evaluations of suppliers are a key instrument in this respect. This involves the use of globally uniform criteria from the areas of quality, logistics, sustainability and commercial aspects. The relevant departments are involved in the assessments at the local level. The evaluation process is mapped using e-procurement software. Besides the annual supplier performance evaluation, supplier risks are monitored continuously using automated risk management software. This helps the purchasing organization to maintain a constant overview of resilience in the supply chain and to initiate the necessary measures early on. [SUSTAINABILITY IN PURCHASING](#)

The focus of NORMA Group's supplier selection is a balance of supplier consolidation to reduce complexity and avoiding strong dependencies. This balance is continuously optimized by the purchasing department. The current supplier base is as follows: In fiscal year 2023, 34.6% of the purchasing volume was attributable to NORMA Group's top 10 suppliers. The top 50 suppliers accounted for around 65.2% (EUR 247.2 million) of the total purchasing volume of production material, amounting to EUR 377.9 million.

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Workforce

Decentralized organization, jointly lived company culture

The employees of NORMA Group make a significant contribution to the success of the Group. For this reason, personnel management and development play an important role.

NORMA Group's personnel management is organized on a decentralized basis. This reflects the international nature of the Company. The decentralized organization allows the individual sites to adapt flexibly to local conditions at any time and to contribute their specifications in a targeted manner, particularly with regard to regional expertise in human resources development and recruiting. One of the main tasks of human resources management is to ensure the availability of specialist and managerial staff on an ongoing basis. The goal here is also to recruit as many specialized employees that the Company needs as possible from our own junior staff and thus to become less dependent on the external labor market. The targeted training and development of its own workforce is therefore an integral part of NORMA Group's human resources strategy.

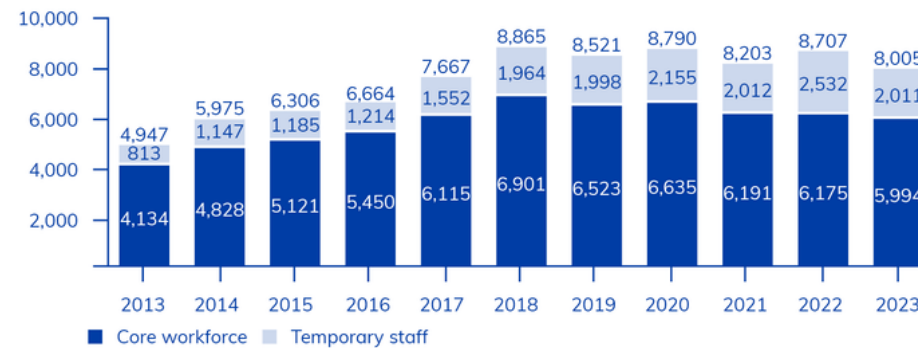
To promote a uniform company culture, NORMA Group has formulated central guiding principles and standardized company values that reflect the fundamental convictions of the Company. These guiding principles are communicated and lived at all sites.

Development of the workforce figures

As of December 31, 2023, NORMA Group employed 8,005 people across the Group (core workforce including temporary workers). Compared to the previous year's reporting date (December 31, 2022: 8,707), the number of employees fell by 8.1 %. 5,994 employees were attributable to the core workforce (Dec 31, 2022: 6,175). The number of temporary employees at the end of December 2023 was 2,011 (Dec 31, 2022: 2,532) This results in a share of temporary workers in the total workforce of around 25% (previous year: around 29%).

Development of personnel figures at NORMA Group

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Workforce by regions

T038

	2023	share in %	2022	share in %
EMEA	3,365	42	3,432	40
Americas	1,422	18	1,499	17
Asia-Pacific	1,207	15	1,244	14
Core workforce by regions	5,994	75	6,175	71
EMEA	491	6	632	7
Americas	1,010	13	1,311	15
Asia-Pacific	510	6	589	7
Temporary workers by regions	2,011	25	2,532	29
Total workforce	8,005	100	8,707	100

The total number of employees (core workforce and temporary workers) in the current reporting year is made up of 4,444 direct (2022: 4,985) and 1,396 indirect employees (2022: 1,524) and 2,165 salary recipients (2022: 2,198). While direct employees are people involved in the manufacturing process, indirect employees are people from production-related areas, such as the quality department. The group of salaried employees is primarily assigned to administrative functions.

Breakdown of employees by group

G034



Further information on [EMPLOYEE SATISFACTION](#), [OCCUPATIONAL HEALTH AND SAFETY](#), [TRAINING AND EDUCATION](#) and [DIVERSITY AND EQUAL OPPORTUNITIES](#) can be found in the chapter [CR REPORT](#).

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Environmental protection and ecological management

As a manufacturing company, NORMA Group is well aware of its environmental, economic and social responsibility. Environmentally compatible and sustainable economic activity is therefore a main element of the Group strategy. For this reason, the Company considers it important to systematically include environmental aspects in its business decisions. For this reason, NORMA Group has implemented a Group-wide environmental management system and certifies its production sites in accordance with ISO 14001.

The Company's goal is to increase the efficiency of its production processes and continuously lower its energy consumption. In order to achieve this goal, NORMA Group manages the energy consumption of all production sites and is integrating the energy reduction targets into its environmental management system. At NORMA Group, management at the individual plant is responsible for the concrete measures taken to reduce energy consumption and subsequently CO₂ emissions. The measures include, for example, the use of alternative energy generation sources. In this context, further solar panels were installed at the Wuxi site in China in the 2023 fiscal year and put into operation in August 2023. NORMA Group also invested in photovoltaic systems in the UK and Poland during the fiscal year.

Group-wide ESG software is also being used for the general control of energy consumption, in which each location reports and checks its energy data on a monthly basis. This serves to monitor local and regional energy consumption on a monthly basis. In addition, waste is to be reduced wherever possible. Furthermore, water sub-meters were installed to monitor the water consumption and water leakage as well as water recycling. Projects aimed at reusing and saving water have already been implemented. The resulting long-term cost savings associated with this contribute to the economic efficiency of the Group.

NORMA Group quantifies its targets for the reduction of greenhouse gases, water consumption and waste generation at its production sites and publishes them in its CR Roadmap. Moreover, NORMA Group includes the environmental impact resulting from the supply chain as well as from the use of its products in its environmental strategy. Progress towards climate, water and waste targets is reviewed at the local level through regular management assessments and at the global level through the reporting of aggregated data to the Management Board.

The key non-financial performance indicator relevant to management and therefore also part of the Company's forecast is CO₂-emissions (Scope 1 and 2; method: "market-based"). In fiscal year 2023, these amounted to a total of 5,064 metric tons of CO₂ equivalents (market-based and only NORMA Group's production sites), exceeding the previous year's figure by 3.8% (2022: 4,879 tons, market-based)¹⁴. NORMA Group's target of reducing CO₂ emissions from its production processes by 19.5%, by 2024, compared to the reference year 2017, was already overachieved considerably in 2022. [CLIMATE PROTECTION](#)

Detailed information on the environmental strategy and other topics can be found in the [CR REPORT](#).

¹⁴ Since January 2022, NORMA Group has purchased electricity from renewable energies at all production sites. NORMA Group purchases "Energy Attribute Certificates" for this purpose. The CO₂emissions are reported in accordance with the GHG Protocol (market-based, Scope 1 and Scope 2). Scope 1 includes only emissions from natural gas and LPG and Scope 2 emissions from purchased electricity and district heating. When recording emissions, only emissions relating to the production sites are taken into account. Further information can be found in the: [CR REPORT 2023](#)

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Marketing

In order to further increase awareness of NORMA Group's products all over the world, boost product sales, strengthen customer relationships and thereby contribute to the Group's growth, NORMA Group's long-term marketing strategy is based on the following objectives:

- Building a strong NORMA Group brand image
- Focusing on digital marketing strategy
- Focusing on marketing activities
- Optimizing the brand portfolio
- Optimizing the marketing tools used
- Achieving a better understanding of market needs

In order to be able to focus on its end markets and customers as much as possible, NORMA Group tailors all of its marketing activities to address local market conditions and consumer habits in its respective regions and markets. The marketing departments of the strategic business units are responsible for implementing the various activities and synchronizing them with NORMA Group's operational goals.

Marketing focus in 2023

The main marketing activities in fiscal year 2023 included the following:

- Development of the future global brand strategy and brand architecture
- Further development of the Digital Commerce Strategy 2025. It focused on defining the new NORMA Group's web ecosystem with the aim of unifying and standardizing its digital presence and creating a trusted and simplified source of information for our existing and potential customers
- Global alignment and optimization of marketing tools and suppliers
- Further expansion, standardization and enrichment of the product information management (PIM) platform and the digital assets management (DAM) platform as the basis for further digitalization activities and reliable information for customers
- Expansion of digital communication channels with relevant, customized content for customers and introduction of awareness and lead generation campaigns
- Optimization of the product portfolio and introduction of new products in order to offer a complete portfolio that covers the needs of its customers
- Development of specific marketing initiatives aimed at new business areas and markets with high potential
- Participate in events, trade shows and organize TechDays to strengthen the Company's relationships with its current customers and create new business opportunities

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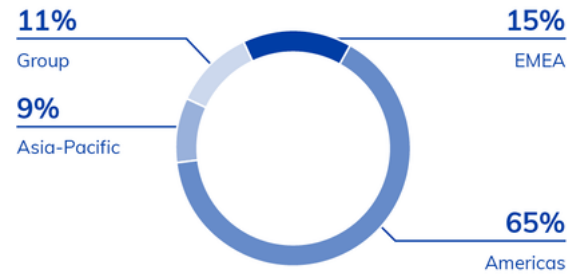
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Marketing expenses in 2023

Marketing expenses amounted to a total of EUR 6.2 million in fiscal year 2023 and were thus above the level of the previous year (2022: EUR 4.8 million). In relation to sales, marketing costs amounted to around 0.5% in the 2023 fiscal year (2022: 0.4%).

Marketing expenses in 2023 by segment

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Condensed Management Report of NORMA Group SE (HGB)

General information

NORMA Group SE is the parent company of NORMA Group. Its headquarters are located at Edisonstrasse 4, Maintal, Germany, and the Company is registered in the commercial register of Hanau under the number HRB 94473. NORMA Group SE is a capital market-oriented corporation within the meaning of Section 264d of the German Commercial Code (HGB) and is therefore to be considered a large corporation within the meaning of Section 267 (3) sentence 2 HGB.

NORMA Group SE acts as the formal legal holding of NORMA Group. In addition to holding investments, the management of the Group's own brand rights is the main task of NORMA Group SE. NORMA Group SE generates income from the profit transfers and distributions of its subsidiaries and from the granting of licenses to affiliated companies that depends on the results that the subsidiaries actually achieve. Furthermore, it is responsible for Strategy, Human Resources, Legal and M&A, Compliance, Internal Auditing and Risk Management as well as communicating with the Company's important target audiences, in particular the capital market and shareholders.

The Management Report of NORMA Group SE and the Group Management Report of NORMA Group have been combined in accordance with Section 315 (5) HGB in conjunction with Section 298 (2) HGB. The Annual Financial Statements of NORMA Group SE and the Consolidated Financial Statements, which have been issued with an unqualified audit opinion by the KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, are simultaneously filed for publishing in the company register.

Business development

The business performance of Norma Group SE essentially corresponds to that of the Group and is described in detail in the chapter [ECONOMIC REPORT](#).

The result of NORMA Group SE determined in accordance with the German Commercial Code (HGB) is mainly influenced by the business development and the results of the affiliated companies. These are mainly reflected in the income from dividends and profit transfers as well as currency effects, allocations from license management and the interest result.

Key financial control parameters with regard to the individual company NORMA Group SE are earnings before taxes and retained earnings to ensure the ability to pay dividends on an ongoing basis. For this reason, NORMA Group monitors and optimizes the ability of its subsidiaries to pay dividends. This is of particular relevance as the adjusted consolidated net income is the decisive factor for the amount of the dividend distribution to the shareholders. NORMA Group aims for a payout ratio of approx. 30% to 35% of the adjusted consolidated net income.

Earnings before taxes amounted to EUR 9,488 thousand in the reporting year (2022: EUR 17,503 thousand). Earnings before taxes developed significantly weaker than forecast, mainly due to the loss absorption of NORMA Group Holding GmbH amounting to EUR -8,510 thousand.

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Earnings position

Income statement for the period from January 1 to December 31, 2023		T039
in EUR thousands	Dec 31, 2023	Dec 31, 2022
1. Sales revenue	5,805	5,690
2. Other operating income	16,136	20,156
3. Personnel expenses	-6,151	-7,465
4. Amortization of intangible assets and depreciation of property, plant and equipment	-56	-55
5. Other operating expenses	-25,836	-31,028
6. Income from investments	34,681	9,502
7. Income from profit and loss transfer agreements	0	22,377
8. Income from loans held as financial assets	191	1,416
9. Other interest and similar income	1,287	822
10. Expenses from profit and loss transfer agreements	-8,510	0
11. Interest and similar expenses	-8,059	-3,912
12. Income taxes	-1,432	-3,740
13. Earnings after taxes / net income for the year	8,056	13,763
14. Profit carried forward from the previous year	19,244	23,005
15. Retained earnings	27,300	36,768

NORMA Group SE generated earnings after taxes of EUR 8,056 thousand in 2023 (2022: EUR 13,763 thousand).

At EUR 5,805 thousand, the Company generated EUR 115 thousand more in sales from license fees for the NORMA Group brand (2022: EUR 5,690 thousand).

Sales by Region		T040
in EUR thousands	Dec 31, 2023	Dec 31, 2022
Americas	1,649	1,772
Asia-Pacific	988	998
EMEA	3,168	2,920
Total Sales	5,805	5,690

Other operating income fell to EUR 16,136 thousand in 2023 (2022: EUR 20,156 thousand). in particular due to the decline in income from currency translation (EUR 1,193 thousand; previous year: EUR 4,259 thousand) and the lower prior-period income of EUR 225 thousand (2022: EUR 376 thousand). The latter mainly resulted from the reversal of provisions. The item also included income in the amount of EUR 14,560 thousand (2022: EUR 14,132 thousand) for licenses used by subsidiaries but held by other Group companies. In this case, the Company assumed the distribution of the license income.

Compared to the previous year, personnel expenses fell by EUR -1.314 thousand from EUR -7,465 thousand to EUR -6,151 thousand. The change resulted mainly from the severance payment to a former member of the

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Management Board. The average number of employees in the reporting year was 25 (2022: 26 employees). In addition, reference is made to the separate disclosure of Management Board remuneration in the Group's Remuneration Report.

Other operating expenses in the amount of EUR -25,836 thousand (2022: EUR -31,028 thousand) included in particular expenses for license fees in the amount of EUR -14,560 thousand (2022: EUR -14,132 thousand), which are distributed by the Company to the subsidiaries as license holders. The decrease in expenses was mainly due to lower consulting expenses (M&A consulting, services of NORMA Group Holding GmbH, legal advice) in the amount of EUR -2,068 thousand (2022: EUR -3,998 thousand). In addition, expenses from currency translation decreased compared to the previous year to EUR -1,292 thousand (2022: EUR -5,820 thousand).

In the reporting year income from investments resulting from a dividend distribution of NORMA Pennsylvania, Inc. amounted to USD 38,000 thousand (EUR 34,681 thousand; 2022: USD 10,000 thousand or EUR 9,502 thousand).

Due to the current profit and loss transfer agreement with the subsidiary NORMA Group Holding GmbH, corresponding income in the amount of EUR 22,377 thousand was received. In the reporting year, there was a loss from profit and loss transfer amounting to EUR -8,510 thousand, in particular due to considerably lower dividend revenues of NORMA Group Holding GmbH. For more details, please refer to the earnings development in the Group Management Report. [SEGMENT DEVELOPMENT EMEA](#)

In the 2023 reporting year, the decline in loans to affiliated companies resulted in lower income from loans of financial assets in the amount of EUR 191 thousand (2022: EUR 1,416 thousand). Other interest and similar income increased by EUR 465 thousand to EUR 1,287 thousand (2022: EUR 822 thousand) mainly from the higher cash pool receivables from NORMA Group Holding GmbH. Interest and similar expenses increased from EUR -3,912 thousand by EUR -4,147 thousand to EUR -8,059 thousand, mainly due to the new promissory note loan.

Earnings before taxes decreased by EUR 8,015 thousand to EUR 9,488 thousand (2022: EUR 17,503 thousand). Income taxes for NORMA Group SE amounted to EUR -1,432 thousand (2022: EUR -3,740 thousand) and mainly relate to tax expenses for previous years, in particular due to transfer price adjustments in the Group. Earnings after taxes amounted to EUR 8,056 thousand in the reporting year (2022: thousand 13,763).

The Annual Financial Statements as of December 31, 2023, show retained earnings of EUR 27,300 thousand (2022: EUR 36,768 thousand). The proposal to distribute EUR 14,338 thousand for fiscal year 2023 and to carry forward EUR 12,962 thousand forward to new account will be made to the Annual General Meeting on May 16, 2024. This would mean that a cash dividend of EUR 0.45 per share will be paid.

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Asset and financial positions

Assets		T041	
in EUR thousands		Dec 31, 2023	Dec 31, 2022
A. Fixed assets			
I. intangible assets		1	4
II. property, plant and equipment		120	145
III. financial assets			
1. shares in affiliated companies		425,449	425,487
2. loans to affiliated companies		2,000	32,805
Total fixed assets		427,570	458,441
B. Current assets			
I. receivables and other assets		126,036	71,715
II. credit balances with banks		524	596
Total current assets		126,560	72,311
C. Prepaid expenses			
		122	111
Total assets		554,252	530,863
Equity and liabilities		T042	
in EUR thousands		Dec 31, 2023	Dec 31, 2022
A. Equity			
I. subscribed capital		31,862	31,862
II. capital reserve		216,601	216,601
III. retained earnings		45,000	45,000
IV. unappropriated profit		27,300	36,768
Total shareholders' equity		320,763	330,231
B. Provisions			
1. provisions for pensions and similar obligations		3,643	4,320
2. provisions for taxes		3,237	3,018
3. other provisions		3,452	3,546
Total provisions		10,332	10,884
C. Liabilities			
1. liabilities to banks		209,804	183,406
2. trade payables		313	415
3. liabilities to affiliated companies		12,909	5,822
4. other liabilities		131	105
Total liabilities		223,157	189,748
Total liabilities and shareholders' equity		554,252	530,863

Conditional capital EUR 3,186 thousand (2022: EUR 3,186 thousand)

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The asset and capital structure of NORMA Group SE is strongly influenced by the holding function of the Company within the Group.

Compared to the previous year, total assets increased by EUR 23,389 thousand to EUR 554,252 thousand (2022: EUR 530,863 thousand).

The assets side of the balance sheet consisted of 77.1% or EUR 427,449 thousand (2022: 86.3% or EUR 458,292 thousand) from financial assets, including shares in affiliated companies and loans. Shares in affiliated companies decreased slightly from EUR 425,487 thousand to EUR 425,449 thousand. Total loans to affiliated companies decreased by EUR 30,805 thousand to EUR 2,000 thousand (2022: decline by EUR 26,019 thousand to EUR 32,805 thousand), due to repayments from NORMA Pennsylvania Inc. USD 19,500 thousand (EUR 17,821 thousand; previous year: USD 25,000 thousand; EUR 25,082 thousand) and from NORMA Group Holding GmbH EUR 14,000 thousand (previous year: EUR 5,000 thousand).

In addition, at EUR 124,936 thousand as at December 31, 2023, receivables from affiliated companies were EUR 55,742 thousand higher than in the previous year (22.5%; 2022: EUR 69,194 thousand or 13.0%). In particular, this included receivables from NORMA Group Holding GmbH in the amount of EUR 115,247 thousand (2022: EUR 31,248 thousand) from the cash pool agreement. This was offset by the elimination of receivables from the profit and loss transfer agreement; in the previous year, the Company had receivables from NORMA Group Holding GmbH of EUR 22,377 thousand.

In addition to cash and cash equivalents of EUR 524 thousand (2022: EUR 596 thousand), NORMA Group SE had the above-mentioned credit balances from the cash pool with the subsidiary NORMA Group Holding GmbH in the amount of EUR 115,247 thousand (2022: EUR 31,248 thousand).

On the liabilities side, liabilities to banks increased by EUR 26,398 thousand to EUR 209,804 thousand (2022: EUR 183,406 thousand), in particular due to the placement of a new promissory note loan in the amount of EUR 120,000 thousand. The partial repayments of the first and third promissory note loans (EUR 56,032 thousand; 2022: EUR 8,500 thousand) and the full repayment of the revolving credit facility (2022: EUR 15,000) and the Commercial Papers (2022: EUR 25,000 thousand) had an opposing effect.

Liabilities to affiliated companies increased by EUR 7,087 thousand to EUR 12,909 thousand in the reporting year (2022: EUR 5,822 thousand), mainly from the liability from profit and loss transfer to NORMA Group Holding GmbH in the amount of EUR 8,510 thousand (2022: Receivables from profit and loss transfer EUR 22,377 thousand).

Equity fell from EUR 330,231 thousand to EUR 320,763 thousand in the reporting year. The decrease of EUR 9,468 thousand was due to the dividend distribution of EUR -17,524 thousand and, conversely, the net profit of EUR 8,056 thousand generated in the 2023 fiscal year. At 57.9%, the equity ratio was below the previous year's level (2022: 62.2%), mainly due to the changes in liabilities to banks and the associated higher balance sheet total. Retained earnings remained unchanged from the previous year at EUR 45,000 thousand.

Pension provisions have decreased to EUR 3,643 thousand (2022: EUR 4,320 thousand), mainly due to the first-time allocation to the reinsurance policy in the previous year and its increase by EUR 667 thousand in the reporting year as well as the updated actuarial assumptions.

The 2018 G mortality tables published by Prof. Dr. Klaus Heubeck were used as the basis for calculation. In the year under review, the average market interest rate of 1.82% p. a. set by Deutsche Bundesbank for the past ten years was applied (2022: 1.78% p. a.) was used as a basis. In accordance with section 2 sentence 2 HGB, a

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residual term of 15 years was assumed. The salary and pension trends were 0.0% and 2.2% respectively (2022: 2.0% and 2.2% respectively) and no staff turnover was assumed.

At EUR 3,452 thousand, other provisions were EUR 94 thousand lower than in the previous year (2022: EUR 3,546 thousand).

Financial position

Due to its function as the ultimate holding company of NORMA Group, the financial position of NORMA Group SE is significantly dependent on the financial position of its direct and indirect subsidiaries. In this context, the NORMA Group SE financial requirements for the performance of its Group-wide functions and the maintenance of its ability to pay dividends are mainly covered by the funds received in the course of the IPO, the promissory note loans raised, revolving credit lines and commercial papers, ongoing profit transfers and distributions as well as royalties from its subsidiaries. There is a profit and loss transfer agreement with NORMA Group Holding GmbH, which also has cash inflows from its subsidiaries.

The external financing of NORMA Group as well as the intra-Group financing of the Group companies were also carried out via external banks as well as NORMA Group Holding GmbH and other foreign Group companies.

In the reporting year, the Company repaid promissory note loans in the amount of EUR 56,032 thousand as scheduled (2022: EUR 8,500 million). To refinance this and for general corporate funding, the Company placed a new promissory note loan in the amount of EUR 120,000 thousand in the reporting year.

In addition, NORMA Group SE together with NORMA Group Holding GmbH has a Senior Facilities Agreement with a bank consortium including comprehensive credit lines. NORMA Group had already successfully refinanced its bank credit lines in fiscal year 2019, thereby creating further financial security and even greater flexibility for the future. The loan agreement has an initial total volume of EUR 300,000 thousand. This includes a revolving facility of EUR 50,000 thousand and a flexible accordion facility.

In October 2021, an additional revolving facility of EUR 50,000 thousand was agreed under the existing credit agreement. As at December 31, 2023, the committed credit line of NORMA Group SE (2022: EUR 15,000 thousand) was repaid in full.

As at December 31, 2023, the commercial paper program (2022: EUR 25,000 thousand), which is used for short-term liquidity management, was repaid in full.

The primary objective of NORMA Group SE's financial management is to ensure liquidity for current business transactions at all times. Cash and cash equivalents amounted to EUR 524 thousand at the end of 2023 (2022: EUR 596 thousand). In addition, NORMA Group SE had assets from the cash pool with the subsidiary NORMA Group Holding GmbH in the amount of EUR 115,247 thousand (2022: EUR 31,248 thousand).

As of the 2023 balance sheet date, NORMA Group met all financial covenants (net debt in relation to adjusted Group EBITDA) contained in the loan agreements. Due to the solid financial position of NORMA Group SE and its direct and indirect subsidiaries, the Company was able to meet the obligations due at all times during the fiscal year.

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Overall statement of the Management Board

In the year under review, NORMA Group SE achieved retained earnings of EUR 27,300 thousand (2022: EUR 36,768 thousand), taking the net profit of EUR 8,056 thousand (2022: EUR 13,763 thousand) into account. As expected, it was thus possible to ensure the ability to distribute the profit.

NORMA Group SE remains committed to a sustainable dividend policy with a payout ratio of approximately 30% to 35% of the adjusted consolidated net income, provided that the economic situation permits this.

Opportunities and risks

NORMA Group SE acts as the holding company that manages NORMA Group. Its development as well as its risks and opportunities therefore mainly depend on the business development of the companies affiliated with the Group. NORMA Group SE is integrated into the Group-wide opportunity and risk management system. For detailed information, please refer to the chapter Group Opportunity and Risk Management. The description of the internal control system for NORMA Group required under Section 289 (4) of the German Commercial Code (HGB) is also provided there.

NORMA Group SE generates its income mainly from license, profit and loss transfer and investment income of its direct and indirect subsidiaries. Due to its holding function, NORMA Group SE is therefore exposed to the risk of receiving lower investment income as a result of declining profits of the subsidiaries or lower royalty income as a result of lower sales of the NORMA Group companies. In case of increasing profits or higher sales revenues of the subsidiaries, NORMA Group SE will receive higher investment income or higher license income.

In the coming fiscal year as well, geopolitical conflicts and wars as well as economic sanction measures could continue to have a negative impact on the global economy and – directly or indirectly – on NORMA Group's business activities. This could have a major impact on global supply chains, which could lead to a reduction in sales in the affected markets and to increased energy and raw material prices.

Due to the solid financial position of the NORMA Group companies and the possibility to control distributions of the subsidiaries, the opportunities and risks in connection with investment and license income are assessed as possible with a positive effect on earnings.

Forecast / Outlook

For fiscal year 2024, NORMA Group SE expects a slight increase in license income for the subsidiaries' brands and the NORMA Group brand compared to 2023. The expenses from licenses for the Group subsidiaries as license holders are also expected to be slightly higher accordingly. The Management Board of NORMA Group assumes that personnel expenses and other cost factors will also increase slightly compared to previous years.

However, this forecast is made under the assumption that no significant negative effects will occur in connection with geopolitical conflicts and wars as well as economic sanctions that could lead to a strong weakening of the global economy and to significant pressure on the business development of NORMA Group. The potential influencing factors in connection with external risk factors from armed conflicts or climate change are discussed in the [FORECAST REPORT](#) of the Group.

Taking into account an expected profit transfer from NORMA Group Holding GmbH (2023 loss absorption) as well as the interest result for the year 2024, earnings before taxes are expected to be slightly higher compared



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to 2023. In this context, it is assumed that the retained earnings and the Company's ability to pay dividends will continue to be secured.

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Forecast Report

Macroeconomic and industry-specific conditions

Global economy 2024: Numerous challenges and prevailing uncertainties

The diverse external risks will pose major challenges for policymakers, society and the global economy in 2024. There are no signs of a lasting easing of tensions in either the conflict in Ukraine or in Gaza. The possibility of these conflicts spreading to other countries and the emergence of new crises cannot be ruled out either. In addition, the consequences of climate change increasingly pose a risk to geopolitical stability and the economy. Furthermore, the ongoing fragmentation of value creation worldwide could lead to new disruptions in supply chains, trade sanctions and technology embargoes. In this environment, the global economy is expected to continue its weak growth in 2024. The development of interest rates is likely to be a decisive factor for the course and momentum of the economy. Should the leading central banks initiate the first easing measures in 2024, this would stimulate private consumption, but above all investment activity and therefore boost industrial production. Fiscal policy, on the other hand, is unlikely to provide much impetus. It has been very expansive in recent years to alleviate the impact of the pandemic and to cushion the rise in energy costs. These effects are currently falling by the wayside. In its January 2024 update, the International Monetary Fund (IMF) expected the global economy to grow by 3.1% overall in 2024 - as in 2023. Compared to the previous forecast from fall 2023 (2024: +2.9%), this is a somewhat more confident outlook. The industrialized countries are expected to grow by just 1.5%, while the forecast for developing and emerging countries is 4.1%.

China's economic development is to remain subdued in 2024 with a growth target of 4.6%, as the weakness of the real estate and construction industries is having a negative impact on private incomes and subsequently on consumer demand. In addition, the employment situation is tense and debt levels have risen. In contrast, China's exports could benefit from a gradual economic recovery in industrialized countries. After reciprocal technology and raw materials embargoes were recently established, new trade policy frictions between the economic blocs cannot be ruled out. The IMF expects China's pace of expansion to lose further momentum in 2024. For Southeast Asia (ASEAN-5), which is closely linked to China's value creation and whose exports are also heavily dependent on demand from industrialized countries, the IMF is forecasting brisk growth of 4.7%. According to the IMF, India is also growing at an almost unchanged high rate (+6.5%). The forecast for Brazil predicts very low growth of 1.7%.

In the USA, economic momentum is likely to slow down again in 2024 compared to the strong growth in 2023. Although the measures adopted as part of the US Inflation Reduction Act are supporting the economy, no new fiscal policy impetus can be expected in the 2024 election year due to the tight budget situation and the political balance of power. Furthermore, the still high interest rates are having an increasing impact on the corporate sector. In addition, private consumer demand is unlikely to grow as strongly as before, as tax stimuli will expire, the savings accumulated during the pandemic will be used up and the previously strong momentum on the labor market will slow down. The IMF expects growth of 2.1% for 2024. The US Federal Reserve has announced its first interest rate cuts if inflation continues to fall. This could stimulate corporate investment over the course of the year.

The economic weakness in the Eurozone should be gradually overcome in 2024. The higher purchasing power has a positive effect. Following recent strong wage increases, real wages are rising as inflationary pressure eases. In addition, financing conditions would improve if monetary policy is eased. For example, the IMF expects the ECB to cut interest rates in the second half of 2024. The Ifo Institute, on the other hand, expects interest rates to already fall as early as summer. Nevertheless, economic momentum remains low, as there are no signs of a recovery in

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fixed asset investments until 2025. The growth forecasts for the Eurozone for 2024 are therefore very cautious. The IMF is forecasting growth of just 0.9%. This is 30 basis points lower than in the fall 2023 estimate. In view of a more restrictive fiscal policy in the UK, the economy there is unlikely to expand. By contrast, the Swiss economy should be somewhat stronger than the Eurozone. Stagnation is expected to continue in Germany. The construction industry in particular remains under pressure. The industrial sector is also lacking impetus from the global economy. Following the Federal Constitutional Court's ruling on the debt cap, the government has to realign its fiscal policy. An analysis by the German Economic Institute (IW) based on four scenarios shows that the savings will lead to growth losses of 20 to 100 basis points.

This macroeconomic outlook forms the basis of NORMA Group's forecast and outlook for 2024.

Forecast for GDP growth			T043
in %	2023	2024e	2025e
World	3.1	3.1	3.2
USA	2.5	2.1	1.7
China	5.2	4.6	4.1
Euro zone	0.5	0.9	1.7
Germany	-0.3	0.5	1.6

Source: IMF

Gradual improvements expected in a persistently challenging environment in NORMA Group's key customer industries

Assuming that there is no further escalation of the wars in Ukraine and the Middle East or an outbreak of further geopolitical conflicts, that supply chains are not disrupted again and that inflation and energy costs continue to ease, it can be assumed that the prospects for NORMA Group's key customer industries will gradually improve over the course of 2024. However, the environment remains very challenging, particularly in the construction industry.

Mechanical engineering

In view of the weak economic signals for 2024, the impetus for mechanical engineering is likely to remain low. Muted industrial production and reduced capacity utilization suggest a cyclically low willingness to invest, especially as financing costs are only likely to improve later in the year. In contrast, the focus is increasingly shifting to investment decisions that are independent of the cycle. The establishment of regional value chains to minimize bottleneck risks and increase supply security is playing a more important role. Many industrialized countries are trying to reduce their dependence on China. In addition, the restructuring of the energy industry and the decarbonization of industrial production processes require high strategic investments that are simultaneously driven by digitalization. Industrial production and entire value chains will become even more interconnected in the future thanks to the growing possibilities offered by artificial intelligence (AI). These long-term drivers are increasingly boosting strategic investments and fundamentally supporting the mechanical engineering sector, regardless of the short-term economic situation.

Despite these structurally good prospects, the short-term outlook for the mechanical engineering sector for 2024 is gloomy. The unstable global economy under pressure from geopolitical risks and high energy and interest costs

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are limiting demand for capital goods. If central banks start to cut their interest rates later in the year, the picture should brighten, especially with a view to 2025. In terms of real machine sales, the VDMA (German Engineering Federation) expects the global market to continue to stagnate in 2024. The recent double-digit expansion in India (+5%) and Turkey (+4%) has leveled off, while Brazil remains at zero growth. After last year's losses, mechanical engineering in South Korea (+1%) and Taiwan (+0%) is expected to stabilize. A sector downturn is expected for the USA (-2%) and Canada (-4%) in 2024. In Switzerland (-1%) and the UK (+0%), mechanical engineering is treading water. For the EU and the Eurozone, the VDMA is forecasting negative growth rates of 2%. While Spain stagnated, machine sales shrank in real terms in Italy (-2%), France (-3%) and the Netherlands (-4%). The VDMA also expects losses in the German mechanical engineering sector. According to this, machine sales are expected to fall by a further 2% in real terms in 2024 (nominal: -1%). Production is even forecast to fall by 4% in real terms.

Engineering: real change in industry sales

in %	2022	2023	T044 2024e
China	3.0	-1.0	-2.0
USA	3.0	-3.0	-2.0
Euro zone	2.0	2.0	2.0
World	3.0	0.0	0.0

Source: VDMA

Automotive industry

Following the strong performance of the automotive industry in 2023, which was characterized by catch-up effects and the normalization of production processes, the further recovery in commercial vehicles (CV) and light vehicles (LV, up to 6 t) should now be more moderate. Industry experts at Global Data (GD, formerly LMC Automotive) expect global commercial vehicle sales to increase by just 1.0%. Commercial vehicle manufacturers in North America (-16.7%) and Europe (-5.2%) are likely to reduce their production, while growth is expected in China (+13.3%). The commercial vehicle figures for North America and Europe are heavily influenced by the legal deadlines for emissions standards. GD is forecasting global sales growth of 3.3% for the LV market in 2024. The specialists at S&G Global Mobility, on the other hand, expect growth of only 1% to 3%. The German industry association VDA is forecasting an increase of 2.4% for the more narrowly defined global passenger car market. Momentum remains weak everywhere. GD expects global automotive production to virtually stagnate in 2024 (+0.9% to 91.4 million LV). Although slight growth is expected in China (+1.0%) and India (+2.1%), Japan (-5.9%) and South Korea (-5.4%) are likely to see a noticeable setback. GD's production forecast for the USA is optimistic at +7.8%. In contrast, Europe is only to grow moderately overall (+1.2%). Opposing trends are overlapping here: Anticipated declines in the UK (-6.9%) and Italy (-5.3%) are offset by noticeable growth in France (+4.2%) and Spain (+4.1%). According to GD, production in Germany is set to increase by 5.6%. Contrary to this, the VDA forecasts that passenger car production in Germany will stagnate.

Climate change and its consequences are also incontrovertible economic factors. Most countries have set themselves clear decarbonization targets, in some cases with fixed deadlines for banning conventional combustion engines. The capacities for the production of battery cells and electric vehicles are being expanded with high investments. This continues to drive technological change. The main bottleneck factors are the slow expansion of the charging infrastructure and the upgrading of the electricity grids. Nevertheless, global production of purely battery-powered vehicles (BEV) and plug-in hybrids (PHEV) is expected to increase by a combined

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29.7% to 18.8 million units in 2024, according to GD's forecast. From a global perspective, a strong increase of 33.0% is anticipated, particularly for BEVs, while PHEV production is expected to increase by 20.5%. Other alternative drive systems, such as hydrogen and fuel cell technology, are currently insignificant in the volume market.

Automotive industry: global production and development of sales

T045

in %	2023 ¹	2024e	2025e
Production of light vehicles	10.1	0.9	3.1
Classic combustion engine	-1.0	-7.8	-5.0
PHEV	52.7	20.5	11.9
BEV	33.1	33.0	23.3
Sales of light vehicles	10.1	3.3	3.7
Production of commercial vehicles	11.6	2.4	7.0
Sales of commercial vehicles	16.1	1.0	5.7

Source: LMC Automotive
 1_Revised date according to LMC

Construction industry

In Asia, rapid population growth, urbanization and generally high government investment in infrastructure are the structural drivers of the construction industry. Indonesia is building a completely new capital (Nusantara). In the Philippines, Malaysia and India, the upturn in residential construction and infrastructure is set to continue in 2024. In China, however, the crisis in the sector is seen to be continuing, especially as large construction companies continue to face financial problems. Early indicators signal another difficult year for building construction in 2024. China's new construction starts in terms of floor space fell by a further 20% at the turn of 2023/2024. The decline was almost equally pronounced in residential construction and office buildings. Irrespective of this, investment in infrastructure is increasing, including in the water supply. Projects to combat climate-related damage, such as rising sea levels, are also playing an increasingly important role in Asia.

The Euroconstruct industry network (including the ifo Institute) also believes that the European construction industry remains under pressure. Both new residential construction and the renovation of existing buildings are likely to shrink significantly in 2024. However, other new building construction remains stable and civil engineering continues to grow. Overall, construction output will therefore fall by 2.1% in real terms in 2024 (Western Europe: -2.3%; Eastern Europe: +1.0%). A decline of 2.2% in real terms is expected for Germany. This scenario is also supported by a significant decline in residential building permits (eleven months 2023: -25.9%), which signals a continuation of the downturn for 2024. In this respect, the ifo Institute expects real construction investment to fall by 1.8%, and by as much as 3.7% in residential construction. The DIW (German Institute for Economic Research) also expects the construction volume to fall by 1.5% in real terms. Residential construction, including measures on existing buildings, is expected to decline at an accelerated rate of -3.4% and more sharply than the other construction segments. If, on the other hand, only new residential construction is considered, the construction volume is even expected to slump by 6.5% in real terms. The outlook for 2024 is better for commercial construction with an estimated increase of 0.3% in real terms and public construction with a forecast of +2.5% in real terms.

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Construction industry: development of European construction output T046

in %	2023	2024e	2025e
Western Europe	-1.7	-2.3	1.4
Eastern Europe	-0.6	1.0	3.5
Europe	-1.7	-2.1	1.5

Source: Euroconstruct / ifo Institute (19 core markets in total)

The outlook for the US construction industry paints a mixed picture. The main negative factor is the still high interest rates, which are increasingly weighing on a large part of the construction sector. The key figures for private residential construction indicate a decline in construction activity: The number of building permits in the residential sector fell by 11.7% year-on-year as at the end of 2023, while new construction starts fell by 9.0%. The industry experts for the North American construction sector at FMI assume that residential construction in the USA will be in a broad-based downturn in 2024 (single-family house -5%, multi-family -15%). In addition, investments in office construction are expected to fall by 2% in nominal terms and by as much as 4% for commercial buildings. On the other hand, industry experts from the research company Zonda estimate that construction starts for single-family homes will increase by 12% in 2024. The latter is supported by the annualized building permit data for the month of December 2023, based on data from the National Association of Home Builders (NAHB). These showed a 2% increase in annual approvals in 2023 compared to 2022.

The forecasts for fiscal year 2024 also show a mixed picture for expenditure on renovations and repairs, which are a key driver of the NDS business. Among other things, the Harvard JCHS Lira Index anticipates a 6.5% decline in spending on repairs and conversions in 2024. This forecast is mainly due to economic weakness in the homeowner segment and the persistently high interest rates. In addition, companies in the renovation and maintenance sector started 2024 with a significantly lower order backlog. This is likely to have a dampening effect on the forecast growth in the US construction industry, particularly in the first six months of 2024. The experts at John Burns Real Estate Consulting (JBREC), on the other hand, are more optimistic and expect the market for renovations and conversions in Central America to grow by 3% in 2024 (West America: +10%, East America: +4%) compared to the previous year.

Further growth in 2024 is expected primarily in the construction of industrial buildings (+18%) and infrastructure investments. FMI is forecasting a nominal increase of 8% for investments in US water supply.

Future development of NORMA Group

NORMA Group places a strategic focus on sustainable value creation. Key objectives are continuous sales growth, profitability above the industry average and the most efficient use of capital possible. In addition, NORMA Group orients itself towards sustainability targets in order to live up to its own claim of a responsible approach to people and the environment. [STRATEGY AND GOALS](#)

General statement by the Management Board on probable development

To reduce complexity, NORMA Group has optimized its forecast with regard to the components. From now on, only the financial and non-financial key figures that are relevant for the control system will be used and presented in this context for the respective financial year.

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NORMA Group's important financial control indicators include Group sales, adjusted EBIT, respectively adjusted EBIT margin, and net operating cash flow. These key figures also lead to the so-called NORMA Value Added (NOVA) as a central strategic target. Since the 2023 financial year, the key non-financial control indicator has been CO₂ emissions, which since 2020 have also represented a target figure for determining part of the long-term Executive Board remuneration (ESG-LTI). [CONTROL SYSTEM AND KEY PERFORMANCE INDICATORS](#)

The development of the key financial control indicators and CO₂ emissions in the 2024 financial year is presented below.

Development of Group sales in 2024

Based on current assessments from relevant economic research institutes and industry associations, the Management Board assumes that overall economic development in the 2024 financial year will remain challenging due to the numerous ongoing geopolitical tensions. Above all, the further development of the military conflicts in Ukraine and the Middle East and the associated effects on the global value creation and transport chains represent key influencing factors. In addition, there are uncertainties in connection with the future direction of interest rate policy on the part of the central banks, respectively natural delays regarding the mechanism of action of potential interest rate cuts. The Management Board of NORMA Group SE is therefore looking ahead to the 2024 financial year with due caution.

Supported by the forecast impulses in the customer industries that are important to NORMA Group, the Management Board of NORMA Group SE expects overall Group sales in the range of around EUR 1.2 billion to around EUR 1.3 billion for fiscal year 2024. However, the present forecast is made under the assumption that no further negative factors will occur worldwide in the course of 2024 that could lead to significant pressure on the business development of NORMA Group.

With regard to the regional segments, the Management Board expects the following development in fiscal year 2024:

For the EMEA region, the Management Board forecasts sales in the range of around EUR 500 million to around EUR 550 million. The forecast is based on the expectation that the good development in demand from the European automotive industry in the Mobility & New Energy sector will also continue in fiscal year 2024, albeit in a somewhat weaker form. Significant growth is also expected to come from the Industry Applications area in 2024.

Regarding the Americas region, the Management Board of NORMA Group SE anticipates sales in the range of around EUR 530 million to around EUR 550 million. The forecast is based on the assumption that development in the Water Management business will be stable compared to the previous year. In contrast, a weaker development is expected for the Mobility & New Energy area compared to the previous year.

For the Asia-Pacific region, the Management Board is anticipating sales in the range of around EUR 170 million to around EUR 200 million in the fiscal year 2024, based on the trend forecasts presented. A good development in demand should be visible both in Mobility & New Energy and in the areas of Water Management and Industry Applications.

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Adjusted EBIT margin

An important focus of NORMA Group is on maintaining profitability. Accordingly, all business activities are strategically aligned with this in mind. The Group's profitability is to be sustainably increased, among other things, through suitable operational efficiency measures as part of the [GROWTH AND EFFICIENCY PROGRAM "STEP UP"](#). The focus here is, among other things, on optimizing internal and external business processes, which aims to ensure that the company is sustainable towards profitable growth. The measures implemented are intended to help further improve the competitiveness of NORMA Group and maintain it in the long term.

Assuming that there are no market disruptions that could lead to significant additional costs or restrictions in the implementation of operational efficiency measures, the Management Board of NORMA Group SE expects an adjusted EBIT margin of around 8% to 8.5% for fiscal year 2024.

With regard to the adjustment of the result, the Management Board of NORMA Group SE expects, as in previous years, adjustments from the allocation of the purchase prices to depreciable tangible and intangible assets that are related to expenses and income in connection with realized M&A transactions. In total, depending on exchange rate developments, these will amount to around EUR 22 million. The Management Board of NORMA Group SE reserves the right to make further adjustments for fiscal year 2024.

Net operating cash flow

Assuming continued good sales development with constant optimization measures in the area of working capital management, the Management Board of NORMA Group SE expects a net operating cash flow in the range of around EUR 80 million to around EUR 110 million in fiscal year 2024.

NORMA Value Added (NOVA)

For fiscal year 2024, the Management Board expects a NOVA in the range of around EUR –40 million to around EUR –20 million.

Carbon dioxide emissions

A core area of NORMA Group's environmental strategy aims to sustainably reduce greenhouse gas emissions at production sites worldwide. Taking into account the constant implementation of further CO₂ reduction measures, the Management Board assumes that CO₂ emissions will reach a value of less than 9,600 tons of CO₂ equivalents in fiscal year 2024 (market-based, Scope 1 and Scope 2 and only based on production sites).

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Forecast for fiscal year 2024	T047
Sales	Group sales in the range of around EUR 1.2 billion to around EUR 1.3 billion
	EMEA: Sales in the range of around EUR 500 million to around EUR 550 million
	Americas: Sales in the range of around EUR 530 million to around EUR 550 million
	Asia-Pacific: Sales in the range of around EUR 170 million to around EUR 200 million
Adjusted EBIT margin	Of around 8% to 8.5%
Net operating cash flow	In the range of around EUR 80 million to around EUR 110 million
NORMA Value Added (NOVA)	In the range of around EUR -40 million to around EUR -20 million
CO ₂ emissions	Below 9,600 tons of CO ₂ equivalents

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Risk and Opportunity Report

NORMA Group is exposed to a wide variety of risks and opportunities that can have a positive or negative short-term or long-term impact on its earnings, assets and financial position. For this reason, opportunity and risk management represents an integral component of corporate management for NORMA Group, at both the Group management level and at the level of the individual companies and functional areas. Due to the fact that all of the Company's activities are associated with risks and opportunities, NORMA Group considers identifying, assessing, and managing opportunities and risks to be a fundamental component of executing its strategy, securing the short and long-term success of the Company and sustainably increasing shareholder value. In order to achieve this over the long-term, NORMA Group encourages its employees in all areas of the company to remain conscious of risks and opportunities.

Risk and opportunity management system

NORMA Group defines opportunities and risks as possible future developments or events that could have a positive or negative impact on the Group's forecasts or targets. The focus with regard to possible deviations is on a period of three years for concrete opportunities and risks. Opportunities and risks that could have an impact on the Company's success beyond this period of time are recorded and managed at the Group management level and taken into consideration in the corporate strategy. The assessment of the individual opportunity and risk categories takes a period of up to three years into account, unless a different period is specified in the individual categories. NORMA Group assesses the opportunities and risks it identifies using systematic evaluation procedures and quantifies them in terms of both their financial impact – i. e. gross and net impact on the planned earnings figures – and their probability of occurrence. NORMA Group's risk management system is based on the regulatory requirements of the new version of "Auditing Standard 340" issued by the Institute of Public Auditors in Germany (IDW PS 340, new version). Opportunities are considered and documented in a process that is separate from NORMA Group's risk management system.

The Management Board of NORMA Group is responsible for maintaining an effective risk and opportunity management system. The Supervisory Board is responsible for monitoring the effectiveness of the Group's risk management system. Compliance with the Group's risk management policy in the individual companies and functional areas is subject to the internal audit department's periodic reviews. The Management Board is not aware of any circumstances from dealing with the risk management system that argue against the appropriateness and effectiveness of the implemented risk management system.¹⁵

Risk management process

The risk management process at NORMA Group includes the core elements of risk identification, risk assessment and controlling and monitoring risks and is coordinated by the Risk Management department at Group level. The risk management process is fully depicted in an integrated software solution. The risk managers at all organizational levels of NORMA Group record the risks that are identified and assessed in this software. For all risks, a review and approval of the respective risks is carried out by the risk or functional managers at Group level.

¹⁵ The Management Board's assessment of the appropriateness and effectiveness of the internal control and risk management system is made in accordance with the German Corporate Governance Code ("GCGC") and exceeds the legal requirement for the management report. In this respect, the disclosure is excluded from the substantive examination of the management report by the auditor.

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The process of identifying, evaluating and controlling risks is accompanied by continuous monitoring and communication of the reported risks by the respective risk managers.

Risk identification is carried out bottom-up by the individual companies as well as top-down by the individuals responsible for functions at the regional and Group levels. Various methods that correspond to the structure of the organization are used to identify risks. Such methods include interdisciplinary workshops, interviews and checklists, but also market and competitive analyses. In certain cases, analyses of the process workflows as well as results from internal and external audit reports are used. Risk managers are responsible for verifying on a regular basis whether all material risks have been recorded.

As part of the risk assessment process, the risks identified are evaluated using systematic assessment procedures and quantified in terms of both their financial impact (on earnings and liquidity) and their probability of occurrence. This involves recording those risks that can be specified and substantiated and that exceed a defined threshold in terms of the potential amount of damage. Risks are generally assessed taking possible scenarios into account in order to be able to present a risk assessment that is as realistic as possible.

As part of risk controlling, the appropriate risk mitigating measures are developed and implemented, and their implementation is monitored. These include, in particular, strategies to avoid, reduce and hedge against risks. Risks are managed in accordance with the principles of the risk management system as described in the Group risk management policy.

Risk reporting

Group-wide recording and assessment of risks as well as their reporting to the functional managers and individual companies by functional areas, the management of the segments, the Management Board and the Supervisory Board took place on a quarterly basis. In addition, risks that are identified within a quarter and whose expected value could have a significant impact on the results of the Group are reported ad hoc to the Management Board and, if necessary, to the Supervisory Board.

In order to analyze NORMA Group's overall risk situation and initiate appropriate countermeasures, all recorded and assessed risks are aggregated into a risk portfolio. For this purpose, statistically reliable methods are applied in the risk management software in operation. Here, the scope of consolidation for risk management corresponds to the scope of consolidation in the Consolidated Financial Statements. In this context, the overall risk position determined in relation to NORMA Group's risk-bearing capacity for the period under review is monitored regularly by the Management Board for developments that could potentially jeopardize the Company's continued existence. In addition, NORMA Group categorizes risks according to type and the functional area they affect. This makes it possible to aggregate individual risks into risk groups in a structured manner. This aggregation enables NORMA Group to identify and manage not only individual risks, but also trends, and thus sustainably influence and reduce the risk factors with certain types of risks. If not indicated differently, the risk assessment applies for all regional segments.

Opportunity management process

Operational opportunities are identified, documented and analyzed in monthly meetings at the local and regional level and by the Management Board. In addition, measures aimed at capitalizing on strategic and operational opportunities through local and regional projects are approved at these meetings. The identification and success of the implementation of potential opportunities are tracked and reviewed by producing regular forecasts as part of

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periodic reporting. Strategic opportunities are recorded and evaluated as part of annual planning. Significant opportunities are presented in NORMA Group’s Annual Report after the fiscal year has ended.

Risk management system of NORMA Group

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Internal control system of NORMA Group

The internal control system as the totality of all systematically defined controls and monitoring activities aims to ensure the security and efficiency of business processes, the reliability of financial reporting and the compliance of all activities with laws and guidelines. An effective and efficient internal control system is crucial to successfully manage risks in our business processes. In its design, NORMA Group’s internal control system therefore fundamentally considers all material business processes of Group-wide activities, whereby the design of the internal control system falls under the responsibility of the Management Board.

As part of their regular audits and monitoring activities in the course of the year, the operating companies and the regional management of NORMA Group confirm the status of implementation of the internal control system for the respective areas of responsibility in a structured process at the end of each quarter. In addition, to ensure the effectiveness of the internal control system, regular reviews of relevant processes and controls by Internal Audit are carried out. The Management Board is not aware of any circumstances in dealing with the internal control

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system – based, among other things, on regular reporting by the individual companies and regions – that argue against the appropriateness and effectiveness of the internal control system.¹⁶

Internal control and risk management system with regard to the Group accounting process

NORMA Group's internal control and risk management system with regard to the Group accounting process can be described as follows. The system is geared towards identifying, analyzing, assessing and managing risks as well as monitoring these activities. The Management Board is responsible for ensuring that this system meets the Company's specific requirements. Based on the allocation of responsibilities within the Company, the CFO is responsible for the Finance and Accounting divisions. These functional areas define and review the Group-wide accounting standards within the Group and compile the information used to prepare the Consolidated Financial Statements. The need to provide accurate and complete information within predefined timeframes represents a significant risk for the accounting process. Because of this, requirements must be communicated clearly, and the respective units must be put in a position to meet these requirements.

Risks that could affect the accounting process arise, for example, from the late or incorrect entry of business transactions or non-compliance with accounting rules. The failure to enter business transactions also represents a potential risk. In order to avoid errors, the accounting process is based on the separation of duties and functions or responsibilities as well as plausibility checks as part of the reporting process. Both the preparation of the financial statements of the Group companies included in the Consolidated Financial Statements and the consolidation measures based on these are characterized by consistent observance of the "dual control principle." Comprehensive and detailed checklists must be completed before the respective reporting deadlines. The accounting process is fully integrated into NORMA Group's risk management system. This ensures that accounting risks are identified at an early stage and that measures to prevent and avert risks can be implemented without delay.

The internal control system ensures the accuracy of NORMA Group's financial reporting with respect to its accounting process. The internal audit department also reviews the accounting processes on a regular basis to ensure that the internal control and risk management system is effective. External specialists also support these efforts. As part of the audit, the auditor also performs procedures in the area of accounting-related internal control system in accordance with the risk-oriented audit approach.

The IFRS accounting standards as they are to be applied in the European Union are summarized in an accounting manual that includes an account assignment guideline (IFRS Accounting Manual). All companies in the Group must base their accounting processes on the standards described in the Accounting Manual. Important accounting and valuation standards, such as the recognition and measurement of fixed assets, inventories and receivables, as well as provisions and liabilities, are defined in a binding manner. Furthermore, "IFRS Instruction Letters" are sent to all Group companies before the start of the respective closing process and key accounting requirements are explained again. Tax issues and responsibilities are regulated in a Group tax guideline. The Group also has system-supported reporting mechanisms to ensure that identical situations are handled in a uniform manner across the Group.

The Consolidated Financial Statements and Combined Management Report are prepared according to a uniform time schedule for all companies. Each company in the Group prepares its separate financial statements in

¹⁶ The Management Board's assessment of the appropriateness and effectiveness of the internal control and risk management system is made in accordance with the German Corporate Governance Code ("GCGC") and exceeds the legal requirement for the management report. In this respect, the disclosure is excluded from the substantive examination of the management report by the auditor.

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accordance with the applicable local accounting guidelines and IFRS. Intra-Group deliveries and services are recorded in separately designated accounts by the Group companies. The net balances of Intra-Group offsetting accounts are reconciled on the basis of defined guidelines and schedules by means of balance confirmations. The companies in the Group use the COGNOS reporting system for financial reporting. In accordance with NORMA Group's regional segmentation, technical responsibility for the financial area is shared by both the financial officers in the Group companies as well as by the regional CFO for the respective segment. They are responsible for the quality assurance of the financial statements of the respective Group companies. The comprehensive quality assurance of the financial statements of the Group companies included in the Consolidated Financial Statements is carried out by Group Accounting, Tax & Reporting, which is responsible for preparing the Consolidated Financial Statements. The preparation of the Combined Management Report is the responsibility of the Investor Relations department, which reports directly to the member of the Management Board of NORMA Group responsible for finance, the CFO. In addition, the data and disclosures of the Group companies as well as the consolidation measures for the preparation of the Consolidated Financial Statements as well as the disclosures in the Condensed Management Report are verified by the external auditor, taking into account the associated risks, as part of the risk-oriented audit of the Consolidated Financial Statements and the Management Report.

The financial accounting systems used by the NORMA Group companies will continue to be successively standardized to the Group standard Microsoft Dynamics 365. All systems have structured access authorizations. The respective management decides on the type, design and allocation practices of the access authorizations in consultation with the central specialist departments.

Risk and opportunity profile of NORMA Group

As part of the preparation and monitoring of its risk and opportunities profile, NORMA Group assesses risks and opportunities based on their financial impact and their probability of occurrence. The financial impact of opportunities and risks is assessed based on the effect on the Group's earnings or liquidity. The following four categories are used to determine the potential maximum average annual impact in the period under review of the risk management system.

- Low: up to EUR 5 million effect on earnings or liquidity
- Moderate: more than EUR 5 million and up to EUR 15 million effect on earnings and or liquidity
- Significant: more than EUR 15 million and up to EUR 30 million effect on earnings or liquidity
- High: more than EUR 30 million effect on earnings or liquidity

The probability of individual risks and opportunities occurring is quantified based on the following four categories:

- Unlikely: up to 5% probability of occurrence
- Possible: more than 5% and up to 25% probability of occurrence
- Likely: more than 25% and up to 50% probability of occurrence
- Very likely: more than 50% probability of occurrence

The main areas of risk and opportunity related to NORMA Group's business model are described below. Unless stated otherwise, the risk and opportunity profile represents the assessment of the management of NORMA Group as of the reporting date December 31, 2023. The financial effects and probabilities of occurrence are presented as net effects, i. e. taking countermeasures already initiated into account. In addition to the overall assessment of the material risk areas, material individual risks identified within the risk areas are also presented. Material individual

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risks exist if the potential impact on NORMA Group's earnings or liquidity – irrespective of the probability of occurrence – is assessed as exceeding EUR 10 million.

Financial risks and opportunities

NORMA Group is exposed to various financial risks, including default, liquidity and market risks. The Group's financial risk management strategy concentrates on the identification, assessment and mitigation of risks, focusing on minimizing the potential negative impact on the Company's earnings, assets and financial position. Derivative financial instruments are also used to hedge certain risk items. Financial risk management is performed by the Group Treasury & Insurance department (Group Treasury). Group Management defines the areas of responsibility and necessary controls related to the risk management strategy. Group Treasury is responsible for identifying, assessing and hedging financial risks in close consultation with the Group's operating units. In this context, various processes and organizational structures work together to measure and assess opportunities and risks on a regular basis and to initiate appropriate measures if necessary. Group Treasury regularly conducts analyses of default, interest rate, currency and liquidity risks. The results are then discussed internally, and actions are defined. Group Treasury also informs the senior managers of the relevant departments of significant risks in a committee that meets twice a month and discusses how to deal with these risks and their potential impact on NORMA Group.

[NOTES](#)

Capital risk management

NORMA Group's objective when it comes to managing its capital is primarily the long-term servicing of its debts and remaining financially stable. In connection with a very low proportion of its long-term financing agreements (promissory note tranches from 2014), NORMA Group is obliged to comply with the financial covenant Total Net Debt Cover (debt in relation to adjusted consolidated EBITDA). This key figure and compliance with it are monitored continuously, as are the amount of net debt and the maturity structure of financial debt. Changes in the value of the parameters included in this financial indicator are limited by employing long-term hedging strategies. Other financial covenants exist only as part of a syndicated bank loan negotiated in 2019 and are tested only in advance of possible M&A transactions without providing the creditor banks with grounds to terminate the loan.

Default risks

Default risks are risks that contractual partners of NORMA Group fail to meet their obligations arising from business activities and financial transactions. Due to the nature of the respective assets and business relationships as well as the soundness of its current banking partners, default risks with respect to deposits and other transactions concluded with credit and financial institutions currently do not represent a major risk category for NORMA Group. Nevertheless, the creditworthiness of the contract partners is continuously monitored and discussed at regular senior management meetings.

Relevant default risks can arise, however, with respect to business relationships with customers and relate to outstanding receivables and committed transactions. NORMA Group reviews the creditworthiness of new customers to minimize the risk of default on trade receivables. In addition, the Company generally only supplies to customers whose creditworthiness does not meet the Group's requirements or who have defaulted on payment if they pay in advance. In addition, a diversified customer portfolio reduces the financial repercussions of default risks. Despite the above-mentioned measures, the probability of occurrence of default risks is estimated to be probable, especially since it is still not possible to fully assess the future effects of economic and economic developments on potential insolvencies of individual customers [ECONOMIC AND ECONOMIC RISKS](#). However, the potential

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financial effects of default risks is classified as low, as in the previous year, in view of the relevant factors, such as bad debt losses experienced in the past, and due to the countermeasures taken.

Liquidity risks and opportunities

Prudent liquidity risk management requires holding sufficient cash funds or marketable securities, having sufficient financing from committed lines of credit and being able to close out market positions. Due to the dynamic nature of NORMA Group's business, Group Treasury seeks to ensure flexibility in financing by keeping committed credit lines available. Therefore, NORMA Group's primary objective is to ensure the uninterrupted solvency of all Group companies. Group Treasury is responsible for liquidity management and thus for minimizing liquidity risks. As of December 31, 2023, cash and cash equivalents amounted to EUR 165.2 million (2022: EUR 168.7 million). In addition, NORMA Group has a high level of financial flexibility thanks to a committed revolving credit line with national and international credit institutions in the amount of EUR 100 million. As at December 31, 2023, the committed credit line was not drawn (previous year: EUR 43 million). In addition, NORMA Group launched a commercial paper program with a total volume of EUR 300 million in 2019, which can be used flexibly to cover short-term liquidity requirements. These money market papers, which are equivalent to bearer bonds, are issued on a revolving basis for a short-term period of 1 to 52 weeks and thus allow for the Group's own liquidity to be managed in line with requirements. As at December 31, 2023, the commercial paper program with a volume of EUR 0 million (2022: EUR 25 million) was used as a source of refinancing.

NORMA Group sees financial opportunities, among other areas, in its good creditworthiness as well as its solid asset, financial and earnings positions, which will facilitate capital costs in line with the market. Accordingly, the financing concluded in 2019 is characterized by an increase in the committed degrees of freedom and lower interest costs. This bank loan of EUR 250 million also includes a sustainability component linked to an external rating. In 2023, as in the previous year, NORMA Group achieved a corresponding sustainability scoring, which enabled savings in the external credit margin to be realized. The liquidity-based opportunities are still regarded as likely despite the current uncertain global economic and business situation (cf. [ECONOMIC AND CYCLICAL RISKS AND OPPORTUNITIES](#)), in particular due to the stable business relationship with banking partners and the resulting reputation on the capital markets. The global rise in interest rates in 2023 will also lead to an increase in borrowing costs for NORMA Group. The chances of this interest rate reversal through optimized use of liquid funds are considered likely, although the financial impact is assessed as low. [FINANCIAL POSITION](#)

Currently, only a very small share of the Group's financing agreements contain standard market credit conditions (financial covenants). If these were not complied with, the lending banks and investors would be entitled to reevaluate these contracts and/or demand higher credit margins. In light of the measures implemented in 2020, non-compliance with the financial covenants would have a low financial impact as in the previous year. Irrespective of the scope of financial covenants, compliance with them is continuously monitored in order to be able to take appropriate measures at an early stage if necessary and to avoid any worsening of the conditions. NORMA Group uses rolling hedging transactions if necessary to hedge balance sheet items in foreign currencies whose valuation leads to fluctuations in the profit and loss account. Group Treasury ensures that sufficient liquidity or granted credit lines are available at all times to cover any possible cash outflows related to these hedging measures. This is continuously monitored by means of risk simulation and discussed in senior management meetings. The probability of liquidity risks having a negative impact on NORMA Group's activities is considered unlikely due to the high financial flexibility provided by committed and not yet fully utilized bank credit lines. The risk that financial covenants will not be met is still considered unlikely due to the Company's current profitability and the operating cash flow. In the event of (short-term) increased liquidity requirements that exceed currently

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negotiated lines, the possibilities of raising funds at market conditions, by issuing new bonds on the commercial paper market, for example, are considered to be good, as in the previous year.

Exchange rate developments

As an internationally operating company, NORMA Group is active in more than 100 countries and therefore exposed to foreign currency risks. The US dollar, British pound, Swiss franc, Chinese renminbi, Polish złoty, Swedish krona, Czech koruna, Singapore dollar, Indian rupee, Serbian dinar and the Mexican peso are considered to be the main risk prone currency positions.

Foreign currency risks that cannot be offset against each other are hedged if necessary by using futures contracts. The high volatility of many major currencies and the particular influence of the US dollar on the Group's earnings, assets and financial position represent a considerable risk that can only be hedged in part and only for a short period of time. In the medium term, NORMA Group will strive to counteract currency risk by increasingly producing locally. [PRODUCTION AND LOGISTICS](#)

Because the Group's subsidiaries operate in key countries with currencies other than the euro, it has sufficient cash-in and cash-out capabilities to absorb short-term exchange rate fluctuations via targeted income and expenditure management. The syndicated bank loan refinanced in fiscal year 2019 has also increased its flexibility in managing foreign currencies. It provides for the utilization of credit lines in various currencies (e. g. US dollar and euro tranches). The remaining foreign currency risks are continuously monitored in the Group and, in the event that risk limits are exceeded, transferred to the euro on a rolling basis using derivative hedging instruments. Translation risks are continuously monitored by Group Treasury. Nevertheless, items in the Statement of Financial Position and the Statement of Comprehensive Income of subsidiaries in foreign currency areas inevitably result in translation effects when they are translated into euros.

As in the previous year, the potential financial effects of opportunities and risks related to exchange rate changes are considered to be low based on the sensitivity analyses that have been performed. As in the previous year, the probability of these opportunities and risks occurring is considered to be very likely with regard to the further development of the relevant exchange rates.

Changes in interest rates

Changes in global market interest rates affect future interest payments for variable interest liabilities and can therefore have an adverse effect on the Group's earnings, assets and financial position. NORMA Group's interest change risk arises in particular from long-term loans.

Some of the current loans have fixed interest rates and are therefore not subject to interest rate risk. [FINANCIAL AND LIQUIDITY MANAGEMENT GOALS AND STRATEGIES](#)

Loans that initially had variable interest rates were partly synthetically converted into fixed interest rate positions using derivative instruments. NORMA Group has hedged around 60% of its variable interest rate loans in USD valued at USD 63 million in total. The remaining USD floating rate loans are unsecured and continuously monitored by Group Treasury. On the other hand, variable rate loans denominated in euros in the amount of EUR 217 million are unhedged. Due to the Group's internal interest rate expectations, this item is deliberately not hedged. In the event of an increase in interest rates, Group Treasury would limit the interest rate risk by using appropriate hedging measures.

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Since a more restrictive monetary policy has prevailed in the Eurozone in the recent past, NORMA Group classifies the risk of further interest rate hikes as possible in the short term (previous year: "very likely") and unlikely in the medium-term (previous year: "likely"). In view of the current interest rate level in the Eurozone, the chances of an interest rate cut in the short and medium-term are considered very likely (previous year: "unlikely"). Interest rate cuts are also considered very likely in the US dollar area, which could lead to corresponding opportunities for NORMA Group. NORMA Group considers the risk of rising US interest rates to be very unlikely (previous year: "very likely"). In light of the measures already implemented to optimize the financing structures, the financial effects associated with these risks and opportunities are assessed as low.

In summary, NORMA Group assesses the opportunities from interest rate changes as very likely (previous year: "unlikely") and risks from interest rate changes as possible (previous year: "very likely"). The possible effects are classified as moderate, as in the previous year, in all scenarios.

Economic and cyclical risks and opportunities

NORMA Group's success largely depends on the macroeconomic trends on its sales markets and its customers' sales markets. Therefore, important indicators of economic development worldwide are taken into account both in planning and in risk and opportunity management. In order to gauge the macroeconomic trend, NORMA Group relies, among other sources, on the forecasts of widely regarded institutions such as the IMF, the Bundesbank and reputable economic research institutes.

In the past fiscal year, economic development was significantly influenced by the Russia-Ukraine war, inflationary trends and global tendencies towards political and economic fragmentation. The persistently high level of inflation again led to interest rate increases by central banks and ultimately to a weakening of the economy in the past fiscal year. According to the IMF, global growth in 2023 amounted to 3.1%.

For the current fiscal year, the overall economic development continues to be regarded as a significant risk factor for NORMA Group's business activities, with future interest rate developments and the level of inflation in conjunction with the development of demand acting as key influencing factors. Potential new or intensifying geopolitical conflicts, such as the ongoing Russia-Ukraine war and the Middle East conflict, and the potential impact of such conflicts on global value chains are also significant risk factors. The outcome of the US presidential election could also have a significant impact on overall economic development. Although renowned economic research institutes do not expect a global recession in the 2024 fiscal year, they do anticipate weak economic growth of 3.1% due to the ongoing tense economic situation.

In assessing the possible macroeconomic consequences of these developments, NORMA Group comes to the conclusion that a negative development of the global economy compared to the planning assumptions is currently classified as possible, taking these risks into account. Should these factors lead to an impairment of global demand, the financial deviations compared to the planning are estimated to be moderate. A positive development of the global economy that extends beyond the planning assumptions would represent an opportunity for NORMA Group. The Company also considers that it possible that the global economic situation and consequently NORMA Group's earnings could improve beyond the planning assumptions. In the overall view of the current macroeconomic climate and the prospects based on it, the potential financial impact of these opportunities is also considered moderate, as in the previous year.

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Industry-specific and technological risks and opportunities

Industry-specific and technological risks and opportunities for NORMA Group are closely linked to the conditions and developments in the respective customer industries. [PRODUCTS AND END MARKETS](#) It should be borne in mind, however, that the customer industries in the regions relevant to NORMA Group, EMEA, the Americas and Asia-Pacific, have partly specific characteristics and challenges.

The Water Management segment is strategically the most important sector for NORMA Group. Accordingly, this area has been consistently strengthened by the acquisitions made in previous years and will be further expanded. Business opportunities are being created given the increasing scarcity of resources that can be seen in many regions and the need to handle the important resource of water responsibly as well as on the other hand heavy rainfall events in different regions of the world.

Business activities with OEMs for passenger cars and commercial vehicles as well as customers in the aftermarket segment continue to represent the most important end markets for NORMA Group in terms of sales. In this area, the increasingly strict emission standards worldwide and the growing use of more environmentally friendly drive technologies in particular represent a development that is associated with various opportunities and risks for NORMA Group. NORMA Group's current product portfolio includes a wide variety of product solutions that help reduce emissions from passenger cars and commercial vehicles with combustion engines, including hybrid vehicles, and thus help customers meet ever-stricter emission requirements.

NORMA Group is also well positioned for the growth market of electromobility thanks to its future-oriented product portfolio. Accordingly, research and development activities relating to purely battery-powered electric vehicles and hybrid vehicles represent a strategic focus, as part of which new product solutions are being developed and current products constantly enhanced. Regulatory measures such as stricter exhaust gas standards and the resulting increased demand for environmentally-friendly products and technologies therefore open up a variety of opportunities for NORMA Group in the fields of Mobility & New Energy.

On the other hand, risks for NORMA Group could arise from the ongoing debate regarding compliance with emission standards for vehicles with combustion engines. The Company addresses these risks through continuous initiatives aimed at the technological and innovative leadership and a focus on customers and markets. Accordingly, NORMA Group systematically analyzes current market developments in the area of future technologies and consistently develops new products based on this analysis. In the context of a steadily increasing share of purely battery-powered electric vehicles, it will continue to be important for NORMA Group to be able to offer suitable innovative product solutions in this dynamic environment. In the area of fuel cell-powered vehicles as well, products have already been successfully placed on the market. For example, NORMA Group has already been supplying a line system for a fuel cell vehicle in series production since 2018, which has resulted in a large number of further research and follow-up projects to date. [RESEARCH AND DEVELOPMENT](#)

NORMA Group's strong diversification in terms of customers in different industries is yet another element of the Company's risk and opportunity management. NORMA Group counters long-term industry-specific opportunities and risks through a consistent innovation policy and regular market analyses, which provide the best possible support for the targeted identification of and focus on high-growth future markets.

In summary, the industry-specific and technological opportunities and risks are assessed to be possible with a moderate financial impact.

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Risks and opportunities associated with company strategy

NORMA Group's strategic goal is to achieve a sustained increase in the company's value. In view of this goal, NORMA Group is pursuing the strategy of profitably expanding its business activities through organic growth as well as selective value-enhancing acquisitions and achieving broad diversification with respect to its products, regions and end markets, in order to become less dependent on individual products, regions and end markets. This goes hand in hand with NORMA Group's aspiration to grow in current end markets and tap into new end markets with innovations, superior product quality and strong brands, as well as to continuously improve the efficiency of its business processes in all functional areas and regions [STRATEGY AND GOALS](#). Furthermore, NORMA Group addresses sustainability issues such as climate change as well as water and resource scarcity with its strategic orientation and pursues corresponding activities as part of the company-wide CSR program. The resulting opportunities and risks are evaluated on a regular basis. [CLIMATE PROTECTION](#)

Besides the Company's strategic activities aimed at continuing to develop the business organically, NORMA Group sees considerable opportunities to sustainably increase the Group's financial result, particularly through its strategy of profitably expanding its business activities by making selective, value-adding acquisitions. At the end of the past fiscal year, NORMA Group signed an agreement to acquire the Italian specialist for irrigation products Teco Srl. The acquisition is part of the growth strategy for the Water Management division in Europe. The acquisition was completed on February 29, 2024. The integration is scheduled to take place in the course of 2024. NORMA Group has been able to demonstrate the success of this strategy on many occasions in the past by completing its acquisitions. If, however, in individual cases, the development of the acquired companies falls behind the expectations at the time of acquisition or if integration progresses more difficultly than assumed, risks could also arise from acquisitions for NORMA Group. However, NORMA Group believes that the company's goals for the profitability of potential acquisitions, careful due diligence measures in advance of the acquisition, and well-coordinated integration plans form the basis for mitigating these risks accordingly.

In addition, opportunities for NORMA Group to achieve its financial targets arise from the broad diversification with regard to its products, regions and end markets. Should demand in individual regions and end markets or demand for individual products temporarily lag behind planning, NORMA Group still has the chance to compensate for this by turning to other regions, end markets or products. Nevertheless, such broad diversification with regard to products, regions and end markets also implies a certain degree of complexity, which can be associated with risks for NORMA Group. Because NORMA Group's diversification efforts are being carried out step by step with regard to the regions and end markets as well as its products, these risks can be limited appropriately by adapting the organization to the changed circumstances. Accordingly, NORMA Group is continuously addressing the reduction of complexity and streamlining of its current product portfolio.

With respect to the efficiency of its business processes, NORMA Group's global orientation enables the company to set up production processes that require more manual assembly work in countries with lower labor costs and thus secure or further increase its profitability. However, these types of decisions on the locations for sites and the related investments are inevitably associated with risks if key assumptions made at the time of the investment decision prove to be incorrect. This relates, for example, to additional costs due to operational delays in the implementation of relocations or efficiency increases or cost reductions that have not been fully realized. NORMA Group addresses the respective risks by conducting careful analyses in advance of investment decisions and uses graded approval procedures. Risks from site decisions already made are evaluated across all regions and taken into account when taking decisions to optimize site capacities.

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In fiscal year 2022, risks have arisen from the closure of the Gerberhausen site and the associated relocation of production capacities to the sites in Maintal, Germany, and Hustopeče, Czech Republic. In particular, additional costs for special trips to reduce delivery delays as well as unplanned project costs, such as additional personnel costs, were incurred. Due to the operational problems, NORMA Group again initiated and implemented extensive measures to further stabilize the company in the past fiscal year. These are aimed at minimizing further additional costs as well as further optimizing productivity and efficiency increases. Despite the established activities, a residual risk remains, but this is continuously addressed by further measures – for example as part of the "Step Up" program initiated in spring 2023. [GROWTH AND EFFICIENCY PROGRAM "STEP UP"](#)

When the corporate strategy initiatives of NORMA Group are combined, the financial impact of the opportunities associated with NORMA Group's company strategy is assessed as moderate and a positive deviation from planning as still possible. Based on the measures taken to limit the risks associated with NORMA Group's company strategy, the probability of the occurrence of strategic risks is considered unlikely, while the potential financial impact of company strategy risks is considered moderate.

The company strategy is adapted to the individual market conditions in the individual segments. For instance, acquisitions are made particularly in those countries and regions that offer attractive growth opportunities for NORMA Group. Nevertheless, the general assessment of company strategy opportunities and risks in the regions is identical.

Operational risks and opportunities

Commodity prices

The materials NORMA Group uses, in particular the raw materials steel and plastics, are subject to the risk of price fluctuations. The price trend is also influenced indirectly by the further development of the global economic situation as well as by institutional investors. NORMA Group limits the risk of rising purchase prices through systematic material and supplier risk management. Thanks to a powerful global Group purchasing structure, economies of scale are being used to purchase the most important commodity groups as competitively as possible. This Group purchasing structure also enables NORMA Group to balance out the risks of individual segments with each other. NORMA Group also constantly strives to secure permanently competitive procurement prices by continuously optimizing its selection of suppliers and applying the best-landed-cost approach. The Company also tries to reduce dependency on individual materials through constant technological advances and testing of alternative materials. NORMA Group protects itself against commodity price volatility by concluding procurement contracts with a term of up to 24 months, depending on the market situation, whereby material supply risks are minimized and price fluctuations can be calculated more accurately.

NORMA Group was able to counteract the inflationary effects from the previous year in fiscal year 2023. Overall, the price and supply situation stabilized in almost all areas. Significant price reductions were achieved in the purchase of steel and granulates in the second half of 2023. Nevertheless, prices continued to be influenced by high alloy surcharges and high energy and labor costs. Packaging and transportation costs also remained at a high level. Details on the individual areas are provided in the [PURCHASING AND SUPPLIER MANAGEMENT](#) section.

Taking into account NORMA Group's procurement portfolio, price increases or fluctuations in the prices of raw materials are considered likely overall. However, due to the measures implemented, such as medium-term framework agreements and regular price monitoring, the resulting financial impact is considered to be low. Opportunities arising from possible drops in raw material prices are considered to be moderate (previous year:

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“low”) in terms of their financial impact. Against the background of the complete procurement spectrum and taking into account the prevailing volatility on the raw material markets, price reductions are considered possible overall.

Suppliers and dependencies on key suppliers

The loss of suppliers and dependencies on individual suppliers can lead to material bottlenecks and thus have negative effects on the Group’s business activities. In order to minimize this risk, NORMA Group works exclusively with reliable, progressive suppliers who meet its high-quality requirements. All main and strategically important suppliers are visited regularly and assessed as part of quality management. If there are any indications of supplier defaults, alternative options are evaluated immediately. Risks arising from the insolvency of key suppliers, lack of delivery reliability and quality problems are also addressed by the established supplier monitoring system. In addition, the existing sourcing strategies and regular material risk analyses help reduce risks. In addition, NORMA Group has opportunities to reduce risks through the use of the operational risk management tool. This is based on artificial intelligence, which provides continuous information about external events and risks relating to suppliers, NORMA Group locations and the associated supply chains and enables immediate action to be taken. In particular as a result of the global increase in unforeseeable external events (e.g. geopolitical conflicts), risks from supplier dependencies are considered possible (previous year: "likely"). However, taking the measures implemented into account, the potential financial extent is considered to be low.

However, NORMA Group also sees opportunities in this area as a result of its proactive approach both in terms of current supplier relationships as well as identification of new suppliers and raw materials. Resulting positive effects in contrast to planning are estimated as possible, with low financial effects.

Quality and processes

NORMA Group's products are often mission critical with respect to the quality, performance and reliability of the final product. Quality defects can lead to legal disputes, liability for damages or the loss of a customer. Therefore, the reliable guarantee of product quality is a key factor to ensuring NORMA Group’s long-term success, so that its products provide crucial added value for its customers. **QUALITY MANAGEMENT**. Maintaining the right balance between cost leadership and quality assurance is a constant challenge. To reduce this risk, far-reaching quality assurance measures and uniform Group-wide quality standards are used-Furthermore, NORMA Group focuses on innovative and value-added joining solutions tailored to meet customer requirements. For this reason, the Company believes that it is possible for quality risks to occur, while the potential financial repercussions would be low due to its insurance coverage against loss events.

NORMA Group takes every opportunity to realize cost advantages to improve its competitive position. The Company develops and implements initiatives focused on cost discipline, the continuous improvement of processes in all functions and regions and the optimization of supply chain management and production processes-These initiatives are expected to have a positive impact on its business. **PRODUCTION AND LOGISTICS**. Since NORMA Group pursues a continuous process of improvement, there are opportunities over and above planning for positive deviations in the area of these processes. This applies for all regions NORMA Group is active in. The Company estimates the likelihood of cost savings to be possible. Since planning already allows for continuous optimization of production processes, and NORMA Group’s processes are already extremely efficient, the short-term financial impact of a deviation from the plan as a result of improved production processes is estimated as low. Due to extensive, Group-wide activities to track planned cost savings and process improvements, the probability that these will not be achieved is assessed as possible with a low financial impact.

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Customers

Customer risks result from being overly dependent on important customers with whom the Group generates a rather significant share of its sales. These customers could take advantage of their bargaining power, which could lead to increased pressure on the Company's margins. Declines in demand or the loss of these customers could also have a negative impact on NORMA Group's earnings, with significant risks arising in particular from order fluctuation or reductions among customers in the automotive sector. For this reason, NORMA Group continuously monitors incoming orders and customer behavior so as to identify customer risks early. The financial repercussions of customer risks are reduced by its diversified customer portfolio. Accordingly, no single customer accounted for more than 4% of direct sales in fiscal year 2023. Overall, the risk of customer risks having a negative impact on business activities is considered as possible. The potential financial impact is still considered to be moderate, particularly in view of the volatile demand on the markets.

Based on the strategy and the objective to further expand the relevant markets as well as through an attractive product range and innovative solutions, new business could be won for NORMA Group products in all regions. Therefore, the opportunities for positive deviations from the plan resulting from this new business are assessed as possible overall, but with a low effect on the result.

Risks and opportunities of personnel management

NORMA Group's success is largely dependent on its employees' enthusiasm, commitment to innovation, expertise and integrity. The Group's human resources work is therefore aimed at developing and expanding these core competencies, among other skills. The departures of employees with vital skills as well as a shortage of trained workers could have a negative impact on NORMA Group's operations. Furthermore, competition for the most talented employees as a result of demographic developments and the shortage of skilled labor in Western industrial nations of particular importance to NORMA Group is becoming more and more intense.

NORMA Group counters these risks with far-reaching programs and activities aimed at increasing its attractiveness as an employer. Besides establishing and expanding further education, training and support programs as well as competitive remuneration systems, variable remuneration systems in particular are aimed at promoting the alignment of the workforce with the company's success. In return, NORMA Group's employees contribute to its continuous further development by participating in employee surveys and improvement initiatives. Extensive personnel planning activities as well as a distribution of tasks that is geared towards interdisciplinary cooperation protect NORMA Group against risks that could arise if an employee leaves despite an efficient organizational structure. When identifying potential new employees who can make a crucial contribution to performance, NORMA Group also seeks the advice of external human relations advisors.

While NORMA Group regards the probability of personnel risks occurring as possible overall, the potential financial impact is considered to be low due to a sustainable personnel policy.

In addition, opportunities arise from the consistent further development of employees. NORMA Group fosters its employees and offers them incentives to develop their personal expertise even further through educational and training opportunities as well as the targeted search for talent within the Group. NORMA Group also offers its employees flexible and family-friendly working time models. Through the above-mentioned measures, NORMA Group actively supports the retention of knowledge and thus also ensures the development of knowledge within the company, which will thus offer opportunities for the future development of NORMA Group. The occurrence of these opportunities is considered likely, whereby the associated financial success is considered to be low.

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IT-related risks and opportunities

The use of functional and high-performance IT systems is of key importance for an innovative and global company like NORMA Group with regard to the effectiveness and efficiency of its business processes. In this context, it is critical for the Company's success to support NORMA Group's business processes, some of which are organized across company and national borders, along the value chain with stable and high-performance IT systems that provide the management at all levels of the company with the necessary information in a timely manner and allow for workflows to be organized efficiently. IT solutions that are precisely tailored and linked to the respective ERP systems are also of immense importance for the exchange of information with NORMA Group's customers and suppliers. With regard to this business-critical IT infrastructure, there is a risk that a severe breakdown of these systems, due to technical malfunctions of the systems or cyberattacks by hackers, for example, could seriously disrupt the Company's operations.

In addition, NORMA Group sees the risk that external parties could gain unauthorized access to sensitive company information and make improper use of it. In this context, unauthorized access to information on production processes, financial, customer and employee data in particular could have negative consequences for the Company.

In response to these risks, NORMA Group has implemented a number of measures that are embedded in the IT risk management process and are continuously adapted to changing conditions. For example, NORMA Group counters the IT risks that are identified by arranging for redundant provision of business-critical applications and databases via physically separated data center areas, using decentralized data storage and outsourced data archiving to a certified external provider, and by using state-of-the-art firewalls and e-mail filters and security monitoring by the dedicated Security Operations Center (SOC). Employee access to sensitive information is controlled by using authorization systems customized for the respective positions, taking into account the principle of segregation of duties. Finally, training courses for employees and awareness campaigns on aspects of information security are held on a regular basis. Furthermore, strategic cybersecurity models to protect the digital company infrastructure and digital services (e. g., private and public clouds, SaaS applications) are being gradually implemented. The gradual transfer of old ERP systems to new, uniform Group systems, which was continued in 2023, also harbors risks. During the necessary process changes at the respective plants and distribution centers, adjustment problems could arise at the process level that could result in additional shifts or special freight requirements, for example. Redundant internal and external resources are kept available to mitigate these risks, if necessary. Furthermore, delays in the individual implementation projects can possibly lead to higher implementation costs.

Despite the countermeasures in place, the probability of occurrence of IT-related risks continues to be assessed as likely in all regions and the potential financial impact as moderate.

The risks arising from the migration from the old ERP systems to uniform new systems for the entire Group are also likely to be offset in the medium term by opportunities arising primarily from the potential for process standardization and optimization across all companies in NORMA Group. The opportunities that could result from this standardization are regarded as probable. The related financial effects are expected to be low.

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Legal risks and opportunities

Risks related to standards and contracts

Future changes in laws and regulations, especially in liability law, environmental law, tax law and labor law, but also increasing requirements in the area of ESG and EU taxonomy as well as all associated changes in standards may have a negative impact on NORMA Group's development. Violations of laws and regulations, but also of contractual agreements, can lead to penalties, regulatory requirements or claims from injured parties. Conversely, NORMA Group can be adversely affected by legal or contractual breaches by third parties. In addition, defective products could result in legal disputes and liability for damages. Likewise, the results of tax audits can lead to tax payments, including penalties and interest.

As in the previous year, most of the legal disputes related to labor law issues. Other focal points were disputes with customers regarding purchase price claims or alleged product defects and with suppliers. In addition, NORMA Group conducted administrative legal proceedings due to the infringement of its own or third-party IP rights and customs proceedings, among other things.

The compliance and risk management systems in place are used to monitor adherence to the continuously changing laws and regulations. In addition, it is ensured that contractual obligations are complied with. In particular, compliance with sanctions in connection with the war in Ukraine is ensured through continuous training and information measures as well as ongoing monitoring. NORMA Group counters the risk of product defects with its Group-wide quality assurance program. [QUALITY MANAGEMENT](#) In addition, NORMA Group is also insured against claims arising from certain defective products.

NORMA Group is exposed to tax risks in particular due to the significant changes in international tax law currently being observed (e. g. the OECD BEPS initiatives), which in some cases give rise to unresolved legal issues, and due to the increased intensity of tax audits in many countries.

Overall, the probability of occurrence of risks in connection with standards and contracts continues to be assessed as possible. The extent of the potential financial impact of these risks is assessed as moderate, however, due to the risk management measures in place.

Known legal risks to which NORMA Group is exposed and whose occurrence is sufficiently specified are adequately taken into account by provisions in the Consolidated Financial Statements.

Social and environmental standards

Violating social and environmental standards could damage the reputation of NORMA Group and result in restrictions, claims for damages or disposal obligations. NORMA Group has therefore implemented Corporate Responsibility as an integral part of the Group strategy. In this context, a systematic Environmental Management System was introduced at NORMA Group so that company decisions can always be evaluated also considering the goal of avoiding emissions and conserving resources. The Company also invests in the area of occupational health and safety for its continuous improvement. [WORKFORCE](#)

The probability of occurrence of negative developments due to social and environmental risks is still estimated as possible and their potential financial impact as low.

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Investments in the area of Corporate Responsibility serve not only to ward off risks, however. The measures and initiatives are also seen as having the potential to positively impact both the business environment as well as NORMA Group and its stakeholders. Opportunities in this area are therefore considered possible. Overall, the measures and initiatives are expected to have a minor impact on planning.

Intellectual property

Violations of intellectual property rights could lead to lost sales and reputation. For this reason, the Company ensures that its technologies and innovations are legally protected. NORMA Group also minimizes the potential impact by developing customer-specific solutions and through its speed of innovation. At the same time, it is also possible for NORMA Group to violate the intellectual property of third parties. Therefore, developments are reviewed for potential patent violations at an early stage. Despite these measures, there is still a risk of using third-party intellectual property. The probability of infringements of intellectual property is therefore assessed as probable. However, the potential impact of IP-related disputes and other possible infringements is considered to be low as in the previous year. In addition, consistently protecting intellectual property and building up unique legal selling points are also seen as potential opportunities that could lead to a slight deviation compared to planning.

Assessment of the overall profile of risks and opportunities by the Management Board

The Group's overall situation results from the aggregation of individual risks and opportunities from all categories of the business units and functions. After assessing the likelihood of risks occurring and their potential financial impact as well as in light of the current business outlook, NORMA Group's Management Board does not believe that there is any individual risk or group of risks with the potential to jeopardize the continued existence of the Group or individual Group companies as a going concern. Taking the aggregated opportunities into account, NORMA Group is, in the opinion of the Management Board, in a very good position with respect to both the medium and long terms to further expand its market position and grow globally. This assessment is reinforced by its strong ability to cover its financing requirements. Therefore, NORMA Group has not made any effort to obtain an official rating from a leading rating agency.

General economic risks remain for NORMA Group in all areas, which is why setbacks on the way to long-term realization of the growth and profitability targets cannot be ruled out. In contrast, there are clear opportunities that NORMA Group is taking advantage of through its strategy and consistent opportunity management, so that it is possible that the Company could even exceed its profitability targets.

In summary, the changes in the individual opportunities and risks shown in the overview have no significant impact on NORMA Group's overall risk profile-NORMA Group has therefore concluded that the Group's overall profile has not changed significantly compared to the previous year.

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Risk and opportunity profile of Norma Group¹

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		Probability of occurrence				Change comp. to 2022	Financial impact				Change comp. to 2022
		Unlikely	Possible	Likely	Very likely		Low	Moderate	Significant	High	
Financial risks and opportunities											
Default risk				■		▶	■				▶
Liquidity	Risks	■				▶	■				▶
	Opportunities			■		▶	■				▶
Currency	Risks				■	▶	■				▶
	Opportunities				■	▶	■				▶
Change in interest rates	Risks		■			▼		■			▶
	Opportunities				■	▲		■			▶
Economic and cyclical risks and opportunities											
	Risks		■			▶		■			▶
	Opportunities		■			▶		■			▶
Industry-specific and technological risks and opportunities											
	Risks		■			▶		■			▶
	Opportunities		■			▶		■			▶
Strategic risks and opportunities											
	Risks	■				▶		■			▶
	Opportunities		■			▶		■			▶
Operational risks and opportunities											
Commodity pricing	Risks			■		▶	■				▶
	Opportunities		■			▶		■			▲
Suppliers	Risks		■			▼	■				▶
	Opportunities		■			▶	■				▶
Quality	Risks		■			▶	■				▶
Processes	Risks		■			▶	■				▶
	Opportunities		■			▶	■				▶
Customers	Risks		■			▶		■			▶
	Opportunities		■			▶	■				▶
Risks and opportunities of personnel management											
	Risks		■			▶	■				▶
	Opportunities			■		▶	■				▶
IT-related risks and opportunities											
	Risks			■		▶		■			▶
	Opportunities			■		▶	■				▶
Legal risks and opportunities											
Risks related to standards and contracts	Risks		■			▶		■			▶
Social and environmental	Risks		■			▶	■				▶
	Opportunities		■			▶	■				▶
Property rights	Risks			■		▶	■				▶
	Opportunities		■			▶	■				▶

¹If not indicated differently, the risk assessment applies for all regional segments.

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Remuneration Report 2023

This Remuneration Report describes the basic principles of the remuneration system for the members of the Management Board and the Supervisory Board of NORMA Group SE. It provides information on the remuneration granted and owed in fiscal year 2023 on an individualized basis and broken down into components. The report complies with the requirements of the German Stock Corporation Act (Section 162). In addition, the Remuneration Report contains an individualized breakdown by components of the remuneration of former members of the Management Board and Supervisory Board.

The Supervisory Board of NORMA Group SE acknowledged that the approval of the Remuneration Report on the remuneration individually granted and owed to the members of the Management Board and the Supervisory Board of NORMA Group SE in fiscal year 2022 for fiscal year 2022 at the Annual General Meeting on May 11, 2023, turned out to be very good with 92.28% of the votes cast. The structure and nature and scope of the content of this remuneration report therefore remain unchanged compared to the previous year.

Review of fiscal year 2023

The fiscal year 2023 was characterized by a persistently challenging environment due to polycrises. The dominant issues included the ongoing war in Ukraine, numerous geopolitical tensions and a largely tight interest rate policy by central banks. The somewhat weaker but still high price level in many areas and periodically weaker demand due to the economic situation also had a negative impact on the markets and companies. In this environment, NORMA Group's consolidated sales amounted to EUR 1,222.8 million, down 1.6% on the previous year. Adjusted EBIT also fell slightly by 1.5% to EUR 97.5 million. As in the previous year, the adjusted EBIT margin was 8.0% (2022: 8.0%).

Personnel changes on the Management Board

In fiscal year 2023, the following changes were made to the Management Board of NORMA Group SE:

Following the departure of Dr. Michael Schneider on December 31, 2022, Miguel Ángel López Borrego, a member of the Supervisory Board, initially took over the position of CEO on an interim basis during the period from January 1, 2023 to May 31, 2023, until a permanent replacement was appointed. His function as a member of the Supervisory Board was suspended during this period. Further details on this transition phase can be found in the [REPORT OF THE SUPERVISORY BOARD](#). Effective June 1, 2023, Guido Grandi joined the Management Board of NORMA Group SE and took over as Chairman of the Management Board. Dr. Daniel Heymann had already joined the Management Board of NORMA Group SE as COO on May 1, 2023, taking over from Dr. Friedrich Klein. Dr. Friedrich Klein's Management Board contract ended at his own request and on amicable terms on April 30, 2023.

As a result, the Management Board of NORMA Group SE had the following three members at the end of fiscal year 2023: Guido Grandi (CEO), Dr. Daniel Heymann (COO) and Annette Stieve (CFO).

Remuneration system for Management Board members

In accordance with the recommendation of the German Corporate Governance Code (GCGC) in the current version of April 28, 2022, the Supervisory Board has decided on a clear and understandable system for the remuneration of the members of the Management Board, on the basis of which the specific remuneration of the individual

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members of the Management Board is determined. The remuneration system is to be designed to promote sustainable, long-term value creation and the implementation of the business strategy.

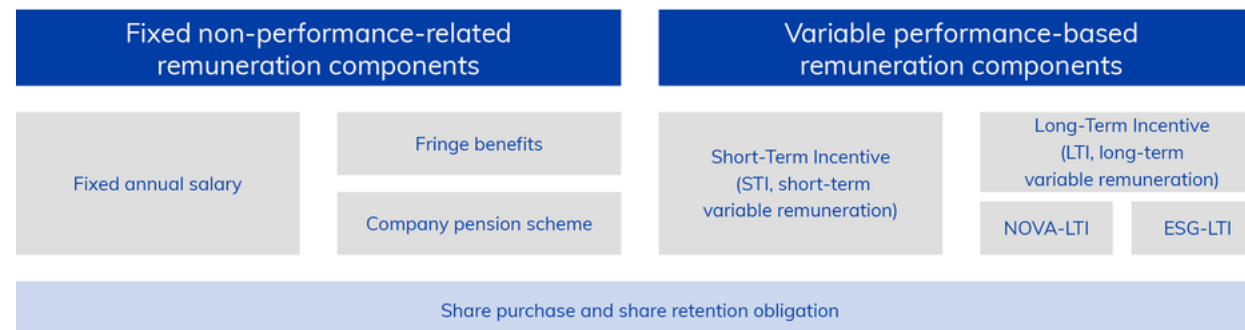
The Remuneration Report is based on the remuneration system approved at the virtual Annual General Meeting on June 30, 2020, with a majority of 99.80% of the votes in accordance with Section 120a (1) AktG. A more detailed description of the remuneration system for the members of the Management Board applicable to fiscal year 2023 is available on the website. [REMUNERATION SYSTEM](#)

The remuneration system was comprehensively reviewed by the Supervisory Board of NORMA Group SE in fiscal year 2023. As a result, there was no necessity to adjust the remuneration system in place since 2020, meaning that the existing system could be retained in 2023. At the same time, the Supervisory Board addressed the main features of the remuneration system in the past fiscal year, based on the legally required rotation. In this context, in accordance with Section 120a (1) sentence 1 AktG, it is obliged to review the remuneration system for the members of the Management Board and present it to the Annual General Meeting for approval at least every four years. The next regular date in this regard relates to the Annual General Meeting in 2024. A new remuneration system will be presented in this context. The Company will provide further information on this in the invitation to the Annual General Meeting, which will be published in the Federal Gazette.

The remuneration system consists of fixed and variable remuneration components. The fixed non-performance related remuneration consists of the fixed annual salary, the company pension scheme and fringe benefits. The variable, performance-based remuneration consists of the Short-Term Incentive (STI) and the Long-Term Incentive (LTI). The LTI consists of the NOVA-LTI and the ESG-LTI. Another key component of the remuneration system is the obligation to purchase and hold shares. This obliges the members of the Management Board to hold a significant number of shares in NORMA Group that is very high by market comparison. The goal of the share purchase and share retention obligation is to align the actions of the members of the Management Board more closely with the Company's creation of added value. [FIGURE G037: COMPONENTS OF THE REMUNERATION SYSTEM](#) illustrates the components of the remuneration system.

Components of the remuneration system

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The following key points of the remuneration system are to be emphasized in particular:

- The components of the variable remuneration (Short-Term Incentive and Long-Term Incentive) are based on the results that are actually achieved, transparently comprehensible and audited.
- On the one hand, the **Short-Term Incentive (STI)** is dependent on an absolute performance factor, EBIT (earnings before interest and taxes) adjusted for acquisition effects of NORMA Group. On the other hand, the STI depends on a relative performance factor (relative Total Shareholder Return (TSR)). For the TSR of NORMA Group SE, a comparison is made with the TSR of a previously defined group of 15 listed companies that is explained below. Depending on NORMA Group SE's ranking within the comparison group, the payment amount from the STI increases or decreases by up to 20%. The minimum payment is EUR 0 and the maximum payment is limited to 180% of the fixed annual salary.
- The **Long-Term Incentive (LTI)** is broken down into two components:
 - The first incentivizes the entrepreneurial success of NORMA Group and corresponds to a share of the adjusted EBIT above the cost of capital after taxes (NORMA-Value-Added-LTI, NOVA-LTI for short). The minimum payment is EUR 0 and the maximum payment is limited to 200% of the fixed annual salary.
 - The second part of the LTI incentivizes the sustainable development of NORMA Group by meeting measurable sustainability goals, e.g. the reduction of CO2 emissions (Environment, Social and Governance-LTI, ESG-LTI for short) with a maximum amount of 20% of the fixed annual salary). The minimum payment is EUR 0 and the maximum payment is limited to 20% of the fixed annual salary.
- With the comprehensive obligation to purchase and hold shares, NORMA Group SE follows the recommendation of the German Corporate Governance Code. The members of the Management Board must invest 75% of the payout amount from the NOVA-LTI and 100% of the payout amount from the ESG-LTI in shares of NORMA Group SE. The Company is free to settle the payment amount in whole or in part in shares of NORMA Group SE. As a result, more than 50% of the payout target amount of the variable remuneration is either invested by the members of the Management Board in shares of NORMA Group SE or granted by NORMA Group SE on a share basis. However, if no bonus is paid out, there is no obligation to purchase shares. The NOVA-LTI includes a four-year share ownership obligation. The ESG-LTI is four years forward and provides for a one-year retention period.
- The Supervisory Board sets the binding performance criteria for the STI and the LTI. The Supervisory Board sets the targets for the ESG-LTI before the start of the fiscal year. The respective payment amounts are calculated after the end of the fiscal year based on the achievement of targets. The Supervisory Board only has the opportunity to adjust the conditions of the STI and the LTI at its reasonable discretion in the event of extraordinary events-Otherwise, the Supervisory Board has no discretion when determining the payment amounts from the STI and the LTI.
- The contracts of the Management Board members in office at the end of 2023 do not contain a change of control clause.
- The members of the Management Board in office at the end of 2023 and new members of the Management Board receive a standard defined contribution pension commitment on a reinsurance basis. There are no benefit commitments for the members of the Management Board in office at the end of 2023.
- The variable remuneration components are subject to the possibility of being reclaimed ("clawback") if the audited Consolidated Financial Statements and/or the basis for determining other targets on which the calculation of the variable remuneration is based subsequently turn out to be objectively incorrect and therefore need to be corrected and the error has led to a miscalculation of the variable remuneration.

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Compliance with the remuneration system

The remuneration system applicable to the members of the Management Board was implemented without any deviations in fiscal year 2023.

Basics of the remuneration system

In the opinion of the Supervisory Board and the Management Board, the remuneration system for the members of the Management Board is clear and easy to understand. The goal of NORMA Group's remuneration system is to remunerate the members of the Management Board in accordance with their tasks and performance and in an appropriate relationship to the situation of the Company. In accordance with NORMA Group's strategy, the remuneration of the members of the Management Board targets at promoting the business strategy and the long-term interests of the Company and to contribute to the sustainable and long-term development of NORMA Group. The focus is on strengthening profitable growth – also by making selected acquisitions – in the business areas of NORMA Group as well as taking the sustainability strategy into account, being the basis for the structure of the remuneration system for the members of the Management Board.

The remuneration system takes various targets based on profitability (through the adjusted EBIT), the return on investment (through the NOVA), the development of the Company's value (through the share price and the relative return on shares) and sustainability into account. The parameters used have different, but always multi-year terms in order to support the strategic success of the company in the long term. The remuneration of the members of the Management Board is designed in such a way that an appropriate incentive system is created for the implementation of the Company strategy and sustainable value creation and growth. Particular attention is paid to the greatest possible congruence between the interests and expectations of the shareholders and the remuneration of the Management Board.

The achievement of individual goals is taken into account by individual differentiation of the fixed remuneration of the members of the Management Board in accordance with the role and performance exercised. Due to the limited number of Management Board members, their performance is viewed as a collective effort and responsibility as a body and no further individual targets have been included in the remuneration system. In accordance with the recommendations of the German Corporate Governance Code, the remuneration consists of a fixed component (fixed remuneration) as well as short-term variable and long-term variable components.

The table below provides an overview of the components of the remuneration system for the members of the Management Board applicable to fiscal year 2023. The table also provides an overview of the structure of the individual remuneration components and explains their objectives, particularly with regard to how the remuneration promotes the long-term development of NORMA Group.

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Fixed non-performance dependent remuneration components, design, reference to the strategy T049

Remuneration component	Design	Reference to the strategy
Fixed annual salary	The Management Board members receive a fixed annual salary in twelve monthly installments that are paid at the end of each month. Its amount is based on the tasks and strategic and operational responsibility of the individual Management Board member.	the fixed annual salary, fringe benefits and the pension commitment, are intended, on the one hand, to attract globally available candidates for the development and implementation of the strategy, as well as for the management of NORMA Group and, on the other hand, to prevent them from taking inappropriate risks by offering them financial security.
Fringe benefits	The Company provides each Management Board member with a company car also for private use. In addition, the members of the Management Board are included in the Company's D&O insurance and the Company reimburses 50% of the expenses for health and long-term care insurance, up to a maximum of the expenses that the Company would have to pay if an employment relationship under social security law existed. The Company also takes out accident insurance (private and occupational accident) for the Management Board members at its own expense.	
Company pension scheme	NORMA Group has changed the company pension scheme for the members of the Management Board to a defined contribution plan on a reinsurance basis.	

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Variable performance dependent remuneration components, design, reference to the strategy

T050

Remuneration component	Design	Reference to the strategy
Short-Term Incentive (STI, short-term variable remuneration)	<p>The STI is a performance dependent bonus consisting of two components. In the first step, the Chairman of the Management Board is awarded 0.33% and the ordinary members of the Management Board 0.22% of average EBIT adjusted for acquisitions in fiscal years 2021, 2022 and 2023. In the next step, this amount is adjusted by the relative stock return compared with the peer companies of comparable size, structure and industry below in a range of 0.8-1.2. Here, a relative stock return (rTSR) below the 25th percentile results in an adjustment factor of 0.8 and a stock return above the 75th percentile results in an adjustment factor of 1.2. Linear interpolation is applied in between.</p> <p>In total, the amount of the STI is limited to 180% of the fixed annual salary. There is no guaranteed base amount in the STI and the minimum payout is EUR 0.</p> <p>Payment is made in cash in the month following the month in which the Consolidated Financial Statements for the respective fiscal year were approved.</p>	<p>The STI sets ambitious incentives for maximizing NORMA Group's financial success measured as NORMA Group EBIT adjusted for acquisitions. This key performance indicator measures profitability, which is the basis of the long-term company strategy and sustainable value creation. In order to adjust earnings for macroeconomic influences, the amount of the payout from adjusted EBIT is adjusted by the relative performance of the return on shares. The stock return acts as an external benchmark compared with selected peers.</p>
Long-Term Incentive (LTI, long-term variable remuneration)	<p>Multi-year variable remuneration is divided into two independent components and consists of an LTI based on NORMA Value Added (NOVA-LTI) and the ESG-LTI.</p> <p>The NOVA-LTI is a backward-looking performance cash plan supplemented by a forward-looking share purchase and share retention obligation. NOVA is calculated as the difference between adjusted EBIT for the fiscal year multiplied by 1 minus the average corporate tax rate minus WACC (Weighted Average Cost of Capital) multiplied by invested capital at the beginning of the fiscal year. For the NOVA-LTI 2023, the performance period represents the fiscal years 2021, 2022 and 2023.</p> <p>The payout amount of the NOVA-LTI is limited to a maximum of 200% of the fixed annual salary. Regardless of whether the Company makes the payout from the NOVA-LTI in cash or in shares, 75% of the net payout amount from the NOVA-LTI must be invested in shares of the Company and be held in ownership for at least four years.</p> <p>The ESG LTI is a forward-looking performance cash plan with a performance period of 4 years.</p> <p>The target amount for the ESG-LTI 2023 is 20% of the fixed annual salary for fiscal year 2023, and the payout is limited to a maximum of 100% of this target amount. Regardless of whether the Company pays out the ESG-LTI in cash or shares, 100% of the net payout amount from the ESG-LTI must be invested in shares of the Company and be held in ownership for at least one year.</p> <p>There are no guaranteed base amounts in the LTI, neither in the NOVA LTI, nor in the ESG LTI, and the minimum payout for all LTI components is EUR 0.</p>	<p>The LTI serves to promote the long-term and sustainable development of the Company. For this purpose, the LTI includes on the one hand a value appreciation bonus based on the economic performance of NORMA Group (NOVA-LTI) and on the other hand an ESG-LTI, which acts as an incentive for the sustainable and responsible development of NORMA Group.</p>

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(Continued) Variable performance dependent remuneration components, design, reference to the strategy

Other remuneration arrangements

Clawback control	The variable compensation components are subject to a clawback.	The clawback rules are intended to counteract individual misconduct and the taking of disproportionate risks.
Maximum remuneration	The maximum remuneration for the Chairman of the Management Board is EUR 3,900,000 and for the other members of the Management Board EUR 2,500,000. Irrespective of the fixed maximum remuneration, the payout amounts of the individual variable remuneration components are also limited in each case relative to the fixed annual salary. For the Chairman of the Management Board as well as the other members of the Management Board, these caps are 180% for the STI, 200% for the NOVA-LTI, and 20% of the fixed annual salary for the ESG-LTI.	The maximum remuneration ensures that the remuneration of the members of the Management Board is not unreasonably high, even taking the comparative environment into account, so that disproportionate risks and costs for NORMA Group are avoided.
Share purchase and shareholding obligations	The payout from the LTI can be made in shares or cash. In total, 75% of the net payout amount of the NOVA LTI must be invested in shares of NORMA Group and held as property for at least four years. In addition, 100% of the payout amount of the ESG-LTI must be invested in shares of NORMA Group and held as property for at least one year.	The share acquisition and shareholding rules promote an alignment of interests between the Management Board and shareholders and provide additional incentives to promote the business strategy and long-term development of NORMA Group.

Overview of the remuneration components and their relative share in the remuneration

The share of long-term variable remuneration in total remuneration exceeds the share of short-term variable remuneration in the target remuneration. The Supervisory Board determines the target amounts for the variable remuneration components for each fiscal year. In doing so, it decides which goals the Company and the Management Board should achieve in relation to the performance criteria on the basis of the result assessments of the previous fiscal years as part of the budget planning for the following fiscal years and the strategic planning for the next few years.

For fiscal year 2023, the CEO's fixed remuneration (fixed annual salary, pension costs for the company pension scheme and fringe benefits) accounted for approximately 47% of target total remuneration and variable remuneration for approximately 53% of the target total remuneration. For the ordinary members of the Management Board, the average share of fixed remuneration was approximately 42% of the target total remuneration and the share of variable remuneration was approximately 58% of the total target remuneration.

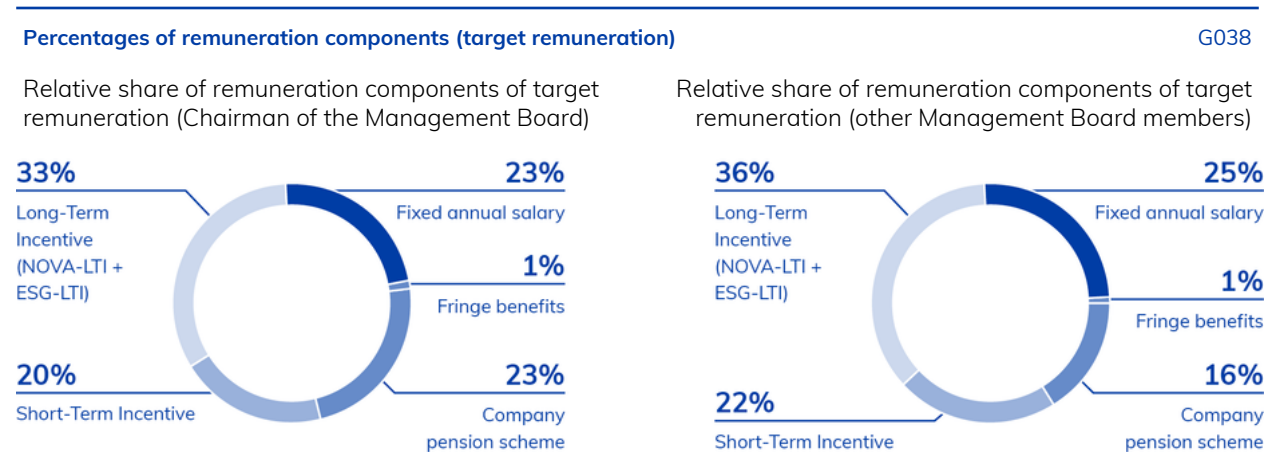
In the remuneration granted and owed for fiscal year 2023, the share of fixed remuneration (fixed annual salary, pension costs for the company pension scheme and fringe benefits) for the CEO, as well as for regular Management Board members, was around 70% of the total remuneration and the share of variable remuneration was around 30% of the total remuneration.

For the CEO and the other members of the Management Board, the STI (target amount) made up around 35% of the variable target remuneration, while the NOVA-LTI (target amount) made up around 57% of the variable target remuneration and the ESG-LTI (target amount) was approximately 8% of target variable remuneration.

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The percentages referred to can differ due to the different actuarial calculation of the service costs for each fiscal year and each Management Board member and the development of the costs of the contractually agreed fringe benefits.

FIGURE G038: PERCENTAGE OF REMUNERATION COMPONENTS (TARGET REMUNERATION) illustrates the relative remuneration components for the CEO and the other Management Board members in relation to the target total remuneration for fiscal year 2023:



Determination of the target total remuneration

The Supervisory Board determines a target total remuneration for the individual members of the Management Board. This is made up of the sum of all remuneration components relevant to total remuneration. For the STI, NOVA-LTI and ESG-LTI, the target amounts are based on a target achievement of 100% of the budget values. The Supervisory Board determines the target amounts for the variable remuneration components for each fiscal year. The Supervisory Board decides which goals the Company should achieve on the basis of the results determined for the previous fiscal years as part of the budget planning for the current fiscal years.

Fixed Remuneration Components

Fixed annual salary

The members of the Management Board receive a fixed annual salary in twelve monthly instalments, which are paid at the end of each month. The amount of the fixed annual salary is based on the tasks and the strategic and operational responsibility of the respective Management Board member.

Company pension scheme

NORMA Group grants the active members of the Management Board a defined contribution company pension plan with reinsurance. The Company is required to make contributions to an external provider each year under the

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defined contribution plan. The amount of the contributions corresponds to current market practice. All members of the Management Board in office at the end of 2023 participate in this plan.

One exception to this was the former member of the Management Board, Dr. Klein, COO until April 30, 2023. He is covered by a benefit commitment from the Company. The entitlement to a pension arises when the employment contract ends and the Management Board member has reached the age of 65 or the Management Board member is permanently unable to work. The pension level (retirement pension) of the pension agreements is 4% of the fixed annual salary for each completed year of service from appointment to the Management Board, up to a maximum of 55% of the last fixed annual salary. Furthermore, a survivor's pension will be provided as well. After retirement, adjustments are agreed in accordance with Section 16 (1) BetrAVG. The agreements relating to Dr. Klein stem from contractual commitments made before the current remuneration system came into force and have no longer been granted to new members of the Management Board in this form since 2020.

Fringe benefits

The Company provides each Management Board member with a company car for private use. In addition, the members of the Management Board are included in the Company's D&O insurance and the Company reimburses 50% of the expenses for health and nursing care insurance, up to a maximum of the expenses that the Company would have to pay if they were employed under social security law. The Company also takes out accident insurance (private and occupational accidents) for the members of the Management Board at its own expense.

Variable Remuneration Components

The performance indicators used to measure the short-term and long-term variable remuneration components are derived from NORMA Group's company strategy and are based on a three- or four-year observation period. The variable remuneration of the Management Board consists of the following components:

Short-term variable remuneration (Short-Term Incentive, STI)

The STI is a performance-related bonus which, on the one hand, reflects the absolute performance figure adjusted EBIT (earnings before interest and taxes, adjusted for acquisitions) of NORMA Group and, on the other hand, the relative return on shares (Total Shareholder Return, TSR for short) of NORMA Group SE in relation to a comparison group. The payout amount of the STI is calculated from a starting value and an adjustment to the target achievement of the TSR in the grant year. The calculation is shown in the following formula:

$$\text{Payout amount} = \text{Baseline (= average adjusted EBIT x STI percentage) x TSR adjustment}$$

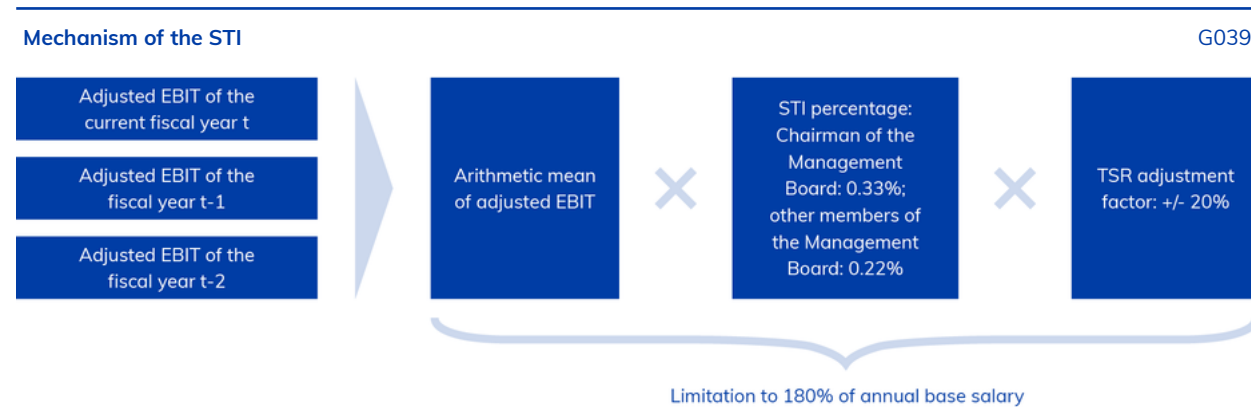
The baseline figure results from multiplying the average adjusted EBIT, i.e. adjusted for acquisitions, in the fiscal year for which the STI is granted and the two fiscal years preceding the fiscal year in which the STI is granted (arithmetic mean) by the STI percentage, which is 0.33% for the CEO and 0.22% for the other board members. In a second step, this initial value is then multiplied by the TSR adjustment factor and the result represents the payout amount. The TSR is defined as the percentage change in the stock market price during the grant year, including notionally reinvested dividends and all capital measures. In other words, the TSR is a measure of how the value of a share commitment has developed over a period of time and takes into account both dividends accrued during the period and any share price increases that may have occurred. In the current remuneration system, the share yield is taken into account as a relative performance factor. The TSR adjustment factor is determined by measuring the TSR development (share price and dividend development) of NORMA Group SE in relation to the TSR

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development of the peer group companies during the granting fiscal year. Depending on the results of the comparison, the initial value of the STI is adjusted upwards by 20% when a position in the peer group is reached above the 75th percentile and downwards by 20% below the 25th percentile; the TSR adjustment factor is therefore limited to the range of 0.8 to 1.2. The comparison group currently consists of the following 15 listed companies of comparable size, structure and industry sector to NORMA Group and is shown in the following table. The Supervisory Board is entitled to adjust the peer group for future assessment periods before the beginning of the respective assessment period.

TSR comparison group					T051
Bertrandt AG	Deutz AG	DMG Mori AG	ErlingKlinger AG	Gerresheimer AG	
Jungheinrich AG	König & Bauer AG	Leoni AG	SAF-Holland SE	Schaeffler AG	
SGL Carbon SE	Stabilus SE	Vossloh AG	Wacker Neuson SE	WashTec AG	

FIGURE G039: MECHANISM OF THE STI illustrates the calculation of the target remuneration of the STI.



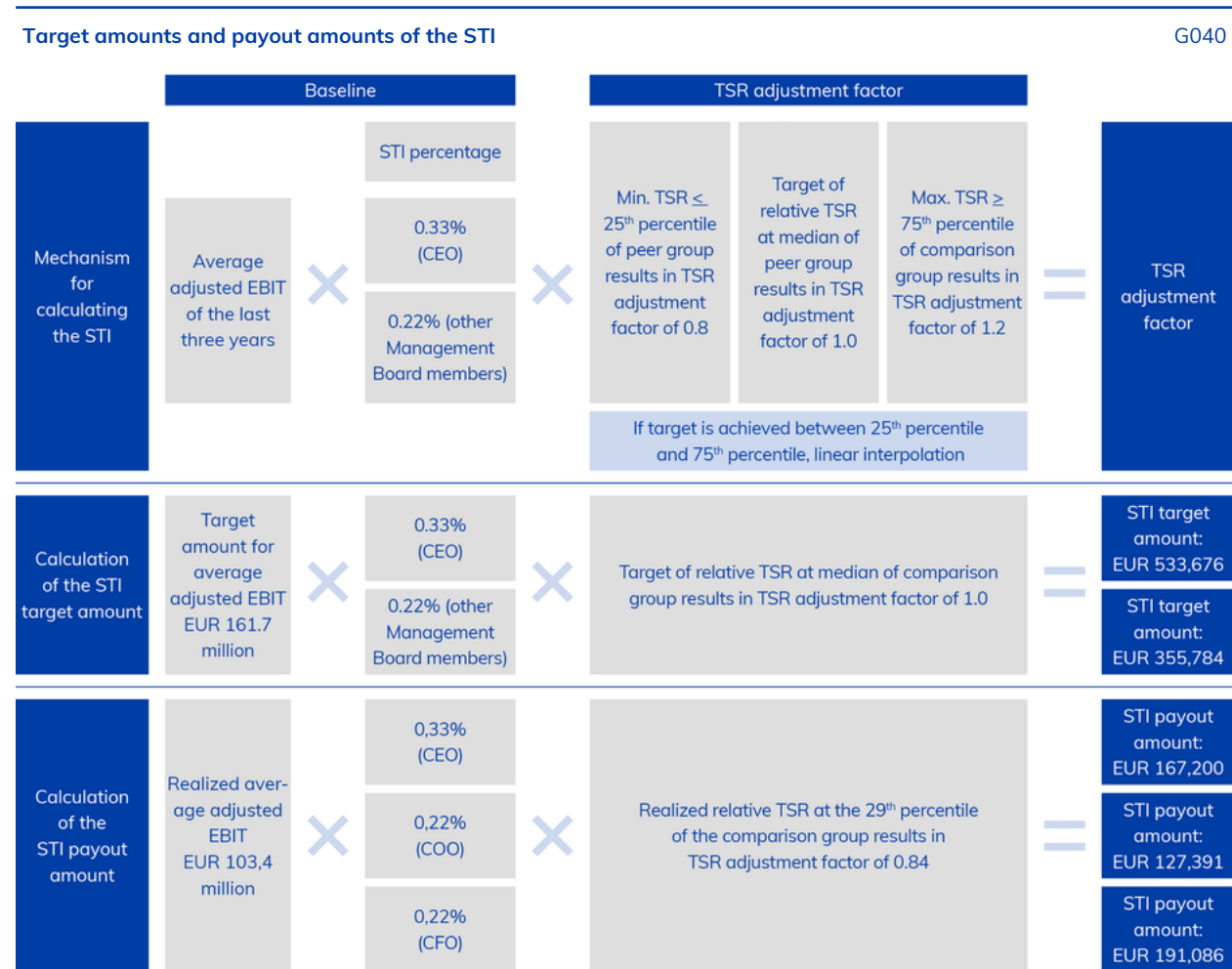
The payout amount (= initial value x TSR adjustment factor) is limited to a maximum of 180% of annual base salary; the initial value (= average adjusted EBIT x STI percentage) is limited to a maximum of 150% of the fixed annual salary. The short-term variable remuneration for the past fiscal year is to be paid out in the following year after approval of the Consolidated Financial Statements by the Supervisory Board. If the Management Board member did not work for the Company for a full twelve months in a fiscal year, the annual bonus will be reduced accordingly.

All claims to the STI from a current fiscal year expire without replacement or compensation if the employment contract of the Management Board member is terminated by the Company for an important reason for which the Management Board member is responsible pursuant to Section 626 of the German Civil Code (BGB), the appointment of the Board member is revoked due to a gross breach of duty and/or the appointment of the Board member ends as a result of resignation without the resignation being caused by a breach of duty by the Company.

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or health impairments of the Board member or health impairments of a close family member (“bad leaver cases”). In the event of extraordinary events or developments, the acquisition or sale of a part of a company, for example, the Supervisory Board is entitled to temporarily and appropriately adjust the plan conditions of the STI at its reasonable discretion. The same applies if changes in the accounting regulations applicable to the Company have a significant impact on the parameters used to calculate the STI and in the event that a fiscal year comprises less than twelve months (short fiscal year).

FIGURE G040: TARGET AMOUNTS AND PAYOUT AMOUNTS OF THE STI provides a detailed overview of the calculation of the target amount of the STI for fiscal year 2023:



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The TSR factor for the fiscal year 2023 is 0.84 because the 29th percentile was reached in 2023.

For fiscal year 2023, NORMA Group generated an adjusted average EBIT of EUR 103.4 million. In combination with the achieved TSR factor of 0.84, this results in a payout amount for the STI 2023 of EUR 167 thousand for CEO Guido Grandi, who has been in office since June 1, 2023. For the COO in office since May 1, 2023, Dr. Daniel Heymann, this results in a payout amount for the STI 2023 of EUR 127 thousand and for CFO Annette Stieve a payout amount for the STI 2023 of EUR 191 thousand.¹⁷ The payout amounts comply with the payout cap of 180% of the fixed annual salary.

Long-term variable compensation (Long-Term Incentive, LTI)

The long-term variable remuneration consists of two components, the NORMA Value Added-LTI (NOVA-LTI for short) and the Environmental, Social and Governance-LTI (ESG-LTI for short).

- **NOVA LTI**

The NOVA-LTI is granted in the form of a backward-looking performance cash plan in annual tranches, which is supplemented by a forward-looking share purchase and share retention obligation. The members of the Management Board are granted a tranche from the performance cash plan on January 1 of each grant fiscal year. Each tranche of the performance cash plan has a term of three years and considers the granting fiscal year and the two fiscal years preceding the granting fiscal year (“performance period”). The main success criterion for the LTI is the average NORMA Value Added (“NOVA”) during the three-year performance period. The payout amount from the LTI is calculated by multiplying the LTI percentage by the average adjusted NOVA during the performance period. The LTI percentage for the CEO is 1.5% and for full Board members 1.0%.

The annual increase in value is calculated using to the following formula:

$$\text{NORMA Value Added} = (\text{adjusted EBIT} \times (1 - s)) - (\text{WACC} \times \text{invested capital})$$

The calculation of the first component is based on the adjusted Group earnings before interest and taxes (adjusted NORMA Group EBIT) for the fiscal year and the average corporate tax rate. The second component is calculated from NORMA Group’s cost of capital (WACC) multiplied by the capital employed. The assumptions for the Group’s cost of capital (WACC) are shown in the table below.

¹⁷ Miguel Ángel López Borrego served as interim CEO in the period from January 1, 2023 to May 31, 2023. This results in a payout amount for the STI 2023 of EUR 119 thousand. Dr. Friedrich Klein was COO of NORMA Group until April 30, 2023. The amount paid out for the STI 2023 in relation to this period is EUR 64 thousand; EUR 127 thousand relate to the period from May 1, 2023 until December 31, 2023. In addition, a former member of the Management Board whose contract ended on June 30, 2023, is entitled to a payment of EUR 143 thousand with regard to the STI 2023.

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Assumptions for the calculation of the weighted average cost of capital

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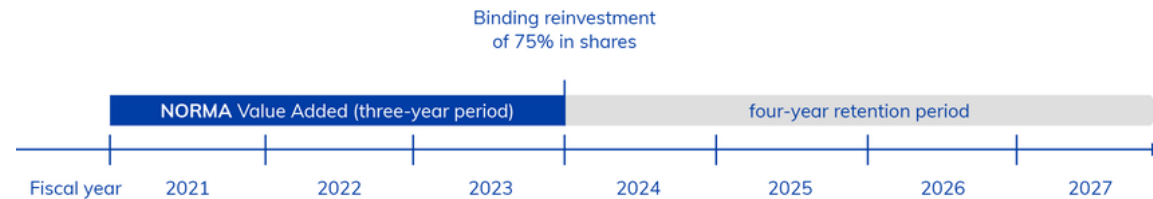
in %	2023	2022
Risk-free interest rate	2.75	2.00
Market risk premium	7.50	7.50
Beta factor of NORMA Group	1.65	1.65
Cost of equity	16.04	15.41
Borrowing cost rate after taxes	3.04	2.80
Weighted average cost of capital after taxes	9.55	9.25

The base interest rate is derived from the interest rate structure data of Deutsche Bundesbank (three-month average: October 1 to December 31, 2023). The market risk premium represents the difference between the expected return on a risky market portfolio and the risk-free interest rate. NORMA Group uses the recommendation of the Institute of Public Auditors in Germany (IDW) to determine this. The beta factor represents the individual risk of a share compared to a market index. It is first determined as the average value of the unindebted beta factors of the peer group and subsequently adjusted to NORMA Group's individual capital structure. The cost of equity is the sum of the following three components: the risk-free interest rate, the weighted country risk of NORMA Group, the product of the market risk premium and leveraged beta factor of the peer group. The credit spread used to calculate the cost of debt was determined on the basis of the terms of the current external financing of NORMA Group. Invested capital is calculated from consolidated equity plus net financial liabilities as of January 1 of the fiscal year.

FIGURE G041: TEMPORAL SEQUENCES OF THE NOVA-LTI clarifies the timing of the NOVA-LTI, in particular the performance period and the obligation to purchase and retain shares of four years.

Temporal sequence of the NOVA-LTI

G041



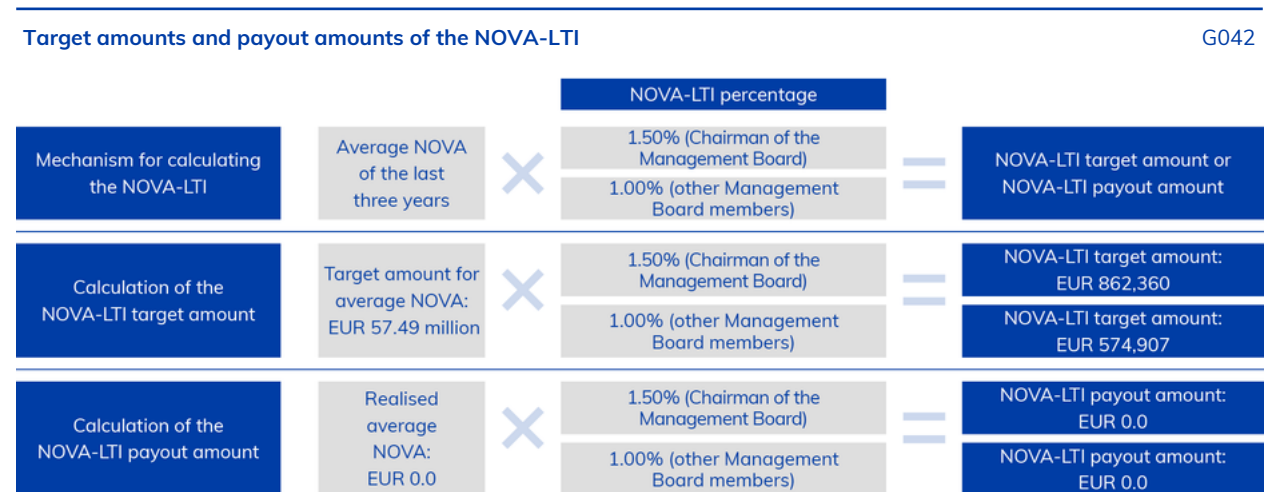
The NOVA-LTI is limited to a maximum of 200% of the fixed annual salary for all Management Board members. The Company may pay the payout amount in cash or in shares of NORMA Group SE. In the case of a cash payment, the members of the Management Board are obliged to purchase shares of the Company for an amount equal to 75% of the net amount paid out and to retain ownership of these for a period of four years (obligation to purchase and retain shares). The Company's Supervisory Board may decide at its reasonable discretion to issue shares in the Company in whole or in part in lieu of a cash payment. If the Company issues shares in the Company in lieu of a cash payment, the members of the Management Board are also required to retain ownership of 75% of the shares issued for a period of four years. Independently of, whether the Company makes the payout amount in cash or in shares, 75% of the net payout amount from the NOVA-LTI must be invested in shares of the Company and be held for a period of four years. Irrespective of the type of payment (cash or in shares in the Company), the

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NOVA-LTI is paid out in the following year after approval of the Consolidated Financial Statements by the Supervisory Board. After the end of the employment contract, the retention obligation generally lasts for a period of twelve months after the legal end of the employment contract, unless the four-year retention period has expired earlier.

The cases described with regard to the STI for a resignation during an ongoing performance period apply accordingly. In the event of extraordinary events or developments, the acquisition or sale of a part of a company, for example, the Supervisory Board is entitled to temporarily and appropriately adjust the plan conditions of the LTI at its reasonable discretion. The same applies if changes in the accounting regulations applicable to the Company have a significant impact on the parameters used to calculate the LTI and in the event that a fiscal year is less than twelve months long (short fiscal year).

FIGURE G042: TARGET AMOUNTS AND PAYOUT AMOUNTS OF THE NOVA-LTI provides an overview of the target amounts and payout amounts of the NOVA-LTI for fiscal year 2023:



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The calculation of the NOVA figure is explained in the following table:

Calculation of the NOVA figure						T053
Year	Adjusted EBIT in EUR thousands	Tax rate in %	WACC in %	Invested capital in EUR thousands	Annual increase in value in EUR thousands	
2021	113,760	28.6	7.03	927,868	15,696	
2022	98,964	35.2	9.25	987,069	-27,142	
2023	97,481	41.3	9.55	1,055,128	-43,607	
0					-18,351	

The amount paid out for the NOVA-LTI 2023 for the CEO and other members of the Management Board is EUR 0.00. The payout amounts maintain the payout cap of 200% of the fixed annual salary.

- **ESG-LTI**

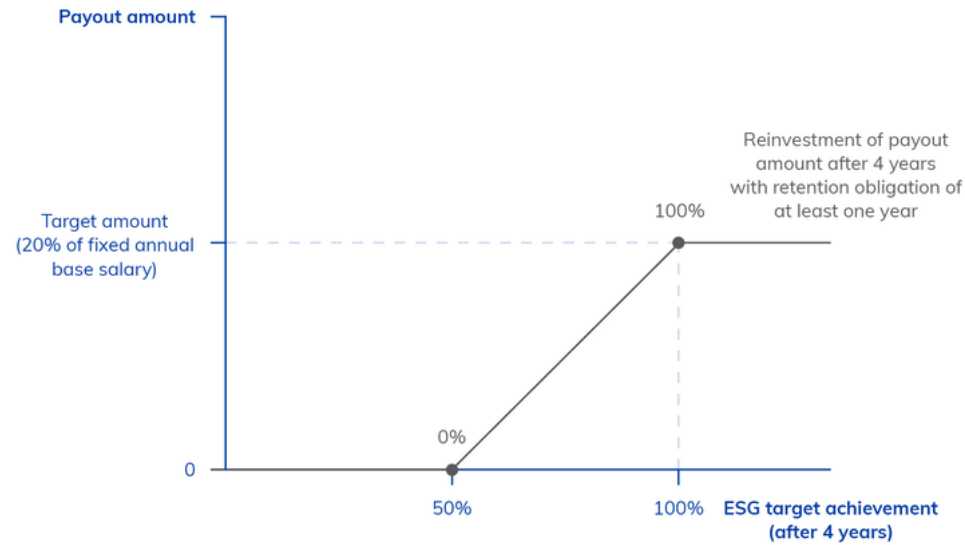
In addition to the NOVA-LTI, the ESG-LTI represents the second component of long-term variable remuneration. The ESG-LTI is a variable remuneration element in the form of a forward-looking performance cash plan in annual tranches, which is supplemented by an obligation of Board members to purchase and hold shares. Each tranche of the ESG-LTI has a term of four years. A tranche begins on January 1 of the granting fiscal year and ends at the end of December 31 of the third year following the granting fiscal year (“ESG performance period”). The amount paid out from the ESG-LTI depends on the achievement of environmental, social and prudent corporate governance goals, so-called “ESG goals.” ESG objectives can be, for example: Reducing greenhouse gas emissions, increasing workforce satisfaction, increasing customer satisfaction, reducing workplace accidents, and increasing sustainability.

The target amount of the ESG-LTI is 20% of the fixed annual salary. The payout amount is limited to a maximum of 100% of the target amount. The payout amount from the ESG-LTI is due for payment at the end of the month following the month in which the Supervisory Board approved the Company’s Consolidated Financial Statements for the granting fiscal year. The Company can pay out the payout amount from the ESG-LTI in cash or in shares in the Company. In the case of a cash payment, the members of the Management Board are obliged to purchase shares in the Company for the entire net amount paid out and to retain ownership of these for a period of one year (“obligation to purchase and retain shares”). The Company’s Supervisory Board may decide at its reasonable discretion to issue shares in the Company in whole or in part in lieu of a cash payment. In this case, the members of the Management Board are also obliged to hold 100% of the shares issued for a period of one year. As a result, 100% of the net payout amount from the ESG bonus must be invested in shares of the Company and be held for a period of one year. [FIGURE G043: MECHANISM OF THE ESG-LTI](#) clarifies the mechanism of the ESG-LTI.

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Mechanism of the ESG-LTI

G043



The cases described with regard to the STI for a resignation during an ongoing performance period apply accordingly. In the event of extraordinary events or developments, the acquisition or sale of a part of a company, for example, the Supervisory Board is entitled to temporarily and appropriately adjust the plan conditions of the ESG-LTI at its reasonable discretion. The same applies if changes in the accounting regulations applicable to the Company have a significant impact on the parameters relevant for the calculation of the ESG-LTI and in the event that a fiscal year is less than twelve months long (short fiscal year).

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Information on the shares and stock options granted or promised within the meaning of Section 162 (1) No. 3 AktG as part of the Long-Term Incentives (LTI)

The following table provides an overview of the shares granted:

NOVA-Bonus / LTI		T054				
		Balance at the beginning of the fiscal year	Shares granted in the fiscal year	Retention period expired in the fiscal year	Balance at the end of the fiscal year	Duration of the existing holding period until
Annette Stieve	NOVA-LTI 2018–2020 (payout in 2021)	153	–	–	153	July 2025
	NOVA-LTI 2019–2021 (payout in 2022)	–	–	–	–	–
	NOVA-LTI 2020–2022 (payout in 2023)	–	–	–	–	–
Dr. Michael Schneider	NOVA-LTI 2016–2018 (payout in 2019)	1,784	–	1,784	0	–
	NOVA-LTI 2017–2019 (payout in 2020)	2,158	–	–	2,158	March 2024
	NOVA-LTI 2018–2020 (payout in 2021)	852	–	–	852	May 2025
	NOVA-LTI 2019–2021 (payout in 2022)	–	–	–	–	–
Dr. Friedrich Klein	NOVA-LTI 2016–2018 (payout in 2019)	500	–	500	0	–
	NOVA-LTI 2017–2019 (payout in 2020)	1,175	–	–	1,175	May 2024
	NOVA-LTI 2018–2020 (payout in 2021)	810	–	–	810	May 2025
	NOVA-LTI 2019–2021 (payout in 2022)	–	–	–	–	–
	NOVA-LTI 2020–2022 (payout in 2023)	–	–	–	–	–

The acquisition of shares from the ESG-LTI will only take place in the future; therefore these shares will only be shown in the future.

Maximum Remuneration and Compliance with Maximum Remuneration

The total remuneration to be granted for a fiscal year (total of all remuneration amounts granted for the fiscal year in question, including the fixed annual salary, variable remuneration components, pension expenses (service costs) and fringe benefits) of the members of the Management Board – regardless of whether it is paid out in this fiscal year or at a later date – is capped in absolute terms (“maximum remuneration”). The maximum remuneration pursuant to Section 87a (1) sentence 2 No. 1 AktG is EUR 3,900,000 for the Chairman of the Management Board and EUR 2,500,000 for each of the other Management Board members. If the total remuneration calculated for a fiscal year exceeds the maximum remuneration, the payout amount from the LTI is reduced so that the maximum remuneration is observed. If necessary, the Supervisory Board is permitted, at its due discretion, to reduce other remuneration components or demand reimbursement of remuneration already paid. Irrespective of the specified maximum remuneration, the payment amounts of the individual variable remuneration components are also limited in relation to the fixed annual salary.

The remuneration granted for fiscal year 2023 remained within the target and the maximum payout is below the maximum remuneration.

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Severance Payments and Change of Control Clause

In the event of premature termination of the service contract without good cause, a possible severance payment is limited to a maximum of two annual salaries in accordance with the recommendations of the German Corporate Governance Code and may not exceed the contractual remuneration for the remaining term, if the remaining term of the service contract is less than two years (severance payment cap). The calculation of the severance payment cap is generally based on the total remuneration for the past fiscal year and, if applicable, also on the expected total remuneration for the current fiscal year.

In accordance with the recommendations of the GCGC, NORMA Group does not grant the members of the Management Board any special compensation in the event of a change of control; no severance payment is due if a special right of termination is exercised in the event of a change of control or due to conversions.

Opportunities for the Company to reclaim variable remuneration components

The Company is entitled to adjust and reclaim the payment amounts from the variable remuneration at its due discretion if the audited Consolidated Financial Statements and/or the basis for determining other targets on which the calculation of the variable remuneration is based need to be corrected retrospectively because they prove to be objectively incorrect, and the error has led to an incorrect calculation of the variable remuneration. The claim for repayment consists of the difference between the payment amounts actually paid by the Company and the payment amounts that should have been paid out according to the regulations on variable remuneration based on the corrected calculation bases. In the event of a grossly negligent or intentional breach by a member of the Management Board of one of his material duties of care within the meaning of Section 93 of the German Stock Corporation Act (AktG) or a material principle of action of an internal guideline issued by the Company and a resulting risk to the business success or reputation of NORMA Group or one of its companies, the Supervisory Board may reduce the variable remuneration components in part or in full (down to zero).

If the correction of the basis for calculating variable remuneration affects several variable remuneration components that have been paid out, payment amounts for all variable remuneration components can be reclaimed. The entitlement to repayment exists for a period of three years after payment of the respective variable remuneration component.

In fiscal year 2023, the Supervisory Board did not make use of the option to withhold or reclaim variable remuneration components.

Remuneration of the Management Board in fiscal year 2023

Management Board remuneration for fiscal year 2023 is reported in accordance with Section 162 AktG and, for reasons of continuity and transparency, in accordance with the recommendations of the German Corporate Governance Code (GCGC).

Management Board remuneration for fiscal year 2023 in accordance with Section 162 AktG

The variable remuneration (STI, NOVA-LTI and ESG-LTI) is shown as remuneration granted and owed in accordance with Section 162 (1) sentence 2 No. 1 AktG in the fiscal year in which the activity on which the remuneration is based was performed in full. For example, the NOVA-LTI for the 2021-2023 performance period is reported as granted and owed in fiscal year 2023 (however, due to a negative NOVA value, no NOVA-LTI was granted in fiscal years 2022 and 2023).

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The remuneration granted and owed to the members of the Management Board is made up as follows:

Management Board remuneration granted and owed pursuant to Sec. 162 (1) sentence 2 no. 1 German Stock Corporation Act (AktG) T055

	Guido Grandi (since June 1, 2023)				Dr. Daniel Heymann (since May 1, 2023)				Annette Stieve				
	2023		2022		2023		2022		2023		2022		
	in EUR thous- ands	in %	in EUR thous- ands	in %	in EUR thous- ands	in %	in EUR thous- ands	in %	in EUR thous- ands	in %	in EUR thous- ands	in %	
Type of remuneration													
Fixed remuneration	321		n/a		240		n/a		410		396		
Fringe benefits	17		n/a		18		n/a		26		14		
Total	338	66.9	n/a	n/a	258	67.0	n/a	n/a	436	63.1	410	73.0	
One-year variable remuneration (STI)	167		n/a		127		n/a		191		151		
Multi-year variable remuneration:													
NOVA-LTI	0		n/a		0		n/a		0		0		
ESG-LTI	-		n/a		-		n/a		64		-		
Total	167	33.1	n/a	n/a	127	33.0	n/a	n/a	255	36.9	151	27.0	
Total remuneration	505	100.0	n/a	n/a	385	100.0	n/a	n/a	691	100.0	562	100.0	

(Continued) Management Board remuneration granted and owed pursuant to Sec. 162 (1) sentence 2 no. 1 German Stock Corporation Act (AktG)

	Miguel Ángel López Borrego (January 1 until May 31, 2023) ¹				Dr. Friedrich Klein (until April 30, 2023) ²				Dr. Michael Schneider (until December 31, 2022)				Total	
	2023		2022		2023		2022		2023		2022		2023	2022
	in EUR thous- ands	in %	in EUR thous- ands	in %	in EUR thous- ands	in %	in EUR thous- ands	in %	in EUR thous- ands	in %	in EUR thous- ands	in %	in EUR thous- ands	in EUR thous- ands
Type of remuneration														
Fixed remuneration	250		n/a		132		396		n/a		600		1,353	1,392
Fringe benefits	12		n/a		3		11		n/a		30		76	55
Total	262	68.8	n/a	n/a	135	50.9	407	72.8	n/a	n/a	630	73.4	1,429	1,447
One-year variable remuneration (STI)	119		n/a		64		151		n/a		227		668	529
Multi-year variable remuneration:														
NOVA-LTI	0		n/a		0		0		n/a		0		0	0
ESG-LTI	-		n/a		66		-		n/a		-		130	-
Total	119	31.2	n/a	n/a	130	49.1	151	27.2	n/a	n/a	227	26.6	798	529
Total remuneration	381	100.0	n/a	n/a	265	100.0	559	100.0	n/a	n/a	858	100.0	2,227	1,976

¹Interim CEO activity from January 1 to May 31, 2023; the office of Supervisory Board member was suspended during this period.

²Dr. Klein; the figure above includes the remuneration for the period from January 1, 2023 to April 30, 2023; for the period from May 1, 2023 to December 31, 2023, the total remuneration amounts to EUR 410 thousand and is broken down as follows: Fixed remuneration EUR 264 thousand, fringe benefits EUR 6 thousand, one-year variable remuneration EUR 127 thousand and multi-year variable remuneration EUR 13 thousand.

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Departure of the former Chairman of the Management Board as of December 31, 2022

Dr. Michael Schneider, former Chairman of the Management Board of NORMA Group SE, stepped down from the Management Board effective December 31, 2022 (“departure date”). The settlement agreement concluded provides for the remuneration after the date of departure to be paid during the release phase in accordance with the provisions in the employment contract up until June 30, 2023 (termination date). There are no further severance payment claims. Pension entitlements remain unchanged (pension agreement). In accordance with the agreement, Dr. Schneider will not acquire any further pension entitlements after the termination date.

Remuneration for the period up until December 31, 2022, is shown in the following tables. The benefits promised or granted for the period after December 31, 2022, amount to EUR 800 thousand in total and are composed as follows: non-performance-dependent component: EUR 324 thousand, performance-dependent component: EUR 261 thousand, long-term incentive component: EUR 0 thousand and pension expense: EUR 215 thousand.

The benefits that have been promised to the members of the Management Board in the event of the regular termination of their activity (cf. Section 162 (2) No. 3 AktG) are distributed among the individual Management Board members as shown in the following table.

Overview of the promised pensions of the Board members

T056

in EUR thousands	Guido Grandi (since June 1, 2023)		Dr. Daniel Heymann (since May 1, 2023)		Annette Stieve		Miguel Ángel López Borrego (January 1 until May 31, 2023) ¹	
	2023	2022	2023	2022	2023	2022	2023	2022
Present value of pension	–	n/a	–	n/a	–	–	–	n/a
Expended amount	105	n/a	80	n/a	165	165	0	n/a

¹Interim CEO activity from January 1 to May 31, 2023; the office as a member of the Supervisory Board was suspended during this period.

(Continued) Overview of the promised pensions of the Board members

in EUR thousands	Dr. Friedrich Klein (until April 30, 2023)		Dr. Michael Schneider (until Dec 31, 2022)		Total	
	2023	2022	2023	2022	2023	2022
Present value of pension	n/a	1,561	n/a	4,621	n/a	6,182
Expended amount	69	450	n/a	901	419	1,516

The present value of all pension commitments to prior members of the Management Board and their dependents was EUR 7,186 thousand as of December 31, 2023 (2022: EUR 1,014 thousand).

Management Board remuneration for fiscal year 2023 in accordance with the German Corporate Governance Code

For reasons of a continuous presentation and to ensure the best possible transparency, this Remuneration Report is based on the model tables of the German Corporate Governance Code in the version dated February 7, 2017 (in short: GCGC 2017), even if this presentation is no longer mandatory. In deviation from Section 162 of the German

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Stock Corporation Act (AktG), the remuneration of the Management Board is broken down according to whether it was granted for the reporting year or received in or for the reporting year and is as follows:

GCGC: Remuneration granted

T057

	Guido Grandi (since June 1, 2023)				Dr. Daniel Heymann (since May 31, 2023)				Annette Stieve				Miguel Ángel López Borrego (January 1 until May 31, 2023) ¹			
	2023	2023 (Min.)	2023 (Max.)	2022	2023	2023 (Min.)	2023 (Max.)	2022	2023	2023 (Min.)	2023 (Max.)	2022	2023	2023 (Min.)	2023 (Max.)	2022
Grants awarded (in EUR thousand)																
Fixed remuneration	321	321	321	n/a	240	240	240	n/a	410	410	410	396	250	250	250	n/a
Fringe benefits	17	17	17	n/a	18	18	18	n/a	26	26	26	14	12	12	12	n/a
Total	338	338	338	n/a	258	258	258	n/a	436	436	436	410	262	262	262	n/a
One-year variable remuneration (STI)	312	0	578	n/a	237	0	432	n/a	356	0	810	356	223	0	450	n/a
Multi-year variable remuneration	567	0	706	n/a	431	0	528	n/a	654	0	871	575	409	0	550	n/a
Total	879	0	1,284	n/a	668	0	960	n/a	1,010	0	1,681	931	632	0	1,000	n/a
Pension expenses	105	105	105	n/a	80	80	80	n/a	165	165	165	165	0	0	0	n/a
Total remuneration	1,322	443	1,727	n/a	1,006	338	1,298	n/a	1,611	601	2,282	1,506	894	262	1,262	n/a

¹Interim CEO activity from January 1 to May 31, 2023; the office as a member of the Supervisory Board was suspended during this period.

(Continued) GCGC: Remuneration granted

	Dr. Friedrich Klein (until April 30, 2023)				Dr. Michael Schneider (until Dec 31, 2022)				Total			
	2023	2023 (Min.)	2023 (Max.)	2022	2023	2023 (Min.)	2023 (Max.)	2022	2023	2023 (Min.)	2023 (Max.)	2022
Grants awarded (in EUR thousand)												
Fixed remuneration	132	132	132	396	n/a	n/a	n/a	600	1,353	1,353	1,353	1,392
Fringe benefits	3	3	3	11	n/a	n/a	n/a	30	76	76	76	55
Total	135	135	135	407	n/a	n/a	n/a	630	1,429	1,429	1,429	1,447
One-year variable remuneration (STI)	119	0	238	356	n/a	n/a	n/a	534	1,247	0	2,508	1,246
Multi-year variable remuneration	258	0	330	575	n/a	n/a	n/a	862	2,319	0	2,985	2,012
Total	377	0	568	931	n/a	n/a	n/a	1,396	3,566	0	5,493	3,258
Pension expenses	80	80	80	369	n/a	n/a	n/a	619	430	430	430	1,153
Total remuneration	592	215	783	1,707	n/a	n/a	n/a	2,645	5,425	1,859	7,352	5,858

The award table does not reflect actual remuneration paid. It specifies the target values of the respective remuneration components as well as their theoretically possible minimum and maximum values for the year 2023. The defined expected or target values give the indication required by the GCGC as to what would be paid out if the target values (EBIT, NOVA and ESG) were planned or typically expected to be achieved. If the target figures are not actually achieved, the payout is correspondingly lower. This is shown in the table below.

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GCGC - Inflow

T058

in EUR thousand	Guido Grandi (since June 1, 2023)		Dr. Daniel Heymann (since May 1, 2023)		Annette Stieve		Miguel Ángel López Borrego (January 1 until May 31, 2023) ¹	
	2023	2022	2023	2022	2023	2022	2023	2022
Fixed remuneration	321	n/a	240	n/a	410	396	250	n/a
Fringe benefits	17	n/a	18	n/a	26	14	12	n/a
Total	338	n/a	258	n/a	436	410	262	n/a
One-year variable remuneration	167	n/a	127	n/a	191	151	119	n/a
Multi-year variable remuneration								
NOVA-LTI	0	n/a	0	n/a	0	0	0	n/a
ESG-LTI	0	n/a	0	n/a	64	0	0	n/a
Total	167	n/a	127	n/a	255	151	119	n/a
Pension expenses	105	n/a	80	n/a	165	165	0	n/a
Total remuneration	610	n/a	465	n/a	856	727	381	n/a

¹Interim CEO activity from January 1 to May 31, 2023; the office as a member of the Supervisory Board was suspended during this period.

(Continued) GCGC - Inflow

in EUR thousand	Dr. Friedrich Klein (until April 30, 2023)		Dr. Michael Schneider (until Dec 31, 2022)		Total	
	2023	2022	2023	2022	2023	2022
Fixed remuneration	132	396	n/a	600	1,353	1,392
Fringe benefits	3	11	n/a	30	76	55
Total	135	407	n/a	630	1,429	1,447
One-year variable remuneration	64	151	n/a	227	668	529
Multi-year variable remuneration						
NOVA-LTI	0	0	n/a	0	0	0
ESG-LTI	66	0	n/a	0	130	0
Total	130	151	n/a	227	798	529
Pension expenses	80	369	n/a	619	430	1,153
Total remuneration	345	928	n/a	1,477	2,657	3,129

Verification of the appropriateness of Management Board remuneration

In fiscal year 2023, the Supervisory Board carried out a review of the Management Board remuneration and came to the conclusion that the amount of Management Board remuneration is appropriate from a legal point of view within the meaning of Section 87 (1) AktG. The Supervisory Board also regularly seeks external advice to assess the appropriateness of Management Board remuneration and pensions. From a company-external perspective, the relationship between the amount and structure of Management Board remuneration and the remuneration of senior management and the workforce as a whole is evaluated (vertical comparison). In addition to a status quo consideration, the vertical comparison also takes the development of remuneration ratios over time into account. On the other hand, the amount and structure of remuneration are evaluated based on the positioning of NORMA

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Group in a peer group (horizontal comparison). In addition to the fixed remuneration, the horizontal comparison also includes the short and long-term remuneration components as well as the amount of the fringe benefits and company pension scheme. The peer group was carefully chosen by the Supervisory Board to avoid an automatic upward trend in remuneration.

The review of the appropriateness of the remuneration of the Management Board in fiscal year 2023 showed that the Management Board remuneration is appropriate.

Management Board contracts

The Management Board contracts are concluded upon commencement of service for a period of three years.

Remuneration of the Supervisory Board

Remuneration system for the members of the Supervisory Board

The remuneration system for the members of the Supervisory Board was approved by the Annual General Meeting on May 20, 2021, in accordance with Section 113 (2) sentences 1 and 2 AktG by receiving 100.00% of the votes. The remuneration system is intended to contribute to promoting the business strategy and the long-term development of NORMA Group. The remuneration of the Supervisory Board takes both the structure and the amount of the requirements for the office of a member of the Supervisory Board of NORMA Group SE into account, in particular the associated time expenditure and the associated responsibility.

The aim of the remuneration system is to provide remuneration that is commensurate with the tasks of the Supervisory Board members and the situation of the n Group. It should also be comparable to the remuneration of Supervisory Board members of comparable listed companies. The remuneration makes it possible to find suitable and qualified candidates for the position as a member of the Supervisory Board. The remuneration of the Supervisory Board thus contributes to the Supervisory Board being able to carry out its duties of monitoring and advising the Management Board properly and competently. The restriction to fixed remuneration also takes these tasks of the Supervisory Board into account. The restriction creates an incentive for the members of the Supervisory Board to appropriately question the management by the Management Board when performing their monitoring and advisory tasks, without focusing primarily on the development of operational indicators. Together with the Management Board, the Supervisory Board thus promotes the business strategy and the long-term development of NORMA Group. The restriction to a fixed salary also corresponds to suggestion G.18 sentence 1 of the German Corporate Governance Code in the version of April 28, 2022.

Remuneration components

The members of the Supervisory Board receive fixed remuneration, attendance fees, fringe benefits (consisting of insurance coverage and tax refunds) and, if they work on Supervisory Board committees, remuneration for this committee work.

Fixed remuneration

The remuneration of the members of the Supervisory Board consists of fixed remuneration; this amounts to EUR 100,000 per fiscal year for the Chairman of the Supervisory Board, EUR 75,000 for the Deputy Chairman of the Supervisory Board and EUR 50,000 for every other member of the Supervisory Board. The fixed annual

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remuneration is reduced pro rata temporis if a member does not belong to the Supervisory Board for the full fiscal year or does not hold the position of Chair or Deputy Chair for the full fiscal year.

Remuneration for serving on a committee of the Supervisory Board

In addition, the chairpersons of the Audit, General and Nomination committees each receive remuneration of EUR 25,000 per fiscal year, and the chairpersons of another committee receive EUR 15,000. Members of a committee of the Supervisory Board receive an additional annual remuneration of EUR 10,000 per committee, but a maximum of additional remuneration of EUR 20,000 per fiscal year for membership in committees ("maximum amount"). This maximum amount does not take additional remuneration for chairing committees into account. Committee membership fees are in addition to any committee chair fees. Against this backdrop, the remuneration of the members of the Supervisory Board also corresponds to recommendation G. 17 of the German Corporate Governance Code in the version of April 28, 2022, according to which the higher time required for the Chairman and the Deputy Chairman of the Supervisory Board as well as the Chairman and the members of committees should be appropriately taken into account. The fixed annual remuneration is reduced pro rata temporis if a member does not serve on a committee for the full fiscal year or does not serve as chair or vice-chair for the full fiscal year.

Attendance fee

In addition, the members of the Supervisory Board receive an attendance fee of EUR 1,000 for each meeting of the Supervisory Board that they attend. Committee members also receive an attendance fee of EUR 1,000 for each meeting they attend. For several meetings of the same body (the plenary session or the respective committee of the Supervisory Board) that take place on one day, the attendance fee is only paid once.

Ancillary services (insurance coverage, VAT reimbursement)

Furthermore, the members of the Supervisory Board are included in a pecuniary damage liability insurance policy maintained by NORMA Group SE for board members and certain executives ("D&O insurance"). NORMA Group SE reimburses any sales tax that may be due on the remuneration and expenses of the members of the Supervisory Board.

Procedures for determining, implementing and reviewing the remuneration system

The Annual General Meeting determines the remuneration of the Supervisory Board based on a proposal by the Management Board and the Supervisory Board in the Articles of Association or by resolution. The remuneration of the Supervisory Board was determined by resolution of the Annual General Meeting on May 20, 2022.

Pursuant to Section 113 (3) AktG as amended by ARUG II, the Annual General Meeting must decide on the remuneration system for the members of the Supervisory Board at least every four years. In preparation for the resolution of the Annual General Meeting, the Management Board and Supervisory Board each examine whether the Supervisory Board remuneration, in particular with regard to its amount and structure, continues to be in the interest of NORMA Group SE and is appropriate. To this end, the Supervisory Board can also carry out a horizontal market comparison. If necessary, the Management Board and Supervisory Board will propose a suitable adjustment to the remuneration at the Annual General Meeting. The General and Nomination Committee can prepare the deliberations and resolutions of the Supervisory Board on Supervisory Board remuneration.

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Remuneration of the Supervisory Board for fiscal year 2023

The remuneration for Supervisory Board work for fiscal year 2023 will be paid on the day after the 2024 Annual General Meeting as follows:

Remuneration granted and owed pursuant to Section 162 (1) sentence 2 No. 1 German Stock Corporation Act (AktG)

T059

	Mark Wilhelms				Erika Schulte				Dr. Markus Distelhoff (since May 12, 2023)				Rita Forst			
	2023		2022		2023		2022		2023		2022		2023		2022	
Type of remuneration	in EUR thousands	in %	in EUR thousands	in %	in EUR thousands	in %	in EUR thousands	in %	in EUR thousands	in %	in EUR thousands	in %	in EUR thousands	in %	in EUR thousands	in %
Fixed remuneration	127	88.2	78	80.4	95	87.2	95	81.2	38	86.4	n/a	n/a	81	86.2	75	88.2
Fringe benefits	17	11.8	19	19.6	14	12.8	22	18.8	6	13.6	n/a	n/a	13	13.8	10	11.8
Total remuneration	144	100.0	97	100.0	109	100.0	117	100.0	44	100.0	n/a	n/a	94	100.0	85	100.0

(Continued) Remuneration granted and owed pursuant to Section 162 (1) sentence 2 No. 1 German Stock Corporation Act (AktG)

	Denise Koopmans (since May 12, 2023)				Miguel Ángel López Borrego (since June 1, 2023) ¹				Günter Hauptmann (until May 11, 2023)				Dr. Knut J. Michelberger (until May 11, 2023)			
	2023		2022		2023		2022		2023		2022		2023		2022	
Type of remuneration	in EUR thousands	in %	in EUR thousands	in %	in EUR thousands	in %	in EUR thousands	in %	in EUR thousands	in %	in EUR thousands	in %	in EUR thousands	in %	in TEUR	in %
Fixed remuneration	38	84.4	n/a	n/a	50	87.7	60	77.9	48	88.9	135	87.1	25	73.5	87	76.3
Fringe benefits	7	15.6	n/a	n/a	7	12.3	17	22.1	6	11.1	20	12.9	9	26.5	27	23.7
Total remuneration	45	100.0	n/a	n/a	57	100.0	77	100.0	54	100.0	155	100.0	34	100.0	114	100.0

¹Interim CEO activity from January 1 to May 31, 2023; the office as a member of the Supervisory Board was suspended during this period.

	Total	
	2023	2022
Type of remuneration	in EUR thousands	in EUR thousands
Fixed remuneration	502	530
Fringe benefits	79	115
Total remuneration	581	645

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The figures in the “2022” columns relate to the remuneration for fiscal year 2022, which was paid in fiscal year 2023.

In fiscal year 2023, no remuneration was paid to members of the Supervisory Board for services rendered personally (in particular consulting and brokerage services). In addition, reasonable expenses and travel expenses incurred by the Supervisory Board in connection with the fulfillment of its official duties for the Company are reimbursed within the framework of the guidelines applicable at the Company. For the D&O insurance taken out for the Management Board and the Supervisory Board of NORMA Group SE, the statutory deductible of 10% of the amount of damage, up to a limit of 1.5 times annual salaries, borne privately by the members of the Supervisory Board or insured privately.

Comparative representation of the annual change within the meaning of Section 162 (1) sentence 2 No. 2 AktG (so-called vertical comparison)

The provision of Section 162 (1) sentence 2 No. 2 AktG requires a comparative presentation of the annual change in the remuneration of the Management Board and the Supervisory Board, the development of earnings of the Company and the average remuneration of the employees on a full-time equivalent basis. The annual change was determined as follows:

- The earnings development of the Company was based on the annual result according to the profit and loss account. Since NORMA Group SE is the parent company of the Group and the variable remuneration of the Management Board is based, among other aspects, on Group earnings figures (e.g. adjusted Group EBIT), this figure was also included in the comparative presentation.
- The determination of the change in the average remuneration of employees on a full-time equivalent basis was based on the entire workforce in Germany (excluding the Management Board) on the one hand and on the collectively bargained employees in Germany on the other, since this data is comparable with the other remuneration due to the legal and social security framework.
- For the sake of completeness, it should be mentioned that the remuneration data for 2020 was influenced by both short-time work and executive pay cuts.

The annual changes for the years 2019 to 2023 are as follows:

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Comparative presentation of the annual change (so-called vertical comparison) pursuant to Section 162 (1) sentence 2 No. 2 German Stock Corporation Act (AktG) T060

Group of persons / yield variables	Change from 2023 to 2022	Change from 2022 to 2021	Change from 2021 to 2020	Change from 2020 to 2019
Members of governing bodies in office as of Dec 31, 2023				
a) Management Board				
Guido Grandi (since June 1, 2023)	n/a	n/a	n/a	n/a
Dr. Daniel Heymann (since May 1, 2023)	n/a	n/a	n/a	n/a
Annette Stieve (since October 1, 2020)	17.7%	-2.0%	243.5%	n/a
b) Supervisory Board				
Mark Wilhelms	48.0%	20.2%	29.6%	11.4%
Erika Schulte	-6.8%	12.5%	9.5%	4.2%
Dr. Markus Distelhoff (since May 12, 2023)	n/a	n/a	n/a	n/a
Rita Forst	11.1%	4.9%	27.0%	6.3%
Denise Koopmans (since May 12, 2023)	n/a	n/a	n/a	n/a
Miguel Ángel López Borrego (since March 16, 2021) ¹	-26.2%	36.5%	n/a	n/a
Former Board members				
a) Management Board				
Miguel Ángel López Borrego (January 1 until May 31, 2023) ¹	n/a	n/a	n/a	n/a
Dr. Friedrich Klein (until April 30, 2023)	-66.9%	3.1%	-8.1%	-13.3%
Dr. Michael Schneider (until December 31, 2022)	n/a	2.0%	-20.6%	21.2%
b) Supervisory Board				
Günter Hauptmann (until May 11, 2023)	-64.9%	17.1%	38.8%	26.6%
Dr. Knut J. Michelberger (until May 11, 2023)	-70.0%	7.2%	11.6%	— %
Lars M. Berg (until August 31, 2020)	n/a	n/a	n/a	-33.3%
Earnings indicators				
Annual result for NORMA Group SE	-41.5%	-46.8%	698.9 %	-69.7%
Adjusted EBIT NORMA Group [Group]	-1.5%	-13.0%	151.3%	-66.7%
Average remuneration of employees on a full-time equivalent basis				
Total workforce in Germany (excluding the Management Board)	5.3%	5.6%	8,4%	-2.4%
Pay scale employees in Germany	7.2%	5.6%	8,9%	-5.4%

¹Interim CEO activity from January 1 to May 31, 2023; the office as a member of the Supervisory Board was suspended during this period.

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Takeover-relevant information

An overview of the information required under section 315a (1) and Section § 289a (1) of the German Commercial Code (Handelsgesetzbuch, HGB) is presented below:

NORMA Group SE's share capital totaled EUR 31,862,400.00 on December 31, 2023. It is divided into 31,862,400 shares with no par value and a notional value of EUR 1. Each share entitles the bearer to one vote. There are no other classes of shares. NORMA Group SE holds no treasury shares.

The Management Board of NORMA Group SE is not aware of any restrictions affecting voting rights or the transfer of shares or any agreements between shareholders which could result in such restrictions.

There are no direct or indirect capital holdings exceeding one tenth of the voting rights other than those voting rights listed in the Notes to the Consolidated Financial Statements.

There are no shares in NORMA Group SE that confer special control rights to the holder.

There are no employee share plans through which employees can acquire shares of NORMA Group SE. Employees with shareholdings in NORMA Group SE exercise control rights in the same way as other shareholders in accordance with applicable legislation and the Articles of Association.

Management Board members are appointed and dismissed in accordance with Section 84 et seq. of the German Stock Corporation Act (Aktiengesetz, AktG). The Articles of Association of NORMA Group SE do not contain any provisions related to this issue that contradict the applicable legislation. The Supervisory Board is responsible for determining the concrete number of members on the Management Board. It can nominate a Chairman and Vice Chairman of the Management Board or a Management Board spokesperson and a deputy spokesperson.

Changes to the Articles of Association are to be decided on by the Annual General Meeting in accordance with Section 179 (1) AktG. In accordance with Section 179 (1) sentence 2 AktG, the Annual General Meeting can authorize the Supervisory Board to make changes which affect only the wording of the Articles of Association. The Annual General Meeting of NORMA Group SE has chosen to do so. According to article 14 (2) of the Articles of Association, the Supervisory Board is authorized to make changes to the Articles of Association which only affect their wording. In accordance with Article 20 sentence 3 of the Articles of Association, a simple majority of votes submitted is sufficient for a resolution on changing the Articles of Association if at least half of the share capital is represented when the resolution is adopted and a different majority is not required under the law.

The Supervisory Board is authorized to amend the wording of sections 4 and 5 of the Articles of Association in line with the issue of new shares from Authorized Capital 2020 and, if Authorized Capital 2020 has not been used or not used in full by June 29, 2025, after expiry of the authorization.

The Supervisory Board is authorized to amend the wording of Articles 4 and 6 of the Articles of Association to reflect the issue of new shares from the Authorized Capital 2020. The same shall apply insofar as the authorization to issue convertible bonds, bonds with warrants and / or profit participation rights with or without conversion or option rights or conversion or option obligations in accordance with the resolution of the Annual General Meeting of June 30, 2020 is not exercised during the term of the authorization or the corresponding option or conversion rights or option or conversion obligations lapse due to the expiry of exercise periods or in any other way.

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Shares may be redeemed without the redemption or its implementation requiring a further resolution by the Annual General Meeting. The retirement of shares generally leads to a reduction in capital. However, the Management Board may, in derogation of this, determine that the capital stock shall remain unchanged upon redemption and that instead the redemption shall increase the proportion of the capital stock represented by the remaining shares in accordance with Art. 8 par. 3 AktG. In this case, the Management Board and Supervisory Board are authorized to adjust the number of shares stated in the Articles of Association.

Authorized capital

In accordance with the resolution passed at the Annual General Meeting on June 30, 2020, the Management Board is authorized, with the Supervisory Board's consent, to increase the Company's share capital once or repeatedly by up to a total of EUR 3,186,240 on or before June 29, 2025 (including that day) by issuing up to 3,186,240 new registered shares against cash and/or non-cash contributions (Authorized Capital 2020). The Management Board is authorized, with the Supervisory Board's consent, to exclude shareholders' subscription rights wholly or in part, once or repeatedly, in certain cases for capital increases under the Authorized Capital.

Conditional capital

In accordance with the resolution passed by the Annual General Meeting on June 30, 2020, the Management Board is authorized, with the Supervisory Board's consent, to issue once or repeatedly on or before June 29, 2025 (including that day) bearer or registered convertible bonds and/or bonds with warrants and/or participation rights carrying a conversion or option right and/or conversion or option obligation (or a combination of these instruments) in a total nominal amount of up to EUR 200,000,000 with or without a limited maturity term (hereinafter collectively referred to as "bonds" and to grant the creditors of bonds conversion/option rights and/or conversion/option obligations to subscribe to a total of up to 3,186,240 new registered shares of NORMA Group SE with a pro rata amount of the share capital of a total of up to EUR 3,186,240 in accordance with the terms and conditions of the bonds.

The share capital of the Company is conditionally increased by up to EUR 3,186,240 through the issuance of up to 3,186,240 new registered shares (Conditional Capital 2020). The purpose of the Conditional Capital 2020 is to issue shares to the creditors of convertible bonds and/or bonds with warrants and/or participation rights carrying a conversion/option right and / or a conversion/option obligation, which will be issued based on the authorizations granted by the Annual General Meeting of the Company on June 30, 2020, by NORMA Group SE or companies in which NORMA Group SE directly or indirectly holds a majority of the votes and the capital.

Authorization to acquire treasury shares

Pursuant to the resolution of the Annual General Meeting on June 30, 2020, NORMA Group SE is authorized to acquire up to a total of 10% of the share capital of NORMA Group SE at the time at which the resolution is adopted or – in the event that this value is lower – at the time that the authorization is exercised, for any permissible purpose by June 29, 2025 (including that day). The Management Board is authorized to use shares of the Company for any legal purpose. The shareholders' acquisition right to these treasury shares is thereby excluded in certain cases.

NORMA Group SE is authorized to acquire its own shares also by using derivatives such as put options, call options, forward purchases or a combination of these instruments and to conduct corresponding derivative

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transactions. The acquisition of shares using derivatives is limited to a number of shares that does not exceed a proportionate amount of 5% of the share capital existing at the time of the resolution.

NORMA Group's financing agreements, including the contracts for the promissory notes, include the typical change of control clause. In the event of a takeover by a third party, the possibility that NORMA Group would not be able to finance itself at similarly favorable terms and conditions cannot be ruled out.

Dr. Schneider's (retired from the Management Board on December 31, 2022) and Dr. Klein's (retired from the Management Board on April 30, 2023) Management Board service contracts included a special termination right in the event of a change of control. Had their service contracts ended due to this special termination right, the Company would have paid severance compensation when the termination took effect, in the amount of one and a half times the severance cap, but no more than the value of the remuneration for the remaining terms of the service contracts. The service contracts of the current members of the Management Board do not provide for any such special right of termination or other special rights in the event of a change of control.

Report on Transactions with Related Parties

In fiscal year 2023, there were no reportable transactions with related parties.

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Net operating cash flow in FY 2023:

EUR 87.3 million



NORMAFIX® RSGU pipe support clamps: They are suitable for all types of fastening and support applications - for pipes, cables, cable harnesses, cable protection conduits, hoses and other lines.



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from January 1 to December 31, 2023

			T061
	Note	2023	2022
in EUR thousands			
Revenue	(8)	1,222,781	1,243,014
Changes in inventories of finished goods and work in progress		-8,166	15,643
Other own work capitalized		3,011	2,780
Raw materials and consumables used	(9)	-549,646	-596,992
Gross profit		667,980	664,445
Other operating income	(10)	19,608	25,695
Other operating expenses	(11)	-211,799	-223,544
Employee benefits expense	(12)	-321,750	-309,357
Depreciation and amortization	(18, 19)	-77,916	-80,724
Operating profit (EBIT)		76,123	76,515
Financial income		4,194	3,143
Financial costs		-26,864	-15,738
Financial costs – net	(13)	-22,670	-12,595
Profit before income tax		53,453	63,920
Income taxes	(16)	-25,537	-24,745
PROFIT FOR THE PERIOD		27,916	39,175
Other comprehensive income for the period, net of tax			
Other comprehensive income that can be reclassified to profit or loss, net of tax		-22,483	18,314
Exchange differences on translation of foreign operations	(24)	-21,281	13,770
Cash flow hedges, net of tax	(21, 24)	-1,202	4,544
Other comprehensive income that cannot be reclassified to profit or loss, net of tax		-87	3,315
Remeasurements of post-employment benefit obligations, net of tax	(24, 26)	-87	3,315
Other comprehensive income for the period, net of tax		-22,570	21,629
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		5,346	60,804
Profit attributable to			
Shareholders of the parent		27,832	39,068
Non-controlling interests		84	107
Total comprehensive income attributable to			
Shareholders of the parent		5,293	60,721
Non-controlling interests		53	83
(Un)diluted earnings per share (in EUR)	(15)	0.87	1.23

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Assets		T062	
in EUR thousands	Note	Dec 31, 2023	Dec 31, 2022
Non-current assets			
Goodwill	(18)	394,750	402,270
Other intangible assets	(18)	168,990	195,944
Property, plant and equipment	(19)	308,354	295,841
Other non-financial assets	(23)	1,453	2,353
Other financial assets	(21)	911	944
Contract assets		89	—
Derivative financial assets	(21)	4,638	6,162
Income tax assets		231	1,119
Deferred income tax assets	(17)	11,468	19,818
		890,884	924,451
Current assets			
Inventories	(22)	220,096	250,796
Other non-financial assets	(23)	25,324	23,064
Other financial assets	(21)	2,312	2,820
Derivative financial assets	(21)	335	713
Income tax assets		4,606	3,407
Trade and other receivables	(21)	184,507	186,309
Contract assets	(8)	7	450
Cash and cash equivalents	(29)	165,207	168,670
		602,394	636,229
Total assets		1,493,278	1,560,680

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Equity and Liabilities		T063	
in EUR thousands	Note	Dec 31, 2023	Dec 31, 2022
Equity			
Subscribed capital		31,862	31,862
Capital reserve		210,323	210,323
Other reserves		5,654	28,106
Retained earnings		445,263	434,780
Equity attributable to shareholders		693,102	705,071
Non-controlling interests		338	285
Total equity	(24)	693,440	705,356
Liabilities			
Non-current liabilities			
Retirement benefit obligations	(26)	9,319	9,174
Provisions	(27)	4,367	4,300
Borrowings	(21)	437,313	339,679
Other non-financial liabilities	(28)	686	671
Lease liabilities	(20)	32,508	30,173
Deferred income tax liabilities	(17)	40,132	52,851
		524,325	436,848
Current liabilities			
Provisions	(27)	14,589	14,918
Borrowings	(21)	21,431	125,899
Other non-financial liabilities	(28)	38,607	39,958
Contract liabilities	(8)	1,052	1,295
Lease liabilities	(20)	10,108	10,576
Other financial liabilities	(21)	8,724	10,537
Derivative financial liabilities	(21)	544	1,578
Income tax liabilities		6,799	6,992
Trade and other payables	(21)	173,659	206,723
		275,513	418,476
Total liabilities		799,838	855,324
Total equity and liabilities		1,493,278	1,560,680

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from January 1 to December 31, 2023

			T064
		2023	2022
in EUR thousands	Note		
Operating activities			
Profit for the period		27,916	39,175
Depreciation and amortization	(18, 19)	77,916	80,724
Gain (-) / loss (+) on disposal of property, plant and equipment		484	-1,685
Change in provisions	(26, 27)	436	-9,459
Change in deferred taxes	(17)	-2,432	-11,548
Change in inventories, trade account receivables and other receivables, which are not attributable to investing or financing activities	(21, 22, 23)	23,366	-60,361
Change in trade and other payables, which are not attributable to investing or financing activities	(21, 28)	-27,329	25,060
Change in reverse factoring liabilities		-3,918	4,231
Payments for share-based payments		-530	-579
Interest expenses in the period		22,021	11,101
Income (-) / expenses (+) due to measurement of derivatives		1,036	5,036
Other non-cash expenses (+) / income (-)	(29)	-54	-5,080
Cash flow from operating activities		118,912	76,615
thereof interest received		1,552	690
thereof income taxes		-28,324	-32,284
Investing activities			
Investments in property, plant and equipment and intangible assets	(18, 19)	-60,707	-54,500
Proceeds from the sale of property, plant and equipment		946	10,015
Cash flow from investing activities		-59,761	-44,485
Financing activities			
Interest paid		-19,570	-11,106
Dividends paid to shareholders	(24)	-17,524	-23,897
Dividends paid to non-controlling interests		—	-133
Proceeds from borrowings	(21)	119,400	61,939
Repayment of borrowings	(21)	-126,120	-62,016
Repayment of derivatives		-1,862	-5,364
Repayment of lease liabilities		-12,268	-13,941
Cash flow from financing activities	(29)	-57,944	-54,518
Net change in cash and cash equivalents		1,207	-22,388
Cash and cash equivalents at the beginning of the year		168,670	185,719
Effect of foreign exchange rates on cash and cash equivalents		-4,670	5,339
Cash and cash equivalents at the end of the year		165,207	168,670

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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in EUR thousands	Note	Attributable to equity holders of the parent				Total	Non-controlling interests	Total equity
		Subscribed capital	Capital reserve	Other reserves	Retained earnings			
Balance as of Jan 1, 2022		31,862	210,323	9,768	416,296	668,249	335	668,584
Result for the period					39,068	39,068	107	39,175
Exchange differences on translation of foreign operations				13,794		13,794	-24	13,770
Cash flow hedges, net of tax	(21)			4,544		4,544		4,544
Remeasurements of post-employment benefit obligations, net of tax	(24, 26)				3,315	3,315		3,315
Total comprehensive income for the period								
Share-based payment transactions	(25)				-2	-2		-2
Dividends paid	(24)				-23,897	-23,897		-23,897
Dividends paid to non-controlling interests							-133	-133
Total transactions with owners for the period								
Balance as of Dec 31, 2022		31,862	210,323	28,106	434,780	705,071	285	705,356
Balance as of Jan 1, 2023		31,862	210,323	28,106	434,780	705,071	285	705,356
Result for the period					27,832	27,832	84	27,916
Exchange differences on translation of foreign operations				-21,250		-21,250	-31	-21,281
Cash flow hedges, net of tax	(21)			-1,202		-1,202		-1,202
Remeasurements of post-employment benefit obligations, net of tax	(24, 26)				-87	-87		-87
Total comprehensive income for the period								
Share-based payment transactions	(25)				262	262		262
Dividends paid	(24)				-17,524	-17,524		-17,524
Total transactions with owners for the period								
Balance as of Dec 31, 2023		31,862	210,323	5,654	445,263	693,102	338	693,440

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

General information

1. Group information

NORMA Group SE is the ultimate parent company of NORMA Group. Its headquarters are located at 63477 Maintal, Edisonstrasse 4, in the vicinity of Frankfurt, Germany, and the Company is registered in the commercial register of Hanau under the number HRB 94473. NORMA Group SE and its affiliated Group subsidiaries operate in the market as 'NORMA Group'.

NORMA Group SE has been listed in the Prime Standard of Frankfurt Stock Exchange's Regulated Market since April 8, 2011. A detailed overview of NORMA Group SE shareholdings, can be found in [APPENDIX TO THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: VOTING RIGHTS NOTIFICATIONS](#).

NORMA Group was established in 2006 as a result of the merger of Rasmussen GmbH and the ABA Group. Rasmussen was founded in 1949 as Rasmussen GmbH in Germany. It manufactured connecting and retaining elements as well as fluid conveying conduits such as monolayer and multilayer tubes and corrugated tubes. All products were marketed globally under the NORMA brand. ABA Group was founded in 1896 in Sweden. The Group has since developed into a leading multinational company specializing in the design and production of hose and pipe clamps, as well as connectors for many worldwide applications.

In past decades, NORMA Group has, driven by its successful acquisitions and continuous technological innovation with products and operations, developed into a Group of companies of global importance.

NORMA Group supplies its customers via two distribution channels:

Engineered Joining Technology – EJT:
directly to OEMs
and
Standardized Joining Technology – SJT:
via retailers and sales representatives.

The two distribution channels differ in terms of the degree of specification of the products, while having intersections in production and development.

The area of EJT includes sophisticated, individually customized joining technology and is particularly characterized by close development partnerships with OEMs (original equipment manufacturers).

Via its Standardized Joining Technology (SJT), which consists of the two strategic business areas Water Management and Industry Applications, NORMA Group markets a broad range of high-quality, standardized brand products. This also includes various products for stormwater management, irrigation and water

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infrastructure solutions. In addition to its own global distribution network, the Company also relies on multipliers such as sales representatives, retailers and importers.

2. Basis of preparation

The principal accounting policies applied in the preparation of these Consolidated Financial Statements for the fiscal year from January 1, to December 31, 2023 are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Consolidated Financial Statements have been prepared in euros. The exchange rates used by the Group for foreign currency translation are as follows:

per EUR	Exchange rates			
	Spot rate		Average rate	
	Dec 31, 2023	Dec 31, 2022	2023	2022
Australian dollar	1.6263	1.5693	1.6288	1.5164
Brazilian real	5.3618	5.6386	5.4018	5.4406
Chinese renminbi yuan	7.8509	7.3582	7.6587	7.0782
Swiss franc	0.9260	0.9847	0.9716	1.0047
Czech koruna	24.7240	24.1160	24.0044	24.5624
British pound sterling	0.8691	0.8869	0.8698	0.8527
Indian rupee	91.9045	88.1710	89.3040	82.7066
Japanese yen	156.3300	140.6600	151.9021	137.9546
South Korean won	1,433.6600	1,344.0900	1,413.2366	1,357.6447
Malaysian ringgit	5.0775	4.6984	4.9310	4.6277
Mexican peso	18.7231	20.8560	19.1894	21.1932
Polish złoty	4.3395	4.6808	4.5418	4.6854
Serbian dinar	116.8120	116.9248	116.8522	117.0864
Russian ruble	99.9080	78.4640	92.3323	73.5250
Swedish krona	11.0960	11.1218	11.4736	10.6265
Singapore dollar	1.4591	1.4300	1.4522	1.4514
Thai baht	37.9730	36.8350	37.6218	36.8502
Turkish lira	32.6531	19.9649	25.7628	17.3982
US dollar	1.1050	1.0666	1.0815	1.0537

Unless indicated otherwise, all amounts are stated in thousands of euros (EUR thousands). All amounts have been rounded. Therefore, in individual cases, differences in the order of one thousand euros may arise when adding individual values to the total value.

The Consolidated Financial Statements of NORMA Group have been prepared in accordance with International Financial Reporting Standards and the relevant interpretations as adopted by the EU (IFRS) as well as with the regulations under commercial law as set forth in Section 315e of the German Commercial Code (HGB) for the year ended December 31, 2023.

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The Consolidated Statement of Comprehensive Income has been prepared in accordance with the total cost method.

The Consolidated Financial Statements of NORMA Group SE were prepared and released for publication by the Management Board on March 13, 2024. The review and approval by the Supervisory Board was granted on March 14, 2024.

The Consolidated Financial Statements of NORMA Group are being filed and published in the German Federal Gazette (Bundesanzeiger).

The preparation of financial statements in conformity with IFRS requires the Management Board to use certain accounting estimates. It is also required to exercise its judgment in the process of applying the Group's accounting policies. Information on areas involving a higher degree of judgment or complexity and areas in which assumptions and estimates play a significant role in the Consolidated Financial Statements can be found at [NOTE 6 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS](#).

Accounting standards applied for the first time in the current fiscal year

The Group has applied the following standards and amendments for the first time. None of the standards and amendments applied for the first time in the current fiscal year had a material impact on the Consolidated Financial Statements.

- Amendments to IAS 1: Disclosures of accounting policies and IFRS guidance document 2
- Amendments to IAS 8: Definition of accounting estimates
- Amendments to IAS 12: Deferred taxes relating to assets and liabilities arising from a single transaction

The amendments relate to the "Initial Recognition Exemption", which now excludes certain transactions that lead to offsetting temporary differences, such as leases and liabilities from disposal obligations. For these, deferred tax assets and liabilities must be recognized from the beginning of the earliest comparative period. The cumulative effects are recognized as an adjustment to retained earnings or other components of equity. The amendments apply to all other transactions that occur at or after the beginning of the earliest period presented.

As a result of the amendments, NORMA Group recognizes a separate deferred tax asset in respect of the lease liabilities and a deferred tax liability in respect of the right-of-use assets. However, there was no effect on the consolidated balance sheet, as the deferred tax assets and liabilities recognized were netted in accordance with IAS 12.74.

- Amendments to IAS 12: International tax reform – Pillar 2 model rules

Individual provisions of the amendments to IAS 12 published on May 23, 2023, are generally applicable retrospectively for the past fiscal year as a result of the adoption by the EU on November 8, 2023. Deferred taxes in connection with Pillar 2 model rules were not recognized.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been applied early by the Group

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The IASB has issued a number of other pronouncements. The Group currently assumes that these recently implemented accounting pronouncements and pronouncements that have not yet been implemented will not have a material impact on NORMA Group's Consolidated Financial Statements.

3. Summary of significant accounting policies

Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. NORMA Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of an investee begins on the date on which the Group obtains control over the company. It ends when the Group loses control over the investee.

Intercompany transactions, balances and unrealized gains or losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group uses the acquisition method of accounting to account for business combinations. The initial value for the acquisition of a subsidiary is recognized at fair value of the assets transferred, the liabilities incurred on the acquisition date and the equity interests issued by the Group. The initial value recognized includes the fair value of any asset or liability resulting from a contingent consideration arrangement. On the acquisition date, the fair value of the contingent consideration is recognized as part of the consideration transferred in exchange for the acquiree. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the acquisition date. According to IFRS 3, for each business combination, the acquirer measures any non-controlling interest in the acquiree either at fair value (full goodwill method) or at the non-controlling interest's proportionate share of the acquiree's net assets. The Group measures the non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired, is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized immediately in the Consolidated Statement of Comprehensive Income.

In a business combination achieved in stages, the Group remeasures its previously held equity interest in the acquiree at its acquisition-date fair value and recognizes the resulting gain or loss, if any, in profit or loss.

(b) Non-controlling interests

Non-controlling interests have a share in the earnings of the reporting period. Their interests in the shareholders' equity of subsidiaries are reported separately from the equity of the Group.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any

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consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the subsidiary is remeasured at its fair value, with the change in the carrying amount recognized in profit or loss. The initial carrying amount is the fair value for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This means that an amount previously recognized in the currency translation reserve is reclassified to profit or loss as part of the gain or loss on disposal. In the case of only partial disposal without loss of control of a subsidiary that includes a foreign operation, the corresponding portion of the cumulative translation difference is allocated to non-controlling interests.

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Valuation methods

The following table shows the most important valuation methods that form the basis for the preparation of the Consolidated Financial Statements:

Valuation methods		T067
Position	Valuation method	
Assets		
Goodwill	Acquisition costs less potential impairment	
Other intangible assets (except goodwill) – finite useful lives	Amortized costs	
Other intangible assets (except goodwill) – indefinite useful lives	Acquisition costs less potential impairment	
Property, plant and equipment	Amortized costs	
Derivative financial assets:		
Classified as cash flow hedge	According to the rules for hedge accounting	
Classified as fair value hedge	According to the rules for hedge accounting	
Without hedge accounting	At fair value through profit or loss	
Inventories	Lower of cost or net realizable value	
Other non-financial assets	Amortized costs	
Other financial assets	Amortized costs	
Trade and other receivables	Amortized costs	
Trade receivables, available for sale	At fair value through profit or loss	
Contract assets	Input method less potential impairment	
Cash and cash equivalents	Nominal amount/ Amortized costs	
Liabilities		
Pensions	Projected unit credit method	
Other provisions	(Present) value of future settlement amount	
Borrowings	Amortized costs	
Other non-financial liabilities	Amortized costs	
Lease liabilities	Valuation based on IFRS 16.36	
Other financial liabilities:		
Financial liabilities at cost (FLAC)	Amortized costs	
Derivative financial liabilities:		
Classified as cash flow hedge	According to the rules for hedge accounting	
Classified as fair value hedge	According to the rules for hedge accounting	
Without hedge accounting	At fair value through profit or loss	
Contingent consideration	At fair value through profit or loss	
Trade and other payables	Amortized costs	

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Fair value estimation

For financial instruments that are measured in the Statement of Financial Position at fair value in accordance with IFRS 13, IFRS 7 requires a disclosure of fair value measurements by level using the following fair value measurement hierarchy. This comprises three levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities,

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is as prices) or indirectly (that is derived from prices), and

Level 3: Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorized in total is determined on the basis of the lowest level input that is significant to the fair value measurement in total. The different hierarchy levels demand different amounts of disclosure.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Statements are prepared in 'euros' (EUR), which is NORMA Group SE's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the actual exchange rates on the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'financial income / costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income / expenses'.

(c) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each Consolidated Statement of Financial Position presented are translated at the closing rate on the date of that Consolidated Statement of Financial Position;
- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the actual rate on the dates of the transactions); and
- All resulting exchange differences are recognized as a separate component of equity.

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Goodwill and fair value adjustments arising through the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary on the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

(b) Development costs

Costs of research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are expensed as incurred.

Costs for development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, are capitalized if

- development costs can be measured reliably,
- the product or process is technically and commercially feasible, and
- future economic benefits are probable.

Furthermore, NORMA Group intends, and has sufficient resources, to complete development and use or sell the asset. The costs capitalized include the cost of materials, direct labor and other directly attributable expenditure that serves to prepare the asset for use. Such capitalized costs are included in profit or loss in 'own work capitalized'. Capitalized development costs are stated at cost less accumulated amortization and impairment losses with an amortization period of generally three to five years. Development costs which did not meet the requirements are expensed as incurred.

(c) Other intangible assets

Separately acquired other intangible assets are shown at historical cost less accumulated amortization. Intangible assets acquired in a business combination are recognized at fair value on the acquisition date. Other intangible assets which have a finite useful life will be amortized over their estimated useful life. Amortization is calculated using the straight-line method to allocate their cost. Other intangible assets which are determined to have indefinite useful lives as well as intangible assets not yet available for use are not amortized, but instead tested for impairment at least annually. Furthermore, other intangible assets which are determined to have indefinite useful lives and therefore are not amortized will be reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment for these assets.

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In general, the Group's other intangibles are not qualifying assets in accordance with IAS 23 and borrowing costs eligible for capitalization therefore do not exist.

The useful lives of other intangible assets acquired in a business combination are estimates based on the economics of each specific asset, which were determined in the process of the purchase price allocation. The major part of these assets are brand names and customer lists.

Other intangible assets with indefinite useful lives are essentially brand names, for which the end of usability is not foreseeable and therefore indeterminable. These brand names result from acquisitions. For these brand names, an indefinite useful life is assumed. Based on a market perspective, there are no clear indications for a definite useful life of these brand names as they have been well-established in the market for many years.

Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation and impairment. The historical acquisition or production costs include the costs directly attributable to the acquisition or production of the property, plant and equipment as well as appropriate portions of the production-related overheads. Also included, if available, is the present value of the estimated costs of demolition and removal of the item and restoration of the site on which it is located. Borrowing costs eligible for capitalization in the sense of IAS 23 were not available.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is foreseeable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. Costs of major overhauls that meet certain recognition criteria are capitalized as a component of property, plant and equipment or right-of-use assets and depreciated over the appropriate maintenance cycle. All other repairs and maintenance expenses are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation of other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives.

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, on each balance sheet date.

Leasing activities of the Group and their accounting treatment

Leases are recognized as rights of use and corresponding lease liabilities at the time when the leased asset is available for use by the Group. In doing so, each lease payment is divided into repayment and financing expenses. Finance expenses are charged to the income statement over the lease term. The right-of-use asset is amortized on a straight-line basis over the shorter of the useful life and the lease term.

Right-of-use asset and lease liabilities are initially recognized at present value. The lease liabilities generally include the present value of the following lease payments:

- fixed payments (including de facto fixed payments, less any leasing incentives to be received)
- variable lease payments linked to an index or interest rate
- expected residual value payments from residual value guarantees of the lessee
- the exercise price of a purchase option, if it is sufficiently certain that the lessee will exercise it
- penalties for terminating the lease, if the lease term takes into account that the lessee will exercise a termination option

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Lease payments are discounted at the interest rate underlying the lease if this can be determined. Otherwise, they are discounted at the lessee's incremental borrowing rate. Right-of-use assets are measured at cost, which is comprised as follows:

- amount of the initial measurement of the lease liability
- all leasing payments made at or before the commencement date, less any lease incentives received
- all initial direct costs incurred by the lessee, and
- the estimated costs incurred by the lessee in dismantling or removing the underlying asset, restoring the site on which it is located, or returning the underlying asset to the condition required by the lease agreement.

Exceptions in the form of accounting options exist for short-term leases (minimum term of a maximum of twelve months if no purchase option has been agreed) and for low-value assets. The lease payments resulting from these leases are therefore to continue to be included in operating expenses in the future. Furthermore, lessees are granted an accounting option not to separate lease and non-lease components.

i. Extension and termination options

In determining the term of leases, all facts and circumstances that provide an economic incentive to exercise extension options or not to exercise termination options are taken into account. Changes to the term of the lease resulting from the exercise of extension and termination options are only included in the term of the lease if an extension or non-exercise of a termination option is reasonably certain.

The following considerations are taken into account when determining the term of the leases or the inclusion or non-inclusion of extension and termination options:

Contract-related

- existence of renewal or purchase options and their conditions,
- an obligation to dismantle installations or restore them to their original condition,
- amount of lease payments (including all variable payments) for an optional period compared to customary market payments.

Asset-based / Company-based

- the existence of significant leasehold improvements that would be lost in the event of (premature) termination or non-extension of the contract,
- costs in connection with a loss of production upon termination of the lease,
- costs associated with the acquisition of an alternative asset,
- dependence of the business activity (core business) on the continued use of the asset,
- financial consequences of the extension or termination of the lease,
- nature of the leased asset (specific vs. generic / general leased asset; extent to which the leased asset is critical to the lessee's operations).

Market-related

- legal and local regulations to be observed for the (permanent) obligation,
- alternative lease payments for comparable assets.

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The assessment will be reviewed if a significant event or significant change in circumstances occurs that could influence the previous assessment, provided this is within the lessee's control.

Impairment of non-financial assets

(a) Assets with finite useful lives

An impairment test must be carried out for assets with a determinable useful life if there are indications of a possible impairment. If there are any such indications, the amortized carrying amount of the asset is compared with the recoverable amount, which represents the higher of fair value less costs to sell and value in use. The value in use is equivalent to the present value of the future cash flows expected from the continuing use of the asset. To test for impairment, assets are grouped into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows from other assets or cash-generating units. In the event of impairment, the difference between the amortized carrying amount and the lower recoverable amount is recognized as an expense. The impairment loss is reversed as soon as there are indications that the reasons for impairment no longer exist. These may not exceed the amortized cost of acquisition.

(b) Goodwill and other assets with an indefinite useful life

Other intangible assets with an indefinite useful life, other intangible assets not yet ready for use or advance payments on such assets as well as goodwill must be tested for impairment annually. A test is also performed whenever there is any indication that an asset might be impaired. Where the reasons for an impairment no longer exist, the impairment loss is reversed, except in the case of goodwill. The recoverable amount is determined for each individual asset, unless an asset generates cash inflows that are not largely independent of those from other assets or other groups of assets or cash-generating units. In these cases, the impairment test is performed at the relevant level of cash-generating units to which the asset is attributable.

Goodwill acquired in a business combination is allocated at the acquisition date to the cash-generating unit or group of cash-generating units that are expected to profit from the synergies deriving from the business combination. This also represents the lowest level at which goodwill is monitored for internal management purposes. These are the operating and reportable segments EMEA, Americas and Asia-Pacific.

The Group normally determines the recoverable amount using measurement methods based on discounted cash flows.

Brand names with indefinite useful lives acquired in business combinations are tested for impairment at the level at which there is a recoverable amount. This is based on the fair value less costs to sell, which is determined using the relief from royalty method.

For cash-generating units, NORMA Group first determines the relevant recoverable amount as fair value less costs to sell, which it compares with the respective carrying amounts, including allocated goodwill in the case of impairment tests on goodwill. For further information regarding the calculation of the fair value less costs to sell and the underlying key assumptions, please refer to [NOTE 18. GOODWILL AND OTHER INTANGIBLE ASSETS](#).

Inventories

Inventories are stated at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated variable selling costs.

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Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises design costs as well as raw materials, direct labor, other direct costs and related production overheads (based on normal operating capacity). Inventories of the Group are not qualifying assets in accordance with IAS 23, so that the acquisition or production costs do not include capitalized borrowing costs.

Financial instruments

(a) Financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- Debt instruments measured at amortized cost (AC);
- Debt instruments measured at fair value (FVOCI), with cumulative gains and losses reclassified to the income statement when the financial asset is derecognized;
- Debt, derivative and equity instruments at fair value through profit or loss (FVTPL);
- Equity instruments classified as FVOCI, with gains and losses remaining in other comprehensive income (OCI) (without reclassification).

The classification of debt instruments depends on the business model NORMA Group uses to manage its financial assets and the characteristics of the contractual cash flows of these financial assets.

NORMA Group reclassifies debt instruments only when the business model for managing such financial assets changes.

Recognition and derecognition

Regular purchases and sales of financial assets are recognized on the trade date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows have expired or been transferred and the Group has transferred substantially all risks and rewards of ownership.

Measurement

Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Debt instruments

The subsequent measurement of debt instruments depends on the Group's business model for managing the financial asset and the cash flow characteristics of the financial asset.

A debt instrument is measured at amortized cost if the objective of the business model is to hold the financial asset in order to collect the contractual cash flows and the contractual cash flows from the financial asset represent only principal and interest payments and the fair value option is not exercised at inception. Interest income from these financial assets is recognized in financial income using the effective interest method. Gains and losses from derecognition, impairment and currency translation are recognized directly in the Consolidated Statement of Comprehensive Income and reported in other operating income / expenses.

A debt instrument that is held in a business model in which both the contractual cash flows of financial assets are received and financial assets are sold, and in which the contractual cash flows include only principal and interest payments, is measured at fair value with no effect on income, unless the fair value option is exercised upon initial

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recognition. Changes in the carrying amount are recognized in other comprehensive income, except for impairment gains or losses, interest income and gains and losses on currency translation, which are recognized directly in the Consolidated Statement of Comprehensive Income. When the financial asset is derecognized, the cumulative gain or loss recognized in other comprehensive income is reclassified from equity to the Consolidated Statement of Comprehensive Income. Interest income from these financial assets is recognized in financial income using the effective interest method. Gains and losses from currency translation are recognized directly in the Consolidated Statement of Comprehensive Income and reported in other operating income / expenses.

The impairment losses recognized in the Consolidated Statement of Comprehensive Income are disclosed separately in the section “Notes to the Statement of Comprehensive Income.”

All other debt instruments that do not meet these two conditions must be measured at fair value through profit or loss (FVTPL).

Equity instruments

All equity instruments are subsequently measured at fair value. If an equity instrument is not held for trading purposes, NORMA Group may, at the time of initial recognition, make the irrevocable decision to measure it at fair value with recognition of changes in value in other comprehensive income (FVTOCI), whereby only income from dividends is recognized in profit or loss for the period unless it represents a capital repayment.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in the Consolidated Statement of Comprehensive Income under other operating income / expenses.

Impairments

NORMA Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments, which are measured at amortized cost or at fair value with no effect on income.

The Group has three types of financial assets subject to this new model:

- Trade receivables from the sale of goods and the rendering of services,
- Contract assets from research and development activities; and
- Other debt instruments measured at amortized cost.

In the case of trade receivables, NORMA Group applies the simplified approach provided for in IFRS 9, which requires the recognition of expected credit losses over the term of the receivables from their initial recognition; further details can be found in [NOTE 21. \(A\) TRADE AND OTHER RECEIVABLES](#).

Receivables which are significantly overdue, which can be more than 180 days due to the customer structure, or those whose debtors were subject to insolvency or similar proceedings, are individually tested for impairment.

The criteria that the Group uses to determine if there is objective evidence of an impairment loss include:

- A breach of contract, such as a default or delinquency in interest or principal payments;
- The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganization.

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Receivables that are not reasonably expected to be realizable in full or in part are written down accordingly, thus directly reducing the gross carrying amount. For cash and cash equivalents, other debt instruments measured at amortized cost such as receivables from the ABS program and factoring (both from purchase price retentions) and other receivables, mainly from banker's acceptance bills for trade receivables, NORMA Group applies the general impairment approach. As it is our policy to only invest in high-quality assets of issuers with a minimum rating of at least investment grade so as to minimize the risk of credit losses, we use the low credit risk exception. Thus, these assets are always allocated to stage 1 of the three-stage credit loss model and, if material, a loss allowance for an amount equal to 12-month expected credit losses will be recorded. This loss allowance is calculated based on our exposure as of the respective reporting date, the loss given default for this exposure, and the credit default swap spread as a measure of the probability of default. Although NORMA Group only invests in assets with at least an investment grade rating, the development of credit default swap premiums as a measure of a debtor's credit rating is monitored by market participants. In this way, changing risk structures among contractual partners can be identified and any changes can be responded to promptly.

(b) Financial liabilities

Financial liabilities primarily include trade payables, liabilities to banks, derivative financial liabilities and other liabilities.

Financial liabilities that are measured at amortized cost

After initial recognition, financial liabilities are carried at amortized cost using the effective interest method. Trade payables, liabilities to banks and other financial liabilities, in particular, are assigned to this category

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include derivative financial instruments and contingent purchase price liabilities. Gains or losses on financial liabilities that are measured at fair value through profit or loss are included in profit or loss.

(c) Derivative financial instruments and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivative financial instruments not designated as hedges

Gains and losses from derivatives that are not designated as hedges (trading derivatives) are recognized in profit or loss. Trading derivatives are classified as non-current assets or liabilities in accordance with IAS 1.68 and IAS 1.71 if they have a remaining term of more than one year; otherwise they are classified as current.

Derivative financial instruments designated as hedges

Derivatives included in hedge accounting are generally designated as either:

- Hedges of the fair value of recognized assets or liabilities or firm commitments (fair value hedge);
- Hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge); or
- Hedges of a net investment in a foreign operation (net investment hedge).

At the inception of the transaction, NORMA Group documents the relationship between the hedging instruments and the hedged item, including whether changes in the cash flows of the hedging instruments offset changes in

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the cash flows of the hedged item. The Group documents the risk management objectives and strategies for undertaking the hedging transaction.

Further information on the hedging instruments used by the Group can be found at [NOTE 5 FINANCIAL RISK MANAGEMENT](#) and [21. \(F\) DERIVATIVE FINANCIAL INSTRUMENTS](#).

The development of the hedging reserve in equity can be found in [NOTE 21. \(F\) DERIVATIVE FINANCIAL INSTRUMENTS](#).

(d) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Consolidated Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. At NORMA Group, arrangements exist which do not meet the criteria for netting in the Consolidated Statement of Financial Position according to IAS 32.42, as they allow netting only in the case of future events such as default or insolvency on the part of the Group or the counterparty.

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Current and deferred income tax

The tax expenses for the period are comprised of current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted on the balance sheet date in the countries where the Group's subsidiaries operate. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements and on tax losses carried forward and tax credits not yet used. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. A surplus of deferred income tax assets is recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

For taxable temporary differences arising on investments in subsidiaries and associates, deferred tax liabilities are recognized, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group applies the temporary exemption with regard to the recognition of deferred taxes resulting from the introduction of global minimum taxation. As the global minimum taxation is not applicable in any of the countries in which the Group operates in the reporting period and therefore no deferred taxes are to be recognized, there are no effects on the Consolidated Financial Statements.

Employee benefits

(a) Pension obligations

Group companies operate different pension schemes. NORMA Group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions to a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. The major defined benefit plan is the German benefit plan, which defines the amount of pension benefit that an employee will receive on retirement to depend on years of service and remuneration.

The liability recognized in the Consolidated Statement of Financial Position with respect to defined benefit pension plans is the present value of the defined benefit obligation on the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit

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credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates for high-quality fixed-rate corporate bonds denominated in the currency in which the benefits will be paid and whose remaining maturities approximate the maturities of the related pension obligations.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions, as well as returns on plan assets, which are not included within the net interest on the defined benefit liability, are recognized within retained earnings in other comprehensive income (OCI).

Past service costs are recognized fully in the period of the related plan amendment.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefits expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits as a liability and expense on the earlier date of: (a) when the entity can no longer withdraw the offer of those benefits; or (b) when the entity recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. Where the effect of the time value of money is material, the payables are discounted to their present value.

(c) Short-term employee benefits

Employee benefits with short-term payment dates include wages and salaries, social security contributions, vacation pay and sickness benefits and are recognized as liabilities at the repayment amount as soon as the associated job has been performed.

(d) Provisions for other long-term employee benefits

Provisions for obligations similar to pensions (such as anniversary allowances) are comprised of the present value of future payment obligations to the employee less any associated assets measured at fair value. The amount of provisions is determined on the basis of actuarial opinions in line with IAS 19. Gains and losses from the remeasurement are recognized in profit or loss in the period in which they are incurred.

Share-based payments

Share-based payment plans issued at NORMA Group are accounted for in accordance with IFRS 2 "Share-based payments" is reported under this item. In accordance with IFRS 2, NORMA Group in principle distinguishes between equity-settled and cash-settled plans. The financial interest from equity-settled plans granted on the grant date is generally allocated over the expected vesting period against equity until the exit event occurs. Expenses from cash-settled plans are generally also allocated over the expected vesting period until the exit event occurs, but against accruals. For the plans existing on the reporting date, please refer to [NOTE 25 SHARE-BASED PAYMENTS](#).

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Provisions

Provisions are recognized when the Group has a present legal or constructive obligation to third parties as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

If the interest effect is material, the obligations are recognized at the present value of the expected expenses.

In addition to the expected amount of cash outflows, uncertainties also exist regarding the time of outflows. If it is expected that the outflows will take place within one year, the relevant amounts are reported in the short-term provisions.

When the Group is virtually certain to receive a refund for a provision, this refund is recognized in accordance with IAS 37.53 as a separate asset. If the refund is in a close economic relationship with the recognized provision, the expenses from the provision are netted with the income from the corresponding refund in profit or loss.

Income from the release of non-utilized provisions from prior years is recorded within other operating income.

Revenues from contracts with customers (revenue recognition)

NORMA Group recognizes revenue when or as control over distinct goods or services is transferred to the customer, i.e., when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits. The prerequisite for this is that a contract with enforceable rights and obligations exists and, among other things, the receipt of the consideration – taking into account the customer's creditworthiness – is probable. Revenue is the transaction price NORMA Group expects to be entitled to. Variable consideration is included in the transaction price if it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved. The amount of variable consideration is calculated by either using the expected value or the most likely amount depending on which is expected to better predict the amount of variable consideration. Consideration is adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or NORMA Group. If a contract contains more than one distinct good or service, the transaction price is allocated to each performance obligation based on relative stand-alone selling prices. If stand-alone selling prices are not observable, the Company reasonably estimates those. Revenue is recognized for each performance obligation either at a point in time or over time.

NORMA Group makes use of the relief provisions of IFRS 15 and no disclosure is made with regard to performance obligations not yet fulfilled as of the reporting date, as the outstanding performance obligations are part of a contract with an original term of up to twelve months.

(a) Sale of goods

Revenue is recognized at the time when control is transferred to the acquirer in accordance with the agreed Incoterms and no unfulfilled obligations remain. Invoices are issued at that point in time and are usually payable within 30 to 90 days. For the sale of goods, retrospective volume discounts, which usually apply to a calendar year,

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are often agreed. Revenue from these sales is recognized at the amount of the consideration set in the contract less the estimated volume discounts. The estimate of the refund liabilities recognized for these volume rebates is based on experience and revenue recognized in the fiscal year.

(b) Engineering services

Revenue in connection with engineering services is not recognized on a straight-line basis, but is based on the ratio of costs already incurred to the estimated total costs. The determination of the percentage of completion is crucial and also includes estimates regarding the scope of delivery and services as well as the total contract costs, revenues and risks, including technical risks.

Invoices are issued in accordance with the contractual conditions, whereby a payment period of 30 to 90 days after invoicing usually applies.

Contract assets, contract liabilities, refund liabilities and considerations payable to a customer

When either party to a contract with customers has performed, NORMA Group presents a contract asset, a contract liability or a trade receivable depending on the relationship between NORMA's performance and the customer's payment.

A contract asset represents NORMA Group's right to consideration in exchange for goods or services that have been transferred to the customer. The impairment of contract assets is measured, presented and reported on the same basis as for financial assets within the scope of IFRS 9.

Trade receivables are recognized when the right to receive the consideration is no longer subject to a condition (unconditional claim).

Considerations received, which are expected to be reimbursed to the customer are shown as refund liabilities. These liabilities are included in the balance sheet in the item "Trade and other payables". These amounts typically relate to expected volume discounts and annual customer bonuses.

Considerations payable to a customer that cannot be directly allocated to a service or good received by NORMA Group are recognized as a reduction of the transaction price. If this reduction relates to future revenue, this part is recognized in other non-financial assets as consideration payable to a customer.

Government grants

Government grants are not recognized until there is reasonable assurance that the conditions attached to them are complied with and that the grants will be received.

Government grants for the compensation of expenses incurred are recognized in profit or loss as part of the other operating income on a systematic basis over the periods in which the related costs are expensed that the grants are intended to compensate for.

Grants related to non-depreciable assets are recognized in profit or loss as part of the other operating income over the periods that bear the cost of meeting the obligations.

Grants related to depreciable assets are recognized in profit or loss over the periods that bear the expense related to the depreciation of the underlying assets and are recognized as deferred income in the Statement of Financial

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Position. The deferred income is recognized in profit or loss on a straight-line basis over the expected useful life of the underlying asset and reported as part of other operating income.

Dividends paid

Dividends are recognized as a financial liability in the balance sheet at the time the shareholders approve the resolution to distribute them. At the same time, they are recognized in equity as a profit distribution from retained earnings.

4. Scope of consolidation

Besides NORMA Group SE, the Consolidated Financial Statements contain all domestic and foreign companies which NORMA Group SE controls directly or indirectly.

The Consolidated Financial Statements for fiscal year 2023 include five domestic (Dec 31, 2022: six) and 42 foreign (Dec 31, 2022: 43) companies.

The composition of the Group changed as follows:

	2023			2022		
	Total	Domestic	Foreign	Total	Domestic	Foreign
as of January 1	49	6	43	50	6	44
Additions						
Disposals	2	1	1	1		1
of which no longer consolidated				1		1
of which mergers	2	1	1			
as of December 31	47	5	42	49	6	43

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There were no acquisitions or establishments during 2023.

The mergers in 2023 relate on the one hand to the merger of NORMA Group APAC Holding GmbH with NORMA Group Holding GmbH in Germany and on the other hand to DNL Sweden AB with NORMA Sweden AB abroad.

The deconsolidation in 2022 relates to the liquidation of Fengfan Fastener (Shaoxing) Co., Ltd.

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The list of NORMA Group companies is shown in detail in the following table:

List of Group companies of NORMA Group as of Dec 31, 2023 according to § 313(2) HGB						T069
No.	Company	Registered address	held by	Share in %		
				Direct parent company	of NORMA Group SE	
Central Functions						
1	NORMA Group SE	Maintal, Germany				
2	NORMA Group Holding GmbH	Maintal, Germany	1	100		100
Segment EMEA						
3	NORMA Distribution Center GmbH	Marsberg, Germany	2	100		100
4	NORMA Germany GmbH	Maintal, Germany	2	100		100
5	NORMA Verwaltungs GmbH	Maintal, Germany	2	100		100
6	DNL France SAS	Briey, France	2	100		100
7	NORMA Autoline France SAS	Guichen, France	6	100		100
8	NORMA Distribution France SAS	Croissy Beaubourg, France	6	100		100
9	NORMA France SAS	Briey, France	6	100		100
10	DNL UK Ltd.	Newbury, Great Britain	2	100		100
11	NORMA UK Ltd.	Newbury, Great Britain	10	100		100
12	NORMA Italia SpA	Gavardo, Italy	2	100		100
13	Groen Bevestigingsmaterialen B.V.	Purmerend, Netherlands	2	100		100
14	NORMA Netherlands B.V.	Purmerend, Netherlands	19	100		100
15	NORMA Polska Sp. z o.o.	Slawniów, Poland	2	100		100
16	NORMA Group Distribution Polska Sp. z o.o.	Slawniów, Poland	15	100		100
17	Lifial – Indústria Metalúrgica de Águeda, Lda.	Águeda, Portugal	2	99.99		100
18	NORMA Group CIS LLC	Togliatti, Russian Federation	2	99.96		100
19	NORMA Sweden AB	Stockholm, Sweden	2	100		100
20	Connectors Verbindungstechnik AG	Wallisellen, Switzerland	2	100		100
21	NORMA Grupa Jugoistocna Evropa d.o.o.	Subotica, Serbia	2	100		100
22	Fijaciones NORMA, S.A.U.	L'Hospitalet de Llobregat, Spain	2	100		100
23	NORMA Czech, s.r.o.	Hustopecce, Czech Republic	2	100		100
24	NORMA Turkey Bağlantı ve Birleştirme Teknolojileri Sanayi ve Ticaret Limited Şirketi	Kartal-Istanbul, Turkey	5	100		100
25	Kimplas Limited	Newbury, Great Britain	42	100		100

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(Continued) List of Group companies of NORMA Group as of Dec 31, 2023 according to § 313 (2) HGB

No.	Company	Registered address	held by	Share in %	
				Direct parent company	of NORMA Group SE
Segment Americas					
26	NORMA do Brasil Sistemas De Conexão Ltda.	Atibaia, Brazil	34	100	100
27	NORMA Group México S. de R.L. de C.V.	Monterrey, Mexico	33	99.4	100
28	NORMA Distribution and Services, S. de R.L. de C.V.	Juarez, Mexico	33	99	100
29	Craig Assembly Inc.	Auburn Hills, MI, USA	34	100	100
30	National Diversified Sales, Inc.	Woodland Hills, CA, USA	34	100	100
31	NG AM FINSRV I, LLC	Auburn Hills, MI, USA	33	70	100
32	NORMA MANUFACTURING NA SW, LLC [Tijuana]	Auburn Hills, MI, USA	33	100	100
33	NORMA Michigan, Inc.	Auburn Hills, MI, USA	34	100	100
34	NORMA Pennsylvania, Inc.	Auburn Hills, MI, USA	1	100	100
35	NORMA U.S. Holding LLC	Auburn Hills, MI, USA	34	100	100
36	R.G. RAY Corporation [Juarez]	Auburn Hills, MI, USA	34	100	100
Segment Asia-Pacific					
37	NORMA Pacific Pty. Ltd.	Dandenong South, Victoria, Australia	46	100	100
38	NORMA China Co., Ltd.	Qingdao, China	2	100	100
39	NORMA EJT (Changzhou) Co., Ltd.	Changzhou, China	46	100	100
40	NORMA EJT (Wuxi) Co., Ltd.	Wuxi, China	46	100	100
41	NORMA Group Products India Pvt. Ltd.	Pune, India	46	99.99	100
42	KIMPLAS PIPING SYSTEMS PRIVATE LTD	Nashik, Maharashtra, India	46	100	100
43	NORMA Japan Inc.	Tokyo, Japan	46	60	60
44	NORMA Products Malaysia Sdn. Bhd.	Ipoh, Malaysia	46	100	100
45	NORMA Korea Inc.	Seoul, Republic of Korea	46	100	100
46	NORMA Group Asia Pacific Holding Pte. Ltd.	Singapore, Singapore	1	100	100
47	NORMA Pacific (Thailand) Ltd.	Chonburi, Thailand	46	99.99	100

5. Financial risk management

Financial risk factors

Due to its business activities, NORMA Group is exposed to a variety of financial risks, including market, credit and liquidity risks. NORMA Group's financial risk management focuses on the unpredictability of the financial markets and is designed to mitigate potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain exposures.

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Overview of financial risks

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Risk	Risks from	Assessment	Management
Market risk – foreign currency risk	Future transactions and recognized financial assets and liabilities	Cash flow projections and sensitivity analysis	Forward exchange contracts and natural hedges
Market risk – interest rate risk	Long-term borrowings at variable interest rates	Sensitivity analysis	Interest rate swaps
Default risk	Cash and cash equivalents, derivative financial instruments, trade receivables and contractual assets	Age structure analysis and credit rating	Diversification of bank balances, credit limits and letters of credit
Liquidity risk	Payment obligations arising from borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and facilities, liquidity as well as trade working capital management and cash items

Financial risk management is performed by the Group Treasury & Insurance department (Group Treasury). The responsibility and necessary controls related to risk management are defined by NORMA Group's management. Group Treasury is responsible for identifying and assessing financial risks in close consultation with the Group's operating units. Furthermore, Group Treasury acts as the first point of contact for the subsidiaries. In a close dialogue, Group Treasury informs and trains the companies and technically handles the internal and external hedging processes. The principles established by NORMA Group's management apply to the use of derivative and non-derivative financial instruments and to the investment of liquidity surpluses.

(a) Market risk

Foreign exchange risk

As a company that operates internationally, NORMA Group is active in 100 different countries and is exposed to the currency risk resulting from various foreign currency positions with regard to the most important currencies, the US dollar, British pound, Chinese renminbi, Indian rupee, Polish zloty, Swedish krona, Czech koruna, Serbian dinar, Singapore dollar and Mexican peso. .

Taking into account the respective risk-bearing capacity of the subsidiaries, Treasury Risk Management seeks to achieve a reasonable hedging level of net foreign currency risks (as a result of taking foreign currency inflows and outflows into account). Highly volatile net foreign currency risks are thus hedged with increased hedging ratios.

The Group uses forward exchange contracts to hedge the foreign currency risk arising from its operating activities. The risk arises from a possible change in future cash flows from an expected and highly probable transaction in a non-functional currency, where the change is due to a change or fluctuation in the exchange rate. The hedging relationship is designated as a cash flow hedge. NORMA Group designates only the spot component as a hedging element. Gains or losses on the effective portion of the change in the spot component of the forward contract are recognized in the hedging reserve as a component of equity. Changes in the forward component of the hedging instrument that relate to the hedged item ("aligned forward element") are recognized in other comprehensive income in the hedging reserve as a component of equity.

Furthermore, forward exchange contracts are used to hedge intracompany financing transactions that involve foreign exchange risks arising from loans between Group companies in non-functional currencies. The Group designates such loans and hedging instruments as fair value hedges in order to achieve the offsetting effects of hedged items and hedges in the same income statement line item. The Group designates only the spot component as the hedging element. Gains or losses on the effective portion of the change in the spot component of the

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forward transaction are recognized in financial income (expense), analogous to those on the hedged item. The changes in the forward component of the hedging instrument that relate to the hedged item (“aligned forward element”) are also recognized in this item.

For further information on the instruments used by the Group to hedge foreign currency risk, please refer to [NOTE 21. \(F\) DERIVATIVE FINANCIAL INSTRUMENTS](#).

In accordance with the Group guideline, the main contractual conditions of the forward transactions for all hedging relationships must correspond to the hedged underlying transactions.

The effects of changes in the exchange rates of financial assets and financial liabilities denominated in foreign currencies are presented below.

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Foreign exchange risk

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in EUR thousands	Dec 31, 2023		Dec 31, 2022	
	+10%	-10%	+10%	-10%
Currency relation				
EUR / USD				
Profit before tax	-920	1,125	-452	553
EUR / GBP				
Profit before tax	145	-178	-667	816
EUR / CNY				
Profit before tax	-142	174	-309	378
EUR / INR				
Profit before tax	-118	144	-202	246
EUR / PLN				
Profit before tax	473	-578	490	-599
EUR / SEK				
Profit before tax	630	-770	351	-429
EUR / CHF				
Profit before tax	67	-82	63	-78
EUR / CZK				
Profit before tax	1,062	-1,298	-1,584	1,936
EUR / RSD				
Profit before tax	-783	957	-515	629
EUR / SGD				
Profit before tax	-18	22	-18	22

Interest rate risk

NORMA Group's interest rate risk arises from borrowings with variable interest rates. These expose the Group to a cash-flow-related interest rate risk, which is partly offset by hedging transactions (interest rate swaps). As there is currently a correspondingly more restrictive monetary policy in the Eurozone, NORMA Group rates the risk of interest rate increases for the euro as very likely in the short term. In the medium and longer term, the risk of interest rate increases is assessed as likely. In view of the current interest rate level in the Eurozone, the opportunities that could arise from a falling interest rate level are assessed as unlikely on the other hand.

Interest rate cuts are considered very likely in the USD area, which would lead to corresponding opportunities for NORMA Group. Against the backdrop of the measures already implemented to optimize financing, the financial impact associated with these opportunities is assessed as low. In fiscal year 2023, NORMA Group converted financial instruments that referenced USD LIBOR as interest rate to a successor reference interest rate (Term SOFR). This did not result in any significant balance sheet effects.

Currently existing swaps cover around 19% (2022: 24%) of the outstanding variable-interest loans. In the variable-rate USD loans, the comparable hedge ratio is 57% (2022: 55%). For further information on the instruments used by the Group to hedge interest rate risk, please refer to [NOTE 21. \(F\) DERIVATIVE FINANCIAL INSTRUMENTS](#).

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The effects of changes in interest rates on liabilities to banks with variable interest rates and on interest rate swaps used in hedge accounting are explained in more detail below. Borrowings with fixed interest rates are not included in this analysis.

If the interest rates of euro- and US-dollar-denominated borrowings in fiscal year 2023 had been 100 basis points higher (*ceteris paribus*), NORMA Group's profit before taxes for fiscal year 2023 would have been EUR 2,322 thousand lower (2022: EUR 1,799 thousand lower) and the other result would have been EUR 1,427 thousand higher (2022: EUR 1,947 thousand higher).

If the interest rates of euro- and US dollar-denominated borrowings in fiscal year 2023 had been 100 basis points lower (2022: 50 basis points) lower (*ceteris paribus*), NORMA Group's profit before taxes for fiscal year 2023 would have been EUR 2,322 thousand higher (2022: EUR 627 thousand higher). Other comprehensive income would have been EUR 1,488 thousand lower (2022: EUR 1,011 thousand lower).

Other price risks

NORMA Group is exposed to other economic price risks. For further information, please refer to the [RISK AND OPPORTUNITY REPORT](#).

(b) Credit risk

The Group's exposure to credit risk arises from the possibility that counterparties will fail to meet their obligations arising from their operating and financing activities. Credit risk arises from cash and cash equivalents, from deposits with banks and financial institutions and from customer default risk, including outstanding receivables and committed transactions.

Credit risk is monitored at the Group level. To minimize credit risk from business activities and financial transactions, each contractual partner is assigned a credit line, the use of which is monitored on a regular basis.

In order to reduce the credit risk arising from the Company's investment activities and derivative financial assets, it is its internal policy to enter into all transactions only with recognized, large financial institutions and issuers, each with high external credit ratings.

In the operating business, default risks are monitored continuously.

The aggregate carrying amounts of financial assets represent the maximum default risk. Due to the Group's heterogeneous customer structure, there is no concentration of risk.

As of December 31, 2023 the credit risk position for the gross carrying amounts of cash and cash equivalents and other financial assets was as follows:

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Credit risk exposure from cash and cash equivalents and other financial assets

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as of Dec 31, 2023

in EUR thousands	External rating	Gross carrying amount not credit-impaired	Gross carrying amount credit-impaired
Risk class 1 – low risk	AA – BBB+	179,707	
as of Dec 31, 2022			
in EUR thousands	External rating	Gross carrying amount not credit-impaired	Gross carrying amount credit-impaired
Risk class 1 – low risk	AA – BBB+	185,549	

Further details on the credit risk positions for trade receivables can be found at [NOTE 21. \(A\) TRADE AND OTHER RECEIVABLES](#).

(c) Liquidity risk

Prudent liquidity risk management requires the holding of sufficient cash and marketable securities, the availability of funding through committed credit lines at appropriate levels, and the ability to close out market positions. Due to the dynamic nature of the underlying business, Group Treasury seeks to maintain flexibility in funding by maintaining the availability of committed credit lines.

The remaining promissory note loans from 2013, 2014, 2016 as well as 2023 (outstanding volume on Dec 31, 2023: EUR 206.5 million) were each issued in 3-, 5-, 7- and 10- year EUR tranches. Scheduled repayments of the promissory note loans from 2013 and 2016 in the amount of EUR 56.35 million were made in the fiscal year 2023. In August 2023, NORMA Group successfully issued a new promissory note loan of EUR 120.0 million for general corporate financing and to refinance maturing financial liabilities.

In 2021, an additional revolving committed credit line of a further EUR 50.0 million was established via the accordion facility. This has a maturity similar to the existing syndicated bank loan, which was extended by one additional year, through the end of 2026, as part of the expansion of the credit line. Both committed revolving credit lines in the total amount of now EUR 100.0 million were not drawn as of December 31, 2023.

In addition, the syndicated bank loan and the promissory note from 2023 contain a sustainability component. This links the financing conditions to NORMA Group's commitment in the area of corporate responsibility. This commitment is measured by a rating from an external service provider. In 2023, NORMA Group – as in the previous year – achieved a corresponding sustainability rating, which enabled savings to be made in the external credit margin of the syndicated bank loan. The agreed interest margin for the syndicated bank loan could therefore also be kept at a lower level in the current year. Failure to meet the sustainability targets would increase the future interest burden.

The Commercial Paper program launched in fiscal year 2019 with a total volume of up to EUR 300 million consists of short-term (1 – 52 weeks) bearer bonds. The revolving issuance of such short-term debt securities enables the Group to manage and optimize its short-term financing requirements even more flexibly via the money and capital markets in addition to its current credit lines with various banks. As of the reporting date December 31, 2023, the Commercial Paper program was utilized in the amount of EUR 0 million (Dec 31, 2022: EUR 25 million)

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The liquidity situation is constantly monitored with regard to business development, investments planned and the repayment of loans.

The following table contains the contractually agreed, undiscounted future payments. Financial liabilities denominated in foreign currencies are translated in the Consolidated Statement of Financial Position at the closing rate. Interest payments on financial instruments with variable interest rates are determined on the basis of the interest rates on the reporting date.

Maturity structure of non-derivative financial liabilities					T073
as of Dec 31, 2023					
in EUR thousands	up to 1 year	> 1 year up to 2 years	> 2 years up to 5 years	> 5 years	
Borrowings	42,735	47,845	413,832	29,768	
Trade and other payables	173,659				
Other financial liabilities	8,725				
	225,119	47,845	413,832	29,768	
as of Dec 31, 2022					
in EUR thousands	up to 1 year	> 1 year up to 2 years	> 2 years up to 5 years	> 5 years	
Borrowings	125,899	18,044	322,023		
Trade and other payables	206,723				
Other financial liabilities	10,538				
	343,160	18,044	322,023		

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The maturity structure of the derivative financial instruments based on cash flows is as follows:

Maturity structure of derivative financial instruments					T074
as of Dec 31, 2023					
in EUR thousands	up to 1 year	> 1 year up to 2 years	> 2 years up to 5 years	> 5 years	
Derivative receivables - gross settlement					
Cash outflows	-25,436		-25,808		
Cash inflows	25,743		25,289		
Derivative liabilities - gross settlement					
Cash outflows	-15,996				
Cash inflows	15,385				
Derivative receivables - net settlement					
Cash inflows	2,352	1,271	1,114		
	2,048	1,271	595		
as of Dec 31, 2022					
in EUR thousand	up to 1 year	> 1 year up to 2 years	> 2 years up to 5 years	> 5 years	
Derivative receivables - gross settlement					
Cash outflows	-24,394				
Cash inflows	25,107				
Derivative liabilities - gross settlement					
Cash outflows	-27,844				
Cash inflows	26,266				
Derivative receivables - net settlement					
Cash inflows	2,337	1,553	2,272		
	1,472	1,553	2,272		

Capital risk management

NORMA Group's objectives in managing its capital are to continue to be able to service its debt and to remain financially stable.

The Group is obliged to comply with the financial covenant total net debt cover ("debt" in relation to adjusted Group EBITDA) for a small portion of a promissory note tranche from 2014, which is monitored on an ongoing basis. This financial covenant is based on the Group's Consolidated Financial Statements as well as on special definitions of the bank facility agreements. In the event of noncompliance with the financial covenant, there are several options for remedying the situation in the form of exemption regulations or shareholder measures. If there is a breach of a covenant that is not remedied, loan agreements may possibly be called due. The underlying financial ratio may not exceed a value of 3.75. In the fiscal year 2023, the value of the key figure was 2.2.

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6. Critical accounting estimates and judgments

Estimates with regard to the future and discretionary decisions are continuously assessed by the Group and are based on empirical values and assumptions that are deemed appropriate under the given circumstances.

The resulting accounting estimates will, by definition, seldom equal the respective actual results.

According to scientific findings, global climate change will impact the global economy in many ways. Business models and competitive advantages can be sustainably influenced by climate change. Due to increasingly tightly interconnected global supply and value chains, the industry is particularly affected by potential risks and damage. In order to take account of the resulting economic uncertainties and volatilities, NORMA Group conducts an analysis of potential opportunities and risks for its company structure and future sales markets and takes these considerations into account when preparing the Consolidated Financial Statements.

Risks and uncertainties arising from climate change could affect the following areas of the Consolidated Financial Statements in particular:

- Impairment of non-financial assets: The uncertainties related to climate change could result in changes in cash flow projections or the level of risk associated with achieving those cash flows.
- Useful lives of assets: Climate-change-related factors could result in assets becoming physically unusable or commercially obsolete sooner than anticipated.
- Realization of deferred tax assets: The uncertainties related to climate change could lead to changes in projected future taxable profits.

The impact of the ongoing war in Ukraine, the conflict in the Middle East and the other macroeconomic risks (e.g., from inflation, the economy, interest rate policy, supply chain problems) on NORMA Group is complex and results mainly from the increase in energy and raw material prices as well as supply bottlenecks. The escalation of these conflicts would further increase the risk of a global economic downturn, which in combination with continued inflation and rising interest rates could lead to a significant decline in consumption.

In order to take account of the resulting economic uncertainties and volatilities, NORMA Group conducts an analysis of potential opportunities and risks for its company structure and future sales markets and takes these considerations into account when preparing the Consolidated Financial Statements.

The risks and uncertainties arising from the war in Ukraine and the other macroeconomic risks could have the following consequences:

- Volatility on the raw material markets
- Margin reductions to the extent that price increases cannot be passed on immediately to customers
- Changes in interest rates in various countries
- Growing volatility of foreign currency exchange rates
- Declining and volatile share prices
- Deteriorating creditworthiness, payment defaults or late payments

These factors can impact the fair value and carrying amount of assets and liabilities as well as cash flow forecasts, in particular on the measurement of pension provisions, the discount rate for goodwill impairment testing purposes and the recoverability of deferred tax assets.

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Material accounting-related estimates

Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year were not identified.

Significant discretionary decisions

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgments are required in determining the worldwide liabilities for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters differs from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. As at December 31, 2023, income tax liabilities amounted to EUR 6,799 thousand (Dec 31, 2022: EUR 6,992 thousand) and the deferred tax liabilities amounted to EUR 40,132 thousand (Dec 31, 2022: EUR 52,851 thousand). Deferred tax assets are recognized if sufficient taxable income is available in the future. Among other factors, the planned results from operating activities, the effects on earnings from the reversal of taxable temporary differences and possible tax strategies that NORMA Group would pursue are taken into account. Based on the taxable income generated in past periods and the planned future taxable income, NORMA Group assesses the recoverability of deferred tax assets at each balance sheet date. Since future business developments are uncertain and partly beyond NORMA Group's control, assumptions are required to estimate future taxable income and the timing of the realization of deferred tax assets. Estimates are adjusted in the period in which there are sufficient indications for an adjustment.

Reverse factoring agreements – presentation of amounts in connection with the supply chain financing agreement in the balance sheet and cash flow statement

The Group participates in a supply chain financing agreement (SCF) under which suppliers can choose to receive earlier payment of their invoices from a bank by selling their receivables from the Group (factoring). In this agreement, the bank agrees to pay invoice amounts owed by the Group to participating suppliers and to receive compensation from the Group at a later date. The purpose of this agreement is to facilitate efficient payment processes and to enable willing suppliers to sell their receivables from the Group to a bank before the due date. The Group has not derecognized the original liabilities subject to this agreement, as neither a legal exemption was obtained nor was the liability significantly changed by entering into the agreement. From a Group perspective, the agreement does not significantly extend the payment deadline compared to normal deadlines with other non-participating suppliers. The amounts factored by suppliers are therefore reported under trade payables, as the nature and function of the financial liability correspond to other trade payables. [NOTE 21. \(e\) i – TRADE AND OTHER PAYABLES](#)

The cash flows from the reverse factoring programs for the settlement of the original trade accounts payable are presented under cash flow from operating activities, as this corresponds to the economic substance of the transactions. [NOTE 29 – INFORMATION ON THE CONSOLIDATED STATEMENT OF CASH FLOWS](#)

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7. Adjustments

Management adjusts the result for the financial year for certain expenses and income in connection with realized M&A transactions in order to manage the Group's operations. Adjustments are made in accordance with the management approach in segment reporting. Hence, the following results, which are adjusted by these expenses, reflect the Management Board's perspective.

Acquisition-related expenses and income as part of realized M&A transactions are adjusted. These may include, for example, costs for legal advice, due diligence, auditing, expert opinions, travel expenses and similar. In addition, integration expenses are adjusted following acquisitions within the first twelve months. This includes all forms of external consulting, severance costs, IT connection and other external implementation and integration costs.

In addition, effects from the purchase price allocation (PPA), such as expenses from depreciation and amortization of property, plant and equipment and intangible assets from revaluation effects, so-called step-up effects, are adjusted over time.

The following table shows the reconciliation for the adjusted result.

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The following table shows profit or loss net of these expenses:

Profit and loss net of adjustments

T075

in EUR thousands	2023 unadjusted	M&A related costs	Step-up effects from purchase price allocations	Total adjustments	2023 adjusted
Revenue	1,222,781				1,222,781
Changes in inventories of finished goods and work in progress	-8,166				-8,166
Other own work capitalized	3,011				3,011
Raw materials and consumables used	-549,646				-549,646
Gross profit	667,980				667,980
Other operating income and expenses	-192,191	188		188	-192,003
Employee benefits expense	-321,750				-321,750
EBITDA	154,039	188		188	154,227
Depreciation	-53,334		846	846	-52,488
EBITA	100,705	188	846	1,034	101,739
Amortization	-24,582		20,324	20,324	-4,258
Operating profit (EBIT)	76,123	188	21,170	21,358	97,481
Financial costs - net	-22,670				-22,670
Profit before income tax	53,453	188	21,170	21,358	74,811
Income taxes	-25,537	-57	-5,325	-5,382	-30,919
Profit for the period	27,916	131	15,845	15,976	43,892
Non-controlling interests	84				84
Profit attributable to shareholders of the parent	27,832	131	15,845	15,976	43,808
Earnings per share (in EUR)	0.87	0.00	0.50	0.50	1.37

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(continued) Profit and loss net of adjustments

in EUR thousands	2022 unadjusted	Step-up effects from purchase price allocations	Total adjustments	2022 adjusted
Revenue	1,243,014			1,243,014
Changes in inventories of finished goods and work in progress	15,643			15,643
Other own work capitalized	2,780			2,780
Raw materials and consumables used	-596,992			-596,992
Gross profit	664,445			664,445
Other operating income and expenses	-197,849			-197,849
Employee benefits expense	-309,357			-309,357
EBITDA	157,239			157,239
Depreciation	-51,626	1,252	1,252	-50,374
EBITA	105,613	1,252	1,252	106,865
Amortization	-29,098	21,197	21,197	-7,901
Operating profit (EBIT)	76,515	22,449	22,449	98,964
Financial costs - net	-12,595			-12,595
Profit before income tax	63,920	22,449	22,449	86,369
Income taxes	-24,745	-5,631	-5,631	-30,376
Profit for the period	39,175	16,818	16,818	55,993
Non-controlling interests	107			107
Profit attributable to shareholders of the parent	39,068	16,818	16,818	55,886
Earnings per share (in EUR)	1.23	0.52	0.52	1.75

In the fiscal year 2023, acquisition related expenses of EUR 188 thousand were adjusted within EBITDA (earnings before interest, taxes, depreciation of property, plant and equipment and amortization of intangible assets). These relate to expenses in connection with the agreement to acquire the Italian company Teco Srl. There were no integration costs to be adjusted in the fiscal year.

There were no adjustments within EBITDA in the financial year 2022.

As in the previous year, depreciation on property, plant and equipment from purchase price allocations in fiscal year 2023 amounting to EUR 846 thousand (2022: EUR 1,252 thousand) within EBITA (earnings before interest, taxes and amortization of intangible assets) and amortization of intangible assets in the amount of EUR 20,324 thousand (2022: EUR 21,197 thousand) from purchase price allocations were adjusted within EBIT.

The theoretical taxes resulting from the adjustments are calculated using the respective tax rate of each Group entity and are taken into consideration in adjusted earnings after taxes.

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8. Revenue from contracts with customers

Revenue recognized during the period related to the following:

Revenue by distribution channel								T076	
in EUR thousands	EMEA		Americas		Asia-Pacific		Consolidated Group		
	2023	2022	2023	2022	2023	2022	2023	2022	
Engineered Joining Technology (EJT)	388,148	363,480	201,286	215,370	120,210	119,907	709,644	698,757	
Standardized Joining Technology (SJT)	121,885	121,165	332,170	355,181	52,651	58,923	506,706	535,269	
Other revenues	4,618	4,547	1,051	3,691	762	750	6,431	8,988	
	514,651	489,192	534,507	574,242	173,623	179,580	1,222,781	1,243,014	

Revenue by categories are as follows:

Revenue by category								T077	
in EUR thousands	EMEA		Americas		Asia-Pacific		Consolidated Group		
	2023	2022	2023	2022	2023	2022	2023	2022	
Revenues from the sale of goods	509,487	483,518	533,008	570,056	172,635	178,673	1,215,130	1,232,247	
Other revenues	5,164	5,674	1,499	4,186	988	907	7,651	10,767	
	514,651	489,192	534,507	574,242	173,623	179,580	1,222,781	1,243,014	

Other revenue mainly consists of revenue from the sale of production residues in metal production.

Revenue in 2023 includes income of EUR 1,982 thousand (2022: EUR 1,323 thousand) from the reversal of reimbursement liabilities recognized in the previous period. The reversals represent the difference between the recognized expected volume discounts and annual bonuses for customers in the previous period and the actual payment in the fiscal year as well as the differences from recognized deferred revenues from price negotiations with customers of NORMA Group that were not concluded in the previous year.

An analysis of sales by region, can be found at [NOTE 30. SEGMENT REPORTING](#).

Contract assets and liabilities

Contract assets represent revenues from development services rendered, which were realized based on the ratio of costs already incurred to the estimated total costs. The contract liabilities represent advance payments received for goods to be supplied by NORMA Group. Of the contract assets and liabilities, EUR 7 thousand and EUR 1,052 thousand (2022: EUR 450 thousand and EUR 1,295 thousand respectively) are expected to be realized or fulfilled within the next twelve months. The contract liabilities from advance payments received of EUR 1,295 thousand recognized as of January 1, 2023, were recognized as revenue in the fiscal year, net of any sales taxes.

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9. Materials and consumables used

Raw materials and consumables used comprised the following:

Raw materials and consumables used		T078
in EUR thousands	2023	2022
Cost of raw materials, consumables and supplies	-499,174	-548,573
Cost of purchased services	-50,472	-48,419
	-549,646	-596,992

10. Other operating income

Other operating income comprised the following:

Other operating income		T079
in EUR thousands	2023	2022
Currency gains operational	8,672	13,407
Reversal of provisions	1,819	867
Reversal of accruals	3,717	4,858
Grants related to employee benefits expense	140	205
Reimbursement of vehicle costs	862	876
Other income from disposal of fixed assets	433	2,143
Foreign exchange derivatives	24	17
Government grants	957	877
Cost recharges from suppliers	851	215
Refund other taxes	1,116	105
Refund custom duties	265	745
Others	752	1,380
	19,608	25,695

Other income from the disposal of non-current assets in fiscal year 2022 mainly results from the sale of a plot of land with buildings in the United States as part of a sale-and-leaseback transaction.

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11. Other operating expenses

Other operating expenses comprised the following:

Other operating expenses	T080	
in EUR thousands	2023	2022
Consulting and marketing	-21,194	-21,044
Expenses for temporary workforce and other personnel-related costs	-54,676	-53,681
Freights	-39,341	-45,813
IT and telecommunications	-25,213	-30,988
Rentals and other building costs	-9,033	-8,352
Travel and entertainment	-8,610	-7,659
Currency losses operational	-9,704	-10,854
Research & development	-1,849	-2,848
Vehicle costs	-3,070	-2,726
Maintenance	-3,028	-2,961
Commission payable	-5,069	-4,893
Non-income-related taxes	-4,017	-3,102
Insurances	-5,689	-4,616
Office supplies and services	-2,893	-2,905
Write-offs and impairment losses on trade accounts receivable	-890	-253
Guarantees and penalties	-3,603	-8,943
Other administrative expenses	-10,020	-9,611
Others	-3,900	-2,295
	-211,799	-223,544

12. Employee benefits expense

Employee benefits expense comprised the following:

Employee benefits expense	T081	
in EUR thousands	2023	2022
Wages and salaries and other benefits	-263,886	-252,397
Social security costs	-44,919	-44,069
Pension costs - defined contribution plans	-11,933	-11,433
Pension costs - defined benefit plans	-1,012	-1,458
	-321,750	-309,357

In 2023, the average headcount was 6,094 (2022: 6,233).

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13. Financial income and costs

Financial income and costs comprised the following:

Financial income and costs	T082	
in EUR thousands	2023	2022
Financial costs		
Interest expenses		
Bank borrowings	-22,268	-9,690
Hedging instruments	2,527	257
Leases	-1,457	-1,106
Expenses for interest accrued on provisions	-77	64
Expenses for interest accrued on pensions	-278	-146
Foreign exchange losses on financing activities	-3,037	-2,950
Expenses from valuation of derivatives	-1	-199
Other financial cost	-2,273	-1,968
	-26,864	-15,738
Financial income		
Interest income on short-term bank deposits	1,552	690
Foreign exchange result on financing activities	2,605	2,089
Income from valuation of derivatives	26	354
Other financial income	11	10
	4,194	3,143
Net financial cost	-22,670	-12,595

The increase in interest expense compared to the previous year resulted mainly from the effects of interest rate increases in the US dollar area and the Eurozone. [NOTE 5 FINANCIAL RISK MANAGEMENT](#)

Transaction costs in connection with financing are netted with the bank borrowings. They are amortized over the financing period of the respective debt using the effective interest method, and are included in the interest expense item. The remaining amount to be allocated to the remaining terms of the financing as of December 31, 2023, amounted to EUR 747 thousand (2022: EUR 388 thousand).

The items foreign exchange losses and foreign exchange gains on financing activities contain the effects of the translation of external and intragroup foreign currency loans and the effects of foreign currency derivatives used to hedge these loans. The hedging relationship was classified as a hedge of fair value changes, as a result of which the effects from the measurement of the derivatives and from the measurement or translation of the financial liabilities are reflected in the financial result. The net effect is shown within [NOTE 14 NET FOREIGN EXCHANGE GAINS / LOSSES](#). Furthermore, effects from the translation of bank balances in foreign currencies are included in these items.

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14. Net foreign exchange gains / losses

The exchange differences recognized in profit or loss are as follows:

Net foreign exchange gains / losses		T083	
in EUR thousands	Note	2023	2022
Currency gains operational	(10)	8,672	13,407
Currency losses operational	(11)	-9,704	-10,854
Foreign exchange result on financing activities	(13)	-432	-861
Result from foreign exchange rate derivatives	(10, 13, 21)	25	155
		-1,439	1,847

15. Earnings per share (EPS)

Earnings per share are calculated by dividing net income for the period attributable to NORMA Group's shareholders by the weighted average number of shares issued during the period under review. NORMA Group has only issued common shares.

As of December 31, 2023, and 2022, there were no dilutive effects on earnings per share.

Earnings per share in 2023 and 2022 were as follows:

Earnings per share		T084	
		2023	2022
Profit attributable to shareholders of the parent (in EUR thousands)		27,832	39,068
Number of weighted shares		31,862,400	31,862,400
Earnings per share (un)diluted (in EUR)		0.87	1.23

16. Income taxes

The breakdown of income taxes is as follows:

Income taxes		T085	
in EUR thousands		2023	2022
Current tax expenses		-27,925	-36,185
Deferred tax income		2,388	11,440
Total income taxes		-25,537	-24,745

The combined income tax rate for the German companies for 2023 amounted to 30.1% (2022: 30.1%), comprising corporate income tax at a rate of 15%, the solidarity surcharge of 5.5% on corporate income tax and trade income

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tax at an average rate of 14.2%. The taxation of the foreign subsidiaries is calculated on the basis of the tax rate applicable in the respective country of domicile. Deferred taxes, calculated using the tax rates which apply respectively, are expected to apply in the various countries at the time of realization.

The income tax expense of the Group actually reported differs from the theoretical income tax expense based on the total German income tax rate for 2023 as follows:

Tax reconciliation		T086
in EUR thousands		
Profit before tax	2023	2022
	53,453	63,920
Group tax rate	30.1%	30.1%
Expected income taxes	-16,089	-19,240
Tax effects of:		
Tax losses and tax credits from the actual year for which no deferred income tax is recognized	-9,504	-3,649
Effects from the deviation of the Group tax rate resulting mainly from different foreign tax rates	3,743	6,723
Non-deductible expenses for tax purposes	-282	-3,651
Other tax-free income	525	191
Non-deductible withholding tax	-2,021	-2,947
Income taxes related to prior years	631	-1,382
Deferred tax assets recognized in the current fiscal year from loss carryforward from the previous year	-2,302	-910
Impairment of other tax assets		
Other	-238	120
Income taxes	-25,537	-24,745

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The income tax charged / credited directly to other comprehensive income during the year is as follows:

Income tax charged / credited to other comprehensive income				T087
2023				
in EUR thousands	Before tax amount	Tax charge/ credit	Net of tax amount	
Cash flow hedges gains/losses	-1,696	494	-1,202	
Remeasurements of post-employment benefit obligations	-282	195	-87	
Other comprehensive income	-1,978	689	-1,289	
2022				
in EUR thousands	Before tax amount	Tax charge/ credit	Net of tax amount	
Cash flow hedges gains/losses	6,409	-1,865	4,544	
Remeasurements of post-employment benefit obligations	4,699	-1,384	3,315	
Other comprehensive income	11,108	-3,249	7,859	

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17. Deferred income tax

Deferred income tax assets and liabilities developed as follows in the fiscal year:

Movement in deferred tax assets and liabilities		T088	
in EUR thousands		2023	2022
Deferred tax liabilities (net) - as of Jan 1		33,033	39,477
Deferred tax income		-2,388	-11,440
Tax charged to other comprehensive income		-689	3,249
Foreign exchange rate differences		-1,292	1,747
Deferred tax liabilities (net) - as of Dec 31		28,664	33,033

Deferred income tax assets and liabilities (excluding offsetting within individual tax jurisdictions) are as follows:

Deferred income tax assets		T089	
in EUR thousands		Dec 31, 2023	Dec 31, 2022
Intangible assets		3,235	2,939
Property, plant and equipment		1,135	1,044
Other assets		2,177	1,863
Inventories		4,581	4,450
Trade receivables		3,595	4,504
Retirement benefit obligations/pension liabilities		1,309	1,426
Provisions		574	516
Borrowings		557	1,951
Other liabilities, incl. derivatives		13,321	13,340
Trade and other payables		898	1,240
Tax loss carry forward and tax credits		9,892	12,844
Deferred tax assets (before offsetting)		41,274	46,117
Offsetting effects		-29,806	-26,299
Deferred tax assets		11,468	19,818

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Deferred income tax liabilities

in EUR thousands	Dec 31, 2023	T090 Dec 31, 2022
Intangible assets	36,229	46,886
Property, plant and equipment	21,761	18,433
Other assets	4,395	5,891
Inventories	80	75
Trade receivables	635	838
Retirement benefit obligations/pension liabilities	591	709
Borrowings	181	24
Provisions	366	304
Other liabilities, incl. derivatives	3,057	3,517
Trade and other payables	67	3
Untaxed reserves	2,576	2,470
Deferred tax liabilities (before offsetting)	69,938	79,150
Offsetting effects	-29,806	-26,299
Deferred tax liabilities	40,132	52,851
Deferred tax liabilities (net)	28,664	33,033

As at December 31, 2023, the amended regulations on the recognition of deferred taxes on assets and liabilities resulting from a single transaction will be applied for the first time. In accordance with the restrictions of the amendments to the “initial recognition exemption”, deferred taxes on leases and on receivables and liabilities from ABS and factoring are recognized on a gross basis. There are no effects on the consolidated balance sheet, as the deferred tax assets are netted against the deferred tax liabilities.

Deferred income tax assets are recognized for all deductible temporary differences between the carrying amounts of assets and liabilities in the Consolidated Statement of Financial Position and their tax bases to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. In both the current financial year and the previous year, a deferred income tax asset was recognized for all deductible temporary differences due to expected future taxable income.

The Group recorded tax losses in some subsidiaries in 2023 and in previous years. In total, the recognized deferred income tax assets on temporary differences and tax loss carryforwards for subsidiaries that have incurred tax losses in the current or previous fiscal year amount to EUR 10,238 thousand (2022: EUR 7,260 thousand). The tax losses of these subsidiaries are mainly attributable to special effects, in particular due to restructuring, so that it is assumed that the deferred tax assets can be realized due to taxable results expected in the future. Essentially, the deferred tax assets relate to loss carryforwards which can be carried forward indefinitely and have not expired.

The decrease in deferred income tax liabilities in the item “Borrowings” compared to the previous year is mainly due to the exchange rate development of a foreign currency liability at the level of NORMA Group Holding GmbH.

The decrease in deferred income tax liabilities in the item “Other assets” compared to the previous year mainly resulted from the exchange rate development of a foreign currency receivable at the level of NORMA Group Holding GmbH.

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Deferred tax assets are recognized for tax loss carry forwards to the extent that it is probable that the tax assets will be realized in the foreseeable future. The usability of tax loss carry forwards over time is as follows:

Temporary usability of tax loss carry forwards		T091	
in EUR thousands	Dec 31, 2023	Dec 31, 2022	
up to 1 year	1,396	192	
> 1 year up to 5 years	13,868	13,060	
> 5 years	3,951	2,041	
Unlimited carry forward	144,879	107,005	
Total	164,094	122,298	

The tax loss carry forwards amounted to EUR 164,094 thousand as at December 31, 2023 (Dec 31, 2022: EUR 122,298 thousand). Of this amount, EUR 64,072 thousand is attributable to German corporation tax loss carry forwards (Dec 31, 2022: EUR 52,021 thousand) and EUR 59,027 thousand to German trade tax loss carryforwards (Dec 31, 2022: EUR 44,479 thousand).

The usability of unrecognized tax loss carry forwards over time is as follows:

Temporary usability of unrecognized tax loss carry forwards		T092	
in EUR thousands	Dec 31, 2023	Dec 31, 2022	
up to 1 year			
> 1 year up to 5 years	4,198	8,787	
> 5 years			
Unlimited carry forward	97,554	25,814	
Total	101,752	34,601	

The tax loss carryforwards for which no deferred income tax assets were recognized as at December 31, 2023 amount to EUR 101,752 thousand on December 31, 2023 (Dec 31, 2022: EUR 34,601 thousand). Of this amount, EUR 49,968 thousand is attributable to German corporation tax loss carry forwards (Dec 31, 2022: EUR 14,500 thousand) and EUR 29,398 thousand to German trade tax loss carryforwards (Dec 31, 2022: EUR 5,936 thousand).

The interest carried forward for tax purposes amounted to EUR 10,619 thousand as at December 31, 2023 (Dec 31, 2022: EUR 0 thousand). These are attributable to intragroup refinancing. No deferred income tax assets were recognized on the tax interest carry forwards, as they are not expected to be realized in the foreseeable future.

Tax liabilities may arise in connection with investments in subsidiaries and joint ventures. However, these tax liabilities were not recognized in the 2023 fiscal year, as the Group determines the dividend policy of the subsidiaries and can veto dividend payments at joint ventures. The Group can therefore control the reversal of temporary differences in connection with investments in subsidiaries and joint ventures. The Management Board assumes that there will be no reversals in the foreseeable future.

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18. Goodwill and other intangible assets

The acquisition costs as well as accumulated amortization and impairment of intangible assets consist of the following:

Development of goodwill and other intangible assets						T093
in EUR thousands	As of Jan. 1 2023	Additions	Deductions	Transfers	Currency effects	As of Dec 31, 2023
Acquisition costs						
Goodwill	438,579				-8,483	430,096
Customer lists	288,333				-8,541	279,792
Licenses, rights	1,879	5	-23	10	-16	1,855
Software acquired externally	44,069	662	-1,332	2	-558	42,843
Trademarks	59,536				-1,948	57,588
Patents & technology	74,627	445	-496		-1,540	73,036
Internally generated intangible assets	38,103	2,286	-2,057		-709	37,623
Intangible assets, other	9,107	213	-1	-12	37	9,344
Total	954,233	3,611	-3,909	0	-21,758	932,177
Accumulated amortization and impairment						
Goodwill	36,309				-963	35,346
Customer lists	160,089	15,535			-4,365	171,259
Licenses, rights	1,752	5	-23		-18	1,716
Software acquired externally	42,627	736	-1,332		-602	41,429
Trademarks	20,163	1,498			-614	21,047
Patents & technology	55,538	3,977	-496		-1,219	57,800
Internally generated intangible assets	32,122	2,218	-2,054		-532	31,754
Intangible assets, other	7,419	613	-1		55	8,086
Total	356,019	24,582	-3,906		-8,258	368,437

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(Continued) Development of goodwill and other intangible assets

in EUR thousands	As of Jan 1, 2022	Additions	Deductions	Transfers	Currency effects	As of Dec 31, 2022
Acquisition costs						
Goodwill	427,440				11,139	438,579
Customer lists	277,150				11,183	288,333
Licenses, rights	1,911		-49		17	1,879
Software acquired externally	43,156	425	-448	123	813	44,069
Trademarks	56,395				3,141	59,536
Patents & technology	72,408	468			1,751	74,627
Internally generated intangible assets	35,155	2,270			678	38,103
Intangible assets, other	9,326	223	-109	-123	-210	9,107
Total	922,941	3,386	-606	0	28,512	954,233
Accumulated amortization and impairment						
Goodwill	34,695				1,614	36,309
Customer lists	138,999	16,331			4,759	160,089
Licenses, rights	1,774	-9	-30		17	1,752
Software acquired externally	41,509	813	-448	288	465	42,627
Trademarks	17,667	1,578			918	20,163
Patents & technology	49,694	4,076			1,768	55,538
Internally generated intangible assets	25,380	6,288	16	-288	726	32,122
Intangible assets, other	7,663	20	-53		-211	7,419
Total	317,381	29,097	-515	0	10,056	356,019

The carrying amounts for intangible assets as of December 31, 2023, and 2022, were as follows:

Goodwill and other intangible assets – carrying amounts

T094

in EUR thousands	Carrying amounts	
	Dec 31, 2023	Dec 31, 2022
Goodwill	394,750	402,270
Customer lists	108,533	128,244
Licenses, rights	139	127
Software acquired externally	1,414	1,442
Trademarks	36,541	39,373
Patents & technology	15,236	19,089
Internally generated intangible assets	5,869	5,981
Intangible assets, other	1,258	1,688
Total	563,740	598,214

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As at December 31, 2023, the 'Patents & technology' item consisted of patents amounting to EUR 2,169 thousand (Dec 31, 2022: EUR 3,744 thousand) and in the amount of EUR 13,067 thousand from technology (Dec 31, 2022: EUR 15,343 thousand). Unpatented technologies contain specific process know-how in the production process identified in the course of company acquisitions.

Internally generated intangible assets include development costs for technologies in the amount of EUR 5,401 thousand (Dec 31, 2022: EUR 5,743 thousand) as well as internally generated software in the amount of EUR 470 thousand (Dec 31, 2022: EUR 238 thousand).

The item 'Intangible assets, other' consists mainly of prepayments.

Significant individual intangible asset

T095

in EUR thousands	Carrying amounts		Remaining useful life (in years)
	Dec 31, 2023	Dec 31, 2022	
NDS - Customer lists	81,524	92,255	11

In addition to additions and disposals and scheduled amortization, the changes in intangible assets also resulted from positive exchange rate effects, in particular from the US dollar region.

The estimated useful lives for other intangible assets are as follows:

- Patents: 5 to 10 years
- Customer lists: 4 to 20 years
- Technology: 10 to 20 years
- Licenses, rights: 3 to 5 years
- Trademarks: indefinite or 20 years
- Software: 3 to 5 years

The change in goodwill is summarized as follows:

Change in goodwill

T096

in EUR thousands	
Balance as of Jan 1, 2023	402,270
Currency effect	-7,520
Balance as of Dec 31, 2023	394,750

Besides the goodwill, there are intangible assets within trademarks with an indefinite useful life in the amount of EUR 28,869 thousand (2022: EUR 29,908 thousand) resulting from the acquisition of NDS in 2014. From a market perspective, NORMA Group assumed an indefinite useful life for these acquired trademarks, which mainly include the corporate brand NDS®, because these brands have been established in the market for a number of years and there is no foreseeable end to their useful life, therefore useful lives are indefinite. Trademarks with indefinite useful lives are fully allocated to the cash-generating unit (CGU) Americas.

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Trademarks with indefinite useful lives are subject to an annual impairment test in accordance with IAS 36 on the basis of the recoverable amount in accordance with the procedure described in [NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – IMPAIRMENT OF NON-FINANCIAL ASSETS](#). As part of the application of the license price analogy, the fair value of the brands is determined using a notional license payment based on the respective brand-relevant sales derived from the planning. The assumption of future sales is based on the expectations of local management. For the NDS brand, a discount rate of 7.04% (2022: 6.75%) was applied in the detailed planning period of five years and a growth rate of 1.00% (2022: 1.00%) are taken into account. With regard to the impairment test of the NDS brand, there were no indications of impairment.

On December 31, 2023, and 2022, the intangible assets were unsecured.

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to geographical areas. A summary of the goodwill allocation is presented below:

Goodwill allocation per segment		T097	
in EUR thousands	Dec 31, 2023	Dec 31, 2022	
CGU EMEA	179,802	179,248	
CGU Americas	183,028	189,617	
CGU Asia-Pacific	31,920	33,405	
Consolidated Group	394,750	402,270	

The change in goodwill is the result of currency effects.

The recoverable amount of a CGU is determined based on fair value less costs to dispose, which is calculated by discounting projected cash flows. In view of the input factors used for this valuation technique, the fair values determined are to be classified as level 3 fair values. [NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – FAIR VALUE ESTIMATION](#). The determination of future cash flows is based on internal corporate planning, which is prepared with the “bottom-up” method using certain uniform Group-wide assumptions and covers a period of five years. The underlying parameters, such as sales growth and margins, are determined on the basis of expertise gained in the past, current economic results, and forecasts by external industry experts such as the VDMA industry association, the German Association of the Automotive Industry (VDA), and the LMC Automotive (LMCA). The average growth rates of sales in the detailed planning period are between 6.67% for CGU EMEA (2022: 6.51%), 8.07% for CGU Americas (2022: 5.66%) and for CGU Asia-Pacific 13.62% (2022: 9.93%). With regard to the average EBIT margin in the same planning period, this results in a ratio of 10.32% (2022: 9.97%) for CGU EMEA, 11.36% (2022: 11.66%) for CGU Americas and 11.55% (2022: 11.13%) for the Asia-Pacific CGU.

For the extrapolation of cash flows beyond this five-year period, the estimated growth rates given below are used. NORMA Group believes that these growth rates do not exceed the long-term average growth rate for the geographical area of the respective CGU.

The discount rates used are after-tax rates and reflect the specific risk of each CGU. The corresponding pre-tax interest rates for the EMEA CGU are 13.62% (2022: 12.11%) for the CGU Americas, 11.63% (2022: 9.04%) and for the CGU Asia-Pacific 14.04% (2022: 12.71%).

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The fair value less costs to sell is mainly determined by the terminal value (present value of the perpetual annuity), which is particularly sensitive to changes in the assumptions for the long-term growth rate and the discount rate. Both assumptions are determined individually for each cash-generating unit. The discount rates are based on the concept of Weighted Average Cost of Capital (WACC).

The further key assumptions used for fair value less costs to sell calculations are as follows:

Goodwill per segment – further key assumptions			T098
Dec 31, 2023	CGU EMEA	CGU Americas	CGU Asia-Pacific
Terminal value growth rate	1.00%	1.00%	1.00%
Discount rate (after tax)	10.88%	9.22%	10.86%
Dec 31, 2022	CGU EMEA	CGU Americas	CGU Asia-Pacific
Terminal value growth rate	1.00%	1.00%	1.00%
Discount rate (after tax)	9.70%	7.15%	9.89%

The aforementioned assumptions relate to the goodwill impairment test performed as part of the annual impairment test regularly carried out as of September 30.

A sensitivity analysis for the individual CGUs takes into account any changes in the key assumptions that are considered possible. The sensitivity analysis was performed in isolation for all significant influencing factors, i.e., a change in the fair value of a cash-generating unit is only caused by a reduction or increase in the respective influencing factor. There was no need for impairment in any of the sensitivities identified.

Impairment of other intangible assets

No material impairment losses or reversals of impairment losses on intangible assets were recognized in the financial year 2023.

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19. Property, plant and equipment

The acquisition and manufacturing costs as well as accumulated depreciation of property, plant and equipment consist of the following:

Development of property, plant and equipment						T099
in EUR thousands	As of Jan 1, 2023	Additions	Deductions	Transfers	Currency effects	As of Dec 31, 2023
Acquisition costs						
Land and buildings	119,634	518	-438	12,004	-1,158	130,560
Machinery and tools	456,866	6,960	-4,545	30,525	-6,154	483,652
Other equipment	73,898	2,104	-1,686	4,602	-171	78,747
Assets under construction	35,154	48,146	-22	-47,131	-677	35,470
Right-of-use assets						
Land and buildings	85,859	12,146	-7,612		-2,156	88,237
Machinery and tools	337	80	-89		-1	327
Forklifts and warehouse	4,012	1,698	-808			4,902
Office and IT equipment	543	681	-91		-3	1,130
Company cars	4,923	1,371	-1,208		-20	5,066
Total	781,226	73,704	-16,499	0	-10,340	828,091
Accumulated depreciation and impairment						
Land and buildings	62,019	4,103	-443	4	-432	65,251
Machinery and tools	312,482	30,900	-3,242	-16	-3,026	337,098
Other equipment	58,419	5,750	-1,626	12	-181	62,374
Assets under construction	175				-7	168
Right-of-use assets						
Land and buildings	46,983	9,872	-7,049		-967	48,839
Machinery and tools	306	43	-89			260
Forklifts and warehouse	2,048	1,015	-771		-15	2,277
Office and IT equipment	300	243	-82		-2	459
Company cars	2,653	1,408	-1,042		-8	3,011
Total	485,385	53,334	-14,344	0	-4,638	519,737

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(Continued) Development of property, plant and equipment

in EUR thousands	As of Jan 1, 2022	Additions	Deductions	Transfers	Currency effects	As of Dec 31, 2022
Acquisition costs						
Land and buildings	121,523	661	-5,789	2,711	528	119,634
Machinery and tools	425,384	7,354	-7,398	26,245	5,281	456,866
Other equipment	70,835	2,343	-4,272	4,533	459	73,898
Assets under construction	30,138	39,436	-1,422	-33,489	491	35,154
Right-of-use assets						
Land and buildings	70,373	21,602	-8,057		1,941	85,859
Machinery and tools	381	6	-50			337
Forklifts and warehouse	3,267	1,605	-849		-11	4,012
Office and IT equipment	712	48	-232		15	543
Company cars	4,800	1,425	-1,279		-23	4,923
Total	727,413	74,480	-29,348	0	8,681	781,226
Accumulated depreciation and impairment						
Land and buildings	61,681	4,205	-4,097		230	62,019
Machinery and tools	284,866	30,077	-6,930		4,469	312,482
Other equipment	56,648	5,577	-4,085		279	58,419
Assets under construction	101	79	-4		-1	175
Right-of-use assets						
Land and buildings	41,554	8,979	-4,771		1,221	46,983
Machinery and tools	268	89	-50		-1	306
Forklifts and warehouse	1,915	920	-782		-5	2,048
Office and IT equipment	320	199	-232		13	300
Company cars	2,375	1,502	-1,215		-9	2,653
Total	449,728	51,627	-22,166		6,196	485,385

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The carrying amounts of property, plant and equipment excluding rights of use are as follows:

Property, plant and equipment – carrying amounts		T100
		Carrying amounts
in EUR thousands	Dec 31, 2023	Dec 31, 2022
Land and buildings	65,309	57,615
Machinery and tools	146,554	144,384
Other equipment	16,373	15,479
Assets under construction	35,302	34,979
Total	263,538	252,457

The estimated useful lives for property, plant and equipment (excluding rights of use under IFRS 16) are as follows:

- Building: 8 to 40 years
- Machinery and technical equipment: 3 to 18 years
- Tools: 3 to 10 years
- Other equipment: 2 to 20 years

On December 31, 2023, the item 'Machinery and tools' included tools valued at EUR 20,847 thousand (Dec 31, 2022: EUR 21,827 thousand).

On December 31, 2023, and 2022, property, plant and equipment were unsecured.

20. Leases

(i) Right-of-use assets – Leasing

NORMA Group has significant leases for the rental of land and buildings. In addition, the Group maintains leases for various company cars and technical equipment under non-cancellable lease agreements. Besides the usual extension options, the leases include, to a minor extent, purchase and termination options that are not taken into account. The lease terms per asset class are as follows:

- Right-of-use assets – land and buildings: 2 months to 78 years
- Right-of-use assets – machinery and tools : 1 to 6 years
- Right-of-use assets – forklifts and warehouse: 1 to 10 years
- Right-of-use assets – office and IT equipment: 1 to 10 years
- Right-of-use assets – company cars: 1 to 7 years

The Group's leases generally do not contain credit terms.

(ii) Recognition exemptions

NORMA Group has made use of accounting options for short-term leases (minimum term of no more than twelve months if no purchase option has been agreed) as well as for low-value assets as the lessee and has not recognized these as a right-of-use/lease liability but rather as a current expense – with the exception of leased

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assets attributable to the asset class “Right-of-use assets – land and buildings”. Furthermore, lessees are granted an accounting option not to separate leasing and non-leasing components, which NORMA Group has made use of, except for the “Right-of-use assets – land and buildings” and “Right-of-use assets – company cars” asset classes.

(iii) Extension and termination options

Several of NORMA Group's real estate leasing contracts contain renewal options. Termination options are included to a minor extent in the area of real estate leasing. Such contract terms are used to give the Group operational flexibility with regard to the contract portfolio. The majority of the existing renewal and termination options can only be exercised by the Group and not by the respective lessor.

As of December 31, 2023, potential additional cash outflows from renewal options amounting to EUR 21,865 thousand (Dec 31, 2022: EUR 29,319 thousand) have not been recognized in the lease liability as it is not reasonably certain that the leases will be renewed. As of December 31, 2023, and 2022, there were no potential reduced cash outflows from termination options.

Changes in estimates of the term and amount of expected lease payments (index-based payments) resulted in increases in the right-of-use assets and lease liabilities of EUR 1,813 thousand. In addition, changes in estimates resulted in decreases in the right-of-use assets and lease liabilities of EUR 36 thousand.

(iv) Amounts recognized in the Consolidated Statement of Financial Position

The following items related to leases are shown in the Consolidated Statement of Financial Position:

Right-of-use assets – carrying amounts		T101	
in EUR thousands	Dec 31, 2023	Dec 31, 2022	
Land and buildings	39,398	38,876	
Machinery and tools	67	31	
Forklifts and warehouse	2,625	1,964	
Office and IT equipment	671	243	
Company cars	2,055	2,270	
Total	44,816	43,384	

The maturities of the nominal values and the carrying amounts of the lease liabilities are as follows:

Maturity of lease liabilities as of Dec 31, 2023		T102		
in EUR thousands	up to 1 year	> 1 year up to 5 years	> 5 years	
Lease liabilities – nominal value	11,572	25,740	11,262	
Lease liabilities – carrying amount	10,108	22,652	9,856	

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Maturity of lease liabilities as of Dec 31, 2022

T103

in EUR thousands	up to 1 year	> 1 year up to 5 years	> 5 years
Lease liabilities – nominal value	11,443	22,874	9,681
Lease liabilities – carrying amount	10,576	21,030	9,143

(v) Amounts recognized in the income statement

The following amounts relating to leases are recognized in the income statement:

Leases in the statement of profit or loss

T104

in EUR thousands	2023	2022
Depreciation charge of right-of-use assets	12,581	11,689
Land and buildings	9,872	8,979
Machinery and technical equipment	43	89
Forklifts and warehouse equipment	1,015	920
Office and IT equipment	243	199
Company cars	1,408	1,502
Finance costs	-1,390	-1,113
Interest expenses	-1,457	-1,106
Currency gains/-losses	67	-7
Other operating expenses	2,088	1,450
Expenses relating to short-term leases for which no RoU asset was recorded	1,652	1,098
Expenses relating to leases of low-value assets that are not shown above as short-term leases	436	352

(vi) Amounts recognized in the Consolidated Statement of Cash Flows

The Consolidated Statement of Cash Flows includes a total of EUR 15,813 thousand for lease payments (2022: EUR 16,497 thousand). Of this amount, payments of EUR 13,725 thousand were made within the cash outflow/ cash inflow from financing activities (2022: EUR 15,047 thousand) and payments of EUR 2,088 thousand were recognized within the cash inflow from operating activities (2022: EUR 1,450 thousand).

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21. Financial instruments

The following disclosures provide an overview of the financial instruments held by the Group, detailed information about each type of financial instrument held and information about the accounting policies used. Financial instruments according to classes and categories were as follows:

Financial instruments – classes and categories

T105

in EUR thousands	Notes	Category IFRS 7.8 according to IFRS 9	Carrying amount Dec 31, 2023	Measurement basis IFRS 9			Measurement basis IFRS 16	Fair value Dec 31, 2023
				Amortized cost	Fair value through profit or loss	Derivatives used for hedging		
Financial assets								
Derivative financial instruments - hedge accounting								
Interest rate swaps - cash flow hedges	21. (f)	n / a	4,466			4,466		4,466
Foreign exchange derivatives - fair value hedges		n / a	507			507		507
Trade and other receivables	21. (a)	Amortized Cost	151,825	151,825				151,825
Trade receivables - ABS/Factoring program (mandatorily measured at FVTPL)	21. (b)	FVTPL	32,682		32,682			32,682
Other financial assets	21. (d)	Amortized Cost	3,223	3,223				3,223
Cash and cash equivalents	21. (c)	Amortized Cost	165,207	165,207				165,207
Financial liabilities								
Borrowings	21. (e)	FLAC	458,744	458,744				460,550
Derivative financial instruments - hedge accounting								
Foreign exchange derivatives - fair value hedges		n / a	544			544		544
Trade and other payables	21. (e)	FLAC	173,659	173,659				173,659
Lease liabilities	20	n / a	42,616				42,616	n / a
Other financial liabilities	21. (e)	FLAC	8,724	8,724				8,724
Total per category								
Financial assets at amortized cost			320,255	320,255				320,255
Financial assets at fair value through profit or loss (FVTPL)			32,682		32,682			32,682
Financial liabilities at amortized cost (FLAC)			641,127	641,127				642,933

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(Continued) Financial instruments – classes and categories

in EUR thousands	Notes	Category IFRS 7.8 according to IFRS 9	Carrying amount Dec 31, 2022	Measurement basis IFRS 9				Fair value Dec 31, 2022
				Amortized cost	Fair value through profit or loss	Derivatives used for hedging	Measurement basis IFRS 16	
Financial assets								
Derivative financial instruments - held for trading								
Foreign exchange derivatives	21. (f)	FVTPL	125		125			125
Derivative financial instruments - hedge accounting								
Interest rate swaps - cash flow hedges		n / a	6,162			6,162		6,162
Foreign exchange derivatives - fair value hedges		n / a	588			588		588
Trade and other receivables	21. (a)	Amortized Cost	165,397	165,397				165,397
Trade receivables - ABS/Factoring program (mandatorily measured at FVTPL)	21. (b)	FVTPL	20,912		20,912			20,912
Other financial assets	21. (d)	Amortized Cost	3,764	3,764				3,764
Cash and cash equivalents	21. (c)	Amortized Cost	168,670	168,670				168,670
Financial liabilities								
Borrowings	21. (e)	FLAC	465,578	465,578				460,427
Derivative financial instruments - held for trading								
Foreign exchange derivatives		FVTPL	148		148			148
Derivative financial instruments - hedge accounting								
Foreign exchange derivatives - fair value hedges		n / a	1,430			1,430		1,430
Trade and other payables	21. (e)	FLAC	206,723	206,723				206,723
Lease liabilities	20	n / a	40,749				40,749	n / a
Other financial liabilities	21. (e)	FLAC	10,537	10,537				10,537
Totals per category								
Financial assets at amortized cost			337,831	337,831				337,831
Financial assets at fair value through profit or loss (FVTPL)			21,037		21,037			21,037
Financial liabilities at amortized cost (FLAC)			682,838	682,838				677,687
Financial liabilities at fair value through profit or loss (FVTPL)			148		148			148

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21. (a) Trade and other receivables

i. Accounting policies for trade and other receivables

Trade receivables are amounts payable by customers for goods sold or services rendered in the ordinary course of business. If the receivables are expected to be settled within twelve months, they are classified as current assets. If this is exceptionally not the case, they are reported as non-current assets. Trade receivables are classified in accordance with IFRS 9. They are generally required to collect the contractual cash flows and are allocated to the “hold” business model accordingly. They are recognized initially at the amount of the unconditional consideration and are subsequently carried at amortized cost using the effective interest method less any impairment losses. If trade receivables contain a significant financing component, they are initially recognized at fair value.

Other receivables mainly include bills of exchange guaranteed by banks (so-called “banker’s acceptance bills”) from trade receivables for customers in China. These financial assets are generally held to collect the contractual cash flows and are therefore classified under the “hold” business model. They are initially recognized at fair value plus transaction costs and are subsequently carried at amortized cost using the effective interest method less impairment.

For trade receivables, the simplified approach, which is based on the expected credit losses over the respective terms, is used. Loss rates calculated on the basis of historical and forecast data are used, taking into account the business model, the respective customer and the economic environment of the geographical region. For this purpose, NORMA Group considers in particular the credit default swaps of the respective client’s home countries as well as industry-specific default probabilities derived from external sources. In addition, loss rates from customer-specific credit default swaps (CDS) are used, if available.

Impairment losses on trade receivables, together with impairment losses on contract assets, are recognized in operating profit as net impairment losses. Unused amounts reversed are included in the same line item.

Losses on the disposal of trade receivables through write-offs are recognized in operating profit as impairment losses, net. Unused amounts reversed are included in the same line item.

ii. Disclosures on trade receivables

Trade and other receivables are as follows:

Trade and other receivables	T106	
in EUR thousands	Dec 31, 2023	Dec 31, 2022
Trade receivables	178,203	180,069
Other receivables	6,304	6,240
	184,507	186,309

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On the balance sheet date, trade receivables were as follows:

Trade receivables		T107	
in EUR thousands		Dec 31, 2023	Dec 31, 2022
Trade receivables		179,974	182,155
Less allowances for doubtful accounts		-1,771	-2,086
		178,203	180,069

iii. Disclosures on valuation allowances on trade receivables

The valuation adjustments with respect to trade receivables that are not measured at fair value through profit or loss were determined as follows as of December 31, 2023:

Credit risk on trade receivables					T108
as of Dec 31, 2023					
in EUR thousands	Credit loss rate < 1%	Credit loss rate > 1% < 2.5%	Credit loss rate > 2.5%		Total
Trade receivables - before allowances	45,829	99,202	2,261		147,292
ECL allowance	470	1,175	125		1,771
Trade receivables - after allowances	45,359	98,027	2,136		145,521
as of Dec 31, 2022					
in EUR thousands	Credit loss rate < 1%	Credit loss rate > 1% < 2.5%	Credit loss rate > 2.5%		Total
Trade receivables - before allowances	103,688	56,556	999		161,243
ECL allowance	1,070	862	154		2,086
Trade receivables - after allowances	102,618	55,694	845		159,157

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Impairment losses for trade receivables developed as follows from the opening balance sheet value as of January 1, 2023, to the closing balance sheet value as of December 31, 2023:

Impairment reconciliation		T109
in EUR thousands		Impairments on trade receivables
Impairment allowance as of Jan 1, 2023		2,086
Additions		1,625
Reversals		-1,789
Consumption		-112
Translation effect		-39
Impairment allowance as of Dec 31, 2023		1,771

The net income from impairment losses recognized in the fiscal year 2023 amounted to EUR 164 thousand (2022: net expenses in the amount of EUR 251 thousand).

The following losses from the write-off of trade receivables arose in the fiscal year:

Gains/losses arising from derecognition IFRS 7.20A				T110
in EUR thousands		2023	2022	Reasons for derecognition
Losses arising from derecognition		2,594	175	Write-off (IFRS 9.5.4.4)

iv. Fair value of trade receivables

Trade receivables have short-term maturities, therefore the carrying amounts on the balance sheet date correspond to their fair values, as the effects of discounting are not material.

21. (b) Trade receivables transferred or available for transfer

i. Transferred trade receivables

Subsidiaries of NORMA Group in the EMEA and Americas segments transfer trade receivables to external purchasers as part of factoring and ABS transactions. The details and effects of the respective programs are presented below.

a) Factoring transactions

In the factoring agreement concluded in 2017, which has a maximum volume of receivables of EUR 10 million NORMA Group subsidiaries in Germany, Poland and France sell trade receivables directly to the external purchasers. Under this factoring program, receivables in the amount of EUR 7.1 million were sold as of December 31, 2023, (Dec 31, 2022: EUR 7.6 million). Due to a temporary agreement, the payments under these disposals were made in full as of December 31, 2023, and December 31, 2022. The requirements for a receivables transfer were met in accordance with IFRS 9.3.2.1 since the receivables were transferred in accordance with IFRS 9.3.2.4 a). Verification in accordance with IFRS 9.3.2.6 shows that nearly all opportunities and risks were neither

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transferred nor retained. It follows in accordance with IFRS 9.3.2.16 that NORMA Group recognizes remaining continuing involvement. NORMA Group is continuing to perform receivables management (servicing) for the receivables sold. Although NORMA Group is only entitled to act as a servicer, the Company retains the right to dispose of the sold receivables, as purchasers do not have the right to resell the receivables acquired. NORMA Group is continuing to recognize the sold trade receivables to the extent of its continuing involvement, i.e., at the maximum amount to which it continues to be liable for the late payment risk inherent in the receivables sold. Hence, NORMA Group is recognizing a corresponding financial liability. The remaining continuing involvement in the amount of EUR 74 thousand (Dec 31, 2022: EUR 70 thousand) was recognized as a financial liability and considers the maximum potential loss for NORMA Group resulting from the late payment risk of receivables sold as of the reporting date. The fair value of the guarantee / interest payments to be assumed has been estimated at EUR 6 thousand (Dec 31, 2022: EUR 6 thousand).

In 2018, NORMA Group established a further factoring program. Under the factoring agreement concluded in December 2018 with a maximum receivables volume of USD 27.5 million (2022: USD 24.0 million), a subsidiary of NORMA Group in the US sells trade receivables directly to the external purchasers. Under this factoring program, receivables in the amount of EUR 12.3 million were sold as of December 31, 2023 (Dec 31, 2022: EUR 21.9 million). Due to a temporary agreement, the payments under these disposals were made in full as of December 31, 2023, and December 31, 2022. The requirements for derecognition of receivables in accordance with IFRS 9.3.2.1 are met, as the receivables are transferred in accordance with IFRS 9.3.2.4 a). The examination of IFRS 9.3.2.6 shows that essentially all opportunities and risks have been transferred. NORMA Group continues to service the receivables sold. Although NORMA Group is not entitled to dispose of the receivables sold in any other way than within the framework of receivables management, the Company retains control over the receivables sold as the buyers do not have the actual ability to resell the acquired receivables.

b) ABS transactions

In 2014, NORMA Group entered into a revolving asset purchase agreement with Weinberg Capital Ltd. (special purpose entity) in the fiscal year 2014. Within the agreed structure, NORMA Group sold trade receivables in the context of an ABS transaction which was successfully initiated in December 2014. Receivables are sold by NORMA Group to a special purpose entity. Under this asset-backed securities (ABS) program with a volume of up to EUR 20.0 million, domestic Group companies of NORMA Group sold receivables in the amount of EUR 9.5 million as of December 31, 2023 (Dec 31, 2022: EUR 12.6 million), of which EUR 0.5 million (Dec 31, 2022: EUR 0.6 million) were not paid out as purchase price retentions held as security reserves and recognized as other financial assets. The basis for this transaction is the transfer of trade receivables of individual NORMA Group subsidiaries to a special purpose entity with a framework of undisclosed assignment. This special purpose entity (SPE) is not consolidated under IFRS 10 because neither the power over the SPE is attributable to NORMA Group nor does NORMA Group have an essential self-interest and no connection between power and variability of the returns of the special purpose entity exists. The requirements for a receivables transfer according to IFRS 9.3.2.1 are met, since the receivables are transferred according to IFRS 9.3.2.4 a). Verification in accordance with IFRS 9.3.2.6 shows that a substantial share of all risks and rewards were neither transferred nor retained. Therefore, according to IFRS 9.3.2.16, NORMA Group's continuing involvement must be recognized.

This continuing involvement in the amount of EUR 188 thousand (Dec 31, 2022: EUR 234 thousand) includes the maximum amount that NORMA Group could conceivably have to pay back under the default guarantee and the expected interest payments until the payment is received for the carrying amount of the receivables transferred. The fair value of the guarantee / interest payments to be assumed has been estimated at EUR 152 thousand (Dec 31, 2022: EUR 171 thousand), taken through profit or loss and recognized under other liabilities.

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NORMA Group entered into another agreement with Weinberg Capital Ltd. (program special purpose entity) in fiscal year 2018 by concluding a further revolving receivables purchase agreement on the sale of trade receivables. The agreed structure provides for the sale of trade receivables of NORMA Group as part of an ABS transaction and was successfully initiated in December 2018. The receivables are sold to a special purpose entity by NORMA Group. As part of this ABS program with a volume of up to USD 20.0 million, US Group companies of NORMA Group sold receivables amounting to EUR 11.4 million as of December 31, 2023 (Dec 31, 2022: EUR 13.9 million), of which EUR 0.7 million (Dec 31, 2022: EUR 0.7 million) were not paid out as purchase price retentions, but rather held as security reserves and recognized as other financial assets. The basis for the transaction is the assignment of trade receivables of individual NORMA Group companies to a program special purpose entity as part of a silent assignment. According to IFRS 10, this program special purpose entity is not to be consolidated, as NORMA Group is not assigned any decision-making power, nor is there any material self-interest or link between decision-making power and the variability of returns from the program special purpose entity.

The requirements for derecognition of receivables in accordance with IFRS 9.3.2.1 are met, as the receivables are transferred in accordance with IFRS 9.3.2.4 a). The audit of IFRS 9.3.2.6 shows that almost all opportunities and risks have neither been transferred nor retained. In accordance with IFRS 9.3.2.16, NORMA Group must therefore recognize the remaining continuing involvement.

A continuing involvement of EUR 750 thousand (Dec 31, 2022: EUR 753 thousand) was recognized as other financial liability and comprises the maximum amount that NORMA Group might have to repay under the assumed default guarantee and the expected interest payments until receipt of payment in respect of the carrying amount of the receivables transferred. The fair value of the guarantee or of the interest payments to be assumed was included in the carrying amount and recognized as other liabilities in the amount of EUR 190 thousand (Dec 31, 2022: EUR 214 thousand).

ii. Trade receivables available for transfer

In the opinion of the Group, trade receivables included in these programs but not yet disposed of at the end of the reporting period cannot be allocated to either the “hold” or the “hold and sell” business models. They are therefore included in the fair value through profit and loss (FVTPL) category.

Trade receivables held for sale as part of the factoring and ABS transaction and measured at fair value through profit or loss have short-term maturities. In addition, the calculated credit risk of the counterparty is not material, therefore the carrying amounts at the balance sheet date correspond to their fair values.

21. (c) Cash and cash equivalents

Cash and cash equivalents are measured at their nominal value and include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with remaining maturities of three months or less which are subject only to insignificant risks of change in value. Bank overdrafts are shown within borrowings in current liabilities in the Consolidated Statement of Financial Position.

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21. (d) Other financial assets

Other financial assets were as follows:

Other financial assets	T111	
in EUR thousands	Dec 31, 2023	Dec 31, 2022
Receivables from ABS program	1,214	1,333
Rental and other deposit	804	470
Other assets	1,205	1,961
	3,223	3,764

Receivables from the ABS program include reserves for the trade receivables sold. [NOTE 21. \(B\) TRADE RECEIVABLES TRANSFERRED OR AVAILABLE FOR TRANSFER](#). Other financial assets are generally required to collect the contractual cash flows and are accordingly allocated to the “hold” business model. They are initially recognized at fair value plus transaction costs and are subsequently carried at amortized cost using the effective interest method less impairment. As at December 31, 2023, and 2022, other financial assets include in particular deposits for building leases and guarantees.

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21. (e) Financial liabilities and net debt

i. Trade and other liabilities

Trade and other payables are as follows:

Trade and other payables		T112	
in EUR thousands		Dec 31, 2023	Dec 31, 2022
Trade payables and other payables		136,182	162,829
Reverse factoring liabilities		18,620	22,538
Refund liabilities		18,857	21,356
		173,659	206,723

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. NORMA Group participates in a reverse factoring program. The liabilities included in this program are reported under trade payables and similar liabilities, as this corresponds to the economic content of the transactions. All trade payables and liabilities from reverse factoring programs are due to third parties within one year. As a result, these have short-term maturities, therefore the carrying amounts on the balance sheet date correspond to their fair values, as the effects of discounting are not material.

Refund liabilities

Reimbursement liabilities are recognized for volume discounts and similar bonus agreements payable to customers. These arise from retrospective volume rebates or similar agreements that are based on total sales or on a specific product sale of a twelve-month or shorter period. Refund liabilities are recognized for discounts expected to be payable to the customer for sales completed by the end of the reporting period. Further details can be found at [NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES](#). All reimbursement liabilities are due to third parties within one year. The carrying amounts on the balance sheet date therefore correspond to their fair values, as the effects of discounting are not material.

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ii. Bank borrowings

The borrowings were as follows:

Borrowings		T113	
in EUR thousands		Dec 31, 2023	Dec 31, 2022
Non-current			
Bank borrowings		437,313	339,679
		437,313	339,679
Current			
Bank borrowings		21,431	125,899
		21,431	125,899
Total borrowings		458,744	465,578

Borrowings are recognized initially at fair value, net of directly attributable transaction costs incurred. In subsequent measurement, borrowings are measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

The maturity of the syndicated bank facilities and the promissory note was as follows:

Maturity bank borrowings 2023					T114
in EUR thousands	up to 1 year	> 1 year up to 2 years	> 2 years up to 5 years	> 5 years	
Syndicated bank facilities, net			249,548		
Promissory note, net	18,000	27,000	135,000	26,500	
Total	18,000	27,000	384,548	26,500	

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Maturity bank borrowings 2022

T115

in EUR thousands	up to 1 year	> 1 year up to 2 years	> 2 years up to 5 years	> 5 years
Syndicated bank facilities, net	43,000		253,523	
Promissory note, net	56,688	18,000	68,500	
Commercial paper	25,000			
Total	124,688	18,000	322,023	

The loan obligations existing as at December 31, 2023, and 2022, have the following conditions:

Loan conditions as of Dec 31, 2023

T116

	Currency	Nominal amount	Nominal interest rate	Carrying amount in EUR thousands
Syndicated bank facilities	EUR thousands	139,141	variable	139,141
Syndicated bank facilities	USD thousands	122,000	variable	110,407
Promissory note	EUR thousands	129,000	2% - 5.46%	129,000
Promissory note	EUR thousands	77,500	variable	77,500
Total				456,048

Loan conditions as of Dec 31, 2022

T117

	Currency	Nominal amount	Nominal interest rate	Carrying amount in EUR thousands
Syndicated bank facilities	EUR thousands	139,141	variable	139,141
Syndicated bank facilities	EUR thousands	43,000	2.44% - 2.73%	43,000
Syndicated bank facilities	USD thousands	122,000	variable	114,382
Promissory note	EUR thousands	112,000	1.05% - 3.75%	112,000
Promissory note	EUR thousands	19,000	variable	19,000
Promissory note	USD thousands	8,000	2.89 %	7,500
Promissory note	USD thousands	5,000	variable	4,688
Commercial paper	EUR thousands	25,000	0.95% - 2.45%	25,000
Total				464,711

a) Fair value of bank borrowings

The fair value calculation of the fixed-interest promissory note, which is recognized at amortized cost and for which the fair value is stated in the notes, was based on the market yield curve according to the zero coupon method considering credit spreads (Level 2). Interest accrued on the reporting date is included.

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iii. Other financial liabilities

Other financial liabilities were as follows:

Other financial liabilities		T118	
in EUR thousands		Dec 31, 2023	Dec 31, 2022
Current			
Liabilities from ABS and factoring		8,632	10,409
Other liabilities		92	128
Total other financial liabilities		8,724	10,537

a) Liabilities from the ABS and factoring

The liabilities from ABS and factoring include liabilities from continuing involvement in the amount of EUR 1,012 thousand (Dec 31, 2022: EUR 1,057 thousand), liabilities from fair values of default and interest guarantees in the amount of EUR 348 thousand (Dec 31, 2022: EUR 390 thousand) recorded under the ABS and factoring programs and liabilities from customer payments for receivables already sold under the ABS and factoring programs in the amount of EUR 7,272 thousand (Dec 31, 2022: EUR 8,960 thousand) as part of the debtor / receivables management performed by NORMA Group.

iv. Maturity of financial liabilities

The financial liabilities of NORMA Group have the following maturities:

Maturity of financial liabilities					T119
Dec 31, 2023					
in EUR thousands	up to 1 year	> 1 year up to 2 years	> 2 years up to 5 years	> 5 years	
Borrowings	21,431	26,544	384,301	26,468	
Trade and other payables	173,659				
Other financial liabilities	8,724				
	203,814	26,544	384,301	26,468	
Dec 31, 2022					
in EUR thousands	up to 1 year	> 1 year up to 2 years	> 2 years up to 5 years	> 5 years	
Borrowings	125,899	17,684	321,995		
Trade and other payables	206,723				
Other financial liabilities	10,537				
	343,159	17,684	321,995		

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v. Net debt

Net debt of NORMA Group is as follows:

Net debt	T120	
in EUR thousands	Dec 31, 2023	Dec 31, 2022
Bank borrowings, net	458,744	465,578
Derivative financial liabilities - hedge accounting	544	1,578
Lease liabilities	42,616	40,749
Other financial liabilities	8,724	10,537
Financial debt	510,628	518,442
Cash and cash equivalents	165,207	168,670
Net debt	345,421	349,772

NORMA Group's financial liabilities are 1.5% lower than on December 31, 2022. The decrease in loan liabilities is due to currency effects in connection with the US dollar as well as the net repayment in fiscal year 2023.

NORMA Group successfully completed a refinancing in fiscal year 2023 by taking out a new promissory note loan with a sustainability component in the amount of EUR 120,000 thousand. In this context, loans amounting to EUR 124,576 thousand were repaid in the fiscal year 2023 and loans amounting to EUR 119,400 thousand were taken out. The repayment relates to the scheduled repayment of promissory note loans in the amount of EUR 56,350 thousand, the repayment of the revolving credit line in the amount of EUR 43,000 thousand and the repayment of the commercial paper program by EUR 25,225 thousand.

Lease liabilities increased compared to the end of 2022, the changes due to repayments (payment of lease installments), the additions from rights of use, reassessments of extension options and contract amendments, and interest effects led to a net increase; exchange rate effects mainly on liabilities in US dollars – of subsidiaries in the United States – had a decreasing effect.

The decrease in other financial liabilities resulted mainly from the decrease in liabilities from ABS and factoring.

Net debt decreased by EUR 4,351 thousand, or 1.2%, as of December 31, 2023.

Ongoing interest expenses in the fiscal year, the increase in lease liabilities, and the valuation-related increase in liabilities from derivatives during the year, which had already been repaid as of the reporting date, had an increasing effect on net debt.

This development was offset by net cash inflows from the sum of cash inflows from operating activities of EUR 118,912 thousand, net cash outflows from the procurement and disposal of non-current assets of EUR 59,761 thousand, and from the payment of the dividend of EUR 17,524 thousand.

Cash-neutral positive net currency effects from foreign currency loans, cash and cash equivalents, and lease liabilities and other financial liabilities had an increasing impact on net debt.

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21. (f) Derivative financial instruments

The derivative financial instruments are as follows:

Derivative financial instruments		T121		
in EUR thousands	Dec 31, 2023		Dec 31, 2022	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps – cash flow hedges	4,466		6,162	
Foreign exchange derivatives – held for trading			125	148
Foreign exchange derivatives – fair value hedges	507	544	588	1,430
Total	4,973	544	6,875	1,578
Less non-current portion				
Foreign exchange derivatives - fair value hedges	172			
Interest rate swaps – cash flow hedges	4,466		6,162	
Non-current portion	4,638		6,162	
Current portion	335	544	713	1,578

Further details on the use of hedging instruments can be found in [NOTE 5. FINANCIAL RISK MANAGEMENT](#).

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i. Effects of accounting for cash flow hedges on the net assets, financial position and results of operations

The effects of foreign currency and interest rate-related hedging instruments on the net assets, financial position and results of operations are as follows:

The effects of cash flow hedge accounting on financial position and performance

T122

in EUR thousands	Net book value as of Dec 31, 2023 (Derivative financial assets [+] / Derivative financial liabilities [-])	Nominal amount	Average hedging rate in %	Hedging ratio ¹	Maturity	Change in fair value of the hedging item since Jan 1	Change in fair value of the hedged item used as the basis for recognizing hedge ineffectiveness for the period	Book value of hedged item as of Dec 31, 2023
Hedging interest rate risk - interest rate swap								
		63,348				-1,696	1,696	63,348
Interest rate swap USD	4,466	63,348	1.41	1:1	2026	-1,696	1,696	

¹The forward foreign exchange contracts are denominated in the same currency as the highly probable future transactions, therefore the hedge ratio is 1:1.

(Continued) The effects of cash flow hedge accounting on financial position and performance

in EUR thousands	Net book value as of Dec 31, 2022 (Derivative financial assets [+] / Derivative financial liabilities [-])	Nominal amount	Average hedging rate in %	Hedging ratio ¹	Maturity	Change in fair value of the hedging item since Jan 1	Change in fair value of the hedged item used as the basis for recognizing hedge ineffectiveness for the period	Book value of hedged item as of Dec 31, 2022
Hedging interest rate risk - interest rate swap								
		65,629				6,666	-6,666	65,629
Interest rate swap USD	6,162	65,629	1.41	1:1	2026	6,666	-6,666	

¹The forward foreign exchange contracts are denominated in the same currency as the highly probable future transactions, therefore the hedge ratio is 1:1.

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The effective part as well as the accrued and recognized costs of hedging recognized in other comprehensive income excluding taxes developed as follows:

Change in hedging reserve before tax		T123
in EUR thousands	Interest rate swaps	Total
Balance as of Jan 1, 2022	-247	-247
Reclassification to profit or loss	-257	-257
Net fair value changes	6,666	6,666
Balance as of Dec 31, 2022	6,162	6,162
Reclassification to profit or loss	-2,527	-2,527
Net fair value changes	831	831
Balance as of Dec 31, 2023	4,466	4,466

Amounts due to interest rate swaps recognized in the hedging reserve in equity will be released in profit or loss before the repayment of the loans. In fiscal years 2023 and 2022, no ineffective portion of cash flow hedges relating to foreign exchange derivatives and interest rate swaps was recognized in profit or loss.

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ii. Effects of accounting for fair value hedges on the net assets, financial position and results of operations

The effects of foreign currency-related hedging instruments on the net assets, financial position and results of operations were as follows:

The effects of fair value hedge accounting on financial position and performance

T124

in EUR thousands	Net book value as of Dec 31, 2023 (Derivative financial assets [+] / Derivative financial liabilities [-])	Nominal amount (+ Buy / - Sell)	Average hedging rate	Hedging ratio	Maturity	Change in fair value of the hedging item since Jan 1	Change in fair value of the hedged item used as the basis for recognizing hedge ineffectiveness for the period
Currency risk hedging FVH							
Currency forwards JPY – SGD	-16	160	96.6	1:1 ¹	≤ 1 year	-10	10
Currency forwards CZK – EUR	35	-2,022	24.47	1:1 ²	≤ 1 year	81	-81
Currency forwards SGD – EUR	77	6,854	1.47	1:1 ²	≤ 1 year	31	-31
Currency forwards SGD – EUR	52	3,084	1.48	1:1 ²	≤ 1 year	44	-44
Currency forwards SGD – EUR	35	6,716	1.46	1:1 ²	≤ 1 year	26	-26
Currency forwards SGD – EUR	-38	7,196	1.45	1:1 ²	≤ 1 year	-52	52
Currency forwards SEK – EUR	71	3,154	11.36	1:1 ²	≤ 1 year	67	-67
Currency forwards SEK – EUR	22	2,163	11.22	1:1 ²	≤ 1 year	18	-18
Currency forwards PLN – EUR	-460	-7,489	4.67	1:1 ²	≤ 1 year	-606	606
Currency forwards PLN – EUR	43	1,728	4.49	1:1 ²	≤ 1 year	36	-36
Currency forwards CHF – EUR	-29	-1,080	0.94	1:1 ²	≤ 1 year	-39	39
Currency forwards CZK – EUR	172	-25,809	25.23	1:1 ²	2026	124	-124

1_The foreign exchange forward contracts for USD-EUR hedging are denominated in the same currency and have the same volume as the hedged net foreign exchange risk from external USD loans and intra-group monetary items in USD, therefore the hedge ratio is 1:1.

2_The forward exchange contracts are denominated in the same currency and volume as the hedged risk from intra-group monetary items, therefore the hedge ratio is 1:1.

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The effects of fair value hedge accounting on financial position and performance

T125

in EUR thousands	Net book value as of Dec 31, 2022 (Derivative financial assets [+] / Derivative financial liabilities [-])	Nominal amount (+ Buy / - Sell)	Average hedging rate	Hedging ratio	Maturity	Change in fair value of the hedging item since Jan 1	Change in fair value of the hedged item used as the basis for recognizing hedge ineffectiveness for the period
Currency risk hedging FVH							
Currency forwards USD – EUR	-793	-6,094	1.24	1:1 ¹	≤ 1 year	-714	714
Currency forwards SEK – EUR	-58	1,169	10.61	1:1 ²	≤ 1 year	-64	64
Currency forwards SGD – EUR	297	6,993	1.49	1:1 ²	≤ 1 year	168	-168
Currency forwards GBP – EUR	-110	2,255	0.85	1:1 ²	≤ 1 year	-103	103
Currency forwards PLN – EUR	30	534	5.11	1:1 ²	≤ 1 year	7	-7
Currency forwards SGD – EUR	110	6,853	1.45	1:1 ²	≤ 1 year	170	-170
Currency forwards SEK – EUR	-48	2,158	10.89	1:1 ²	≤ 1 year	-48	48
Currency forwards JPY – SGD	-30	178	0.01	1:1 ²	≤ 1 year	-28	28
Currency forwards CZK – EUR	-104	-2,073	25.74	1:1 ²	≤ 1 year	-24	24
Currency forwards GBP – EUR	151	-4,510	0.86	1:1 ²	≤ 1 year	203	-203
Currency forwards PLN – EUR	-238	-7,905	4.92	1:1 ²	≤ 1 year	-58	58
Currency forwards PLN – EUR	-49	-961	5.11	1:1 ²	≤ 1 year	-5	5

1_The foreign exchange forward contracts for USD-EUR hedging are denominated in the same currency and have the same volume as the hedged net foreign exchange risk from external USD loans and intra-group monetary items in USD, therefore the hedge ratio is 1:1.

2_The forward exchange contracts are denominated in the same currency and volume as the hedged risk from intra-group monetary items, therefore the hedge ratio is 1:1.

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An overview of the gains and losses arising from the hedging of fair value changes that were recognized in the financial result is shown below:

Gains and losses fair value hedges		T126
in EUR thousands		
Losses (-) / Gains (+) on hedged items	2023	2022
	503	3,212
Losses (-) / Gains (+) on hedging instruments	-1,786	-3,274
	-1,283	-62

21. (g) Financial instruments at fair value

The tables below provide an overview of the classification of financial assets and liabilities measured at fair value in the fair value hierarchy under IFRS 13 as of December 31, 2023, as well as December 31, 2022:

Financial instruments - fair value hierarchy				T127
in EUR thousands	Level 1 ¹	Level 2 ²	Level 3 ³	Total as of Dec 31, 2023
Recurring fair value measurements				
Assets				
Interest rate swaps – cash flow hedges		4,466		4,466
Foreign exchange derivatives - fair value hedges		507		507
Trade receivables - ABS/Factoring program (mandatorily measured at FVTPL)		32,682		32,682
Total		37,655		37,655
Liabilities				
Foreign exchange derivatives - fair value hedges		544		544
Total		544		544

¹Fair value measurement based on quoted prices (unadjusted) in active markets for these or identical assets or liabilities.
²Fair value measurement for the asset or liability based on inputs that are observable on active markets either directly (i.e., as priced) or indirectly (i.e., derived from prices).
³Fair value measurement for the asset or liability based on inputs that are not observable market data.

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(Continued) Financial instruments – fair value hierarchy

in EUR thousands	Level 1 ¹	Level 2 ²	Level 3 ³	Total as of Dec 31, 2022
Recurring fair value measurements				
Assets				
Foreign exchange derivatives - held for trading		125		125
Interest rate swaps - cash flow hedges		6,162		6,162
Foreign exchange derivatives - fair value hedges		588		588
Trade receivables - ABS/Factoring program (mandatorily measured at FVTPL)		20,912		20,912
Total		27,787		27,787
Liabilities				
Foreign exchange derivatives - held for trading		148		148
Foreign exchange derivatives - fair value hedges		1,430		1,430
Total		1,578		1,578

1_Fair value measurement based on quoted prices (unadjusted) in active markets for these or identical assets or liabilities.

2_Fair value measurement for the asset or liability based on inputs that are observable on active markets either directly (i.e., as priced) or indirectly (i. e., derived from prices).

3_Fair value measurement for the asset or liability based on inputs that are not observable market data.

As in the previous year, there were no transfers between the individual levels of the valuation hierarchies. The fair value of interest swaps is calculated as the present value of estimated future cash flows. The fair value of the forward exchange transactions is calculated using the forward exchange rate on the balance sheet date and the result is then presented at the discounted present value.

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21. (h) Net gains and losses on financial instruments

The net gains or losses on financial instruments (by measurement category) in accordance with IFRS 7.20 (a) were as follows:

Financial instruments - net gains and losses		T128
in EUR thousands		
	2023	2022
Net gains or net losses on financial assets		
Measured at amortized costs	662	437
Net gains or net losses on financial liabilities		
Measured at amortized costs	-23,122	-10,030
Net gains or net losses on Derivatives		
Measured at FVPL	25	155
	-22,435	-9,438

Net gains and losses on financial assets measured at amortized cost include impairment losses on trade receivables and interest income from short-term deposits with banks. Net gains and losses on financial liabilities measured at cost include interest expenses and fees from loans and borrowings. Currency effects from the translation of financial assets and liabilities according to IAS 21 are shown under [NOTE 14 NET FOREIGN EXCHANGE GAINS / LOSSES](#).

21. (i) Total interest income and expense from financial instruments

Interest expenses/income from financial assets and liabilities (IFRS 7.20(b))		T129
in EUR thousands		
	2023	2022
Interest income		
Financial assets at costs	1,552	690
Interest expenses		
Financial liabilities at costs	-22,745	-9,922

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21. (j) Offsetting

The following table presents the gross and net amounts as of December 31, 2023, and 2022, of financial instruments that have been offset or that are subject to an enforceable global netting arrangement or similar agreement but have not been netted:

Offsetting of financial instruments

	Gross amounts of financial assets / financial liabilities	Gross amounts of financial assets / financial liabilities offset in the Statement of Financial Position	Net amounts recognized in the Statement of Financial Position	Amounts that are not offset in the Statement of Financial Position	Net amount
in EUR thousands				Financial instruments	
Dec 31, 2023					
Financial assets					
Derivative financial instruments (b)	4,973		4,973	43	4,930
Trade and other receivables (a)	188,956	4,449	184,507		184,507
Other financial assets	3,223		3,223		3,223
Cash and cash equivalents	165,207		165,207		165,207
Total	362,359	4,449	357,910	43	357,867
Financial liabilities					
Borrowings	458,744		458,744		458,744
Derivative financial instruments (b)	544		544	43	501
Trade and other payables (a)	178,108	4,449	173,659		173,659
Other financial liabilities	8,724		8,724		8,724
Total	646,120	4,449	641,671	43	641,628
Dec 31, 2022					
Financial assets					
Derivative financial instruments (b)	6,875		6,875		6,875
Trade and other receivables (a)	191,215	4,906	186,309		186,309
Other financial assets	3,764		3,764		3,764
Cash and cash equivalents	168,670		168,670		168,670
Total	370,524	4,906	365,618	0	365,618
Financial liabilities					
Borrowings	465,578		465,578		465,578
Derivative financial instruments (b)	1,578		1,578		1,578
Trade and other payables (a)	211,629	4,906	206,723		206,723
Other financial liabilities	10,537		10,537		10,537
Total	689,322	4,906	684,416	0	684,416

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(a) Offsetting arrangements

NORMA Group grants volume-based discounts to its customers. According to the terms of the supply agreements and the applicable GTC, these amounts are offset against the trade receivables payable to NORMA Group from these customers and only the respective net amounts are settled. The respective amounts are thus shown as net amounts in NORMA Group's Consolidated Statement of Financial Position.

(b) Master netting arrangements – not currently enforceable

NORMA Group enters into derivative transactions in accordance with the global netting agreements (master agreement) of the International Swaps and Derivatives Association (ISDA) and other corresponding national master agreements ("German Master Agreement," for example). These agreements do not meet the criteria for offsetting as they only grant the right to offset in the event of future events, such as the default or insolvency of the Group or counterparties. The [TABLE OFFSETTING OF FINANCIAL INSTRUMENTS](#) shows the possible financial effects of offsetting in accordance with the existing global netting agreements.

22. Inventories

Inventories were as follows:

Inventories	T131	
in EUR thousands	Dec 31, 2023	Dec 31, 2022
Raw materials, consumables and supplies	63,966	76,968
Work in progress	28,708	28,978
Finished goods and goods for resale	127,422	144,850
	220,096	250,796

As at December 31, 2023, impairment losses in the amount of EUR 6,043 thousand (Dec 31, 2022: EUR 6,949 thousand) on inventories are recognized in the income statement. Inventories have fallen significantly compared to the previous year. The higher inventory in the same period of the previous year was due to the effects of a relocation of production and the expiry of production cycles at customers.

On December 31, 2023, and 2022, the inventories were not collateralized with the exception of the customary business reservations of title.

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23. Other non-financial assets

Other non-financial assets were as follows:

Other non-financial assets	T132	
in EUR thousands	Dec 31, 2023	Dec 31, 2022
Deferred costs	7,621	6,214
VAT assets	12,896	12,797
Prepayments	2,667	2,235
Consideration payable to a customer	2,172	2,675
Other assets	1,421	1,496
	26,777	25,417

24. Equity

Subscribed Capital

The subscribed capital of the Company on December 31, 2023, and December 31, 2022, amounted to EUR 31,862 thousand and was fully paid in. It is divided into 31,862,400 no-par value registered shares, which entitle the shareholders to the dividend resolved in each case and to one vote per share at the Company's Annual General Meetings.. The subscribed capital is the capital to which the liability of the shareholders for the Company's liabilities to creditors is limited. The amount of the subscribed capital is not permitted to be distributed by the Company to its shareholders.

Authorized and Conditional Capital

The Management Board is entitled to increase the share capital by up to EUR 3,186,240 until June 29, 2025, by issuing up to 3,186,240 new no-par-value registered shares in exchange for cash and / or contributions in kind either once or several times by resolution of the Annual General Meeting held on June 30, 2020, with the approval of the Supervisory Board, whereby the subscription rights of shareholders may be restricted (Authorized Capital 2020).

By resolution of the Annual General Meeting on June 30, 2020, the share capital of the Company is conditionally increased by up to EUR 3,186,240 by issuing up to 3,186,240 new no-par-value registered shares for the purpose of granting convertible bonds and / or bonds with warrants (Conditional Capital 2020).

Capital Reserve

The capital reserve contains:

- amounts (premiums) received for the issuance of shares,
- premiums paid by shareholders in exchange for the granting of a preference for their shares,
- amounts from other additional payments made by shareholders into equity.

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Retained Earnings

Retained earnings consisted of the following:

Development of retained earnings										T133
in EUR thousands	Retained earnings	Remeasurements of post-employment benefit obligations	Share-based payments	IPO costs directly netted with equity	Reimbursement of IPO costs by shareholders	Acquisition of non-controlling interest	Effects from the application of IAS 19R	Effects of FRS 9	Effects of IFRS 16	Total
Balance as of Jan 1, 2022	426,438	-2,436	406	-4,640	4,681	-6,359	839	-600	-2,033	416,296
Profit for the year	39,068									39,068
Dividends paid	-23,897									-23,897
Stock options			-2							-2
Effect before taxes		4,699								4,699
Tax effect		-1,384								-1,384
Balance as of Dec 31, 2022	441,609	879	404	-4,640	4,681	-6,359	839	-600	-2,033	434,780
Balance as of Jan 1, 2023	441,609	879	404	-4,640	4,681	-6,359	839	-600	-2,033	434,780
Profit for the year	27,832									27,832
Dividends paid	-17,524									-17,524
Share-based payment transactions			262							262
Effect before taxes		-282								-282
Tax effect		195								195
Balance as of Dec 31, 2023	451,917	792	666	-4,640	4,681	-6,359	839	-600	-2,033	445,263

A dividend of EUR 17,524 thousand (EUR 0.55 per share) was paid to the shareholders of NORMA Group after the Annual General Meeting in May 2023.

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Other Reserves

Other reserves consisted of the following:

Development of other reserves			T134
in EUR thousands	Cash flow hedges	Foreign exchange rate differences on translating foreign operations	Total
Balance as of Jan 1, 2022	-183	9,951	9,768
Effect before taxes	6,409	13,794	20,203
Tax effect	-1,865		-1,865
Balance as of Dec 31, 2022	4,361	23,745	28,106
Effect before taxes	-1,696	-21,250	-22,946
Tax effect	494		494
Balance as of Dec 31, 2023	3,159	2,495	5,654

25. Share-based payments

Management incentive schemes

a) Long-Term Incentive, LTI

With effect from January 1, 2020, the LTI for the members of the Management Board consists of two different long-term variable remuneration components, the NORMA Value Added Bonus (NOVA-Bonus) and the Environmental, Social and Governance Bonus (ESG-Bonus).

i. NOVA-Bonus

The NOVA-Bonus is defined at the beginning of the fiscal year and corresponds to the percentage of the average increase in value of the grant fiscal year and the three previous fiscal years. The annual increase in value is calculated using the following formula:

$$\text{NORMA Value Added} = (\text{adjusted EBIT} \times (1 - t)) - (\text{WACC} \times \text{invested capital})$$

The calculation of the first component is based on the consolidated earnings before interest and taxes (Group EBIT) for the fiscal year and the average corporate tax rate (t). The second component is calculated from the Group cost of capital (WACC) multiplied by the capital invested. The Group's weighted average cost of capital (WACC) is derived from the base interest rate, the market risk premium and the beta factor. The base interest rate is derived from the interest rate structure data of Deutsche Bundesbank (three-month average from October 1 to December 31). The market risk premium represents the difference between the expected return of a risky market portfolio and the risk-free interest rate. NORMA uses the recommendation of the Institut der Wirtschaftsprüfer (IDW) to determine this market risk premium. The beta factor represents the individual risk of a share compared to a market index. It is first determined as the average value of the unindebted beta factors of the peer group and then

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adjusted to NORMA's individual capital structure. The cost of equity is calculated by adding the risk-free interest rate and the weighted country risk of NORMA Group to the product of the market risk premium and the indebted beta factor of the peer group. The credit spread used to calculate the cost of debt was determined on the basis of the terms of the current external financing of NORMA Group. Invested capital is calculated from consolidated equity plus net financial liabilities as of January 1 of the fiscal year. The NOVA-Bonus is limited to a maximum of 200% of the annual salary. The Company may pay the payout amount in cash or in shares of NORMA Group SE. If paid out in cash, the Management Board obligates itself to use 75% of the net payout amount to purchase shares of NORMA Group SE. The Company's Supervisory Board may decide at its reasonable discretion to issue shares in the Company in whole or in part in lieu of a cash payment. Regardless of whether the company pays the amount due in cash or shares, 75% of the NOVA-Bonus' net payout must be invested in shares of NORMA Group SE.

The Management Board member may not dispose of the shares for four years. Dividends and subscription rights will be made freely available to the Management Board member. If a member of the Management Board enters the Company's service in the current fiscal year or does not work for the Company for a full twelve months in a fiscal year, the LTI is reduced on a pro rata basis. Upon termination of the employment contract, a Management Board member may dispose of their shares only after twelve months of leaving the Company. With the termination of the executive position upon request of the Management Board or for an important reason, future claims for the variable part of the LTI are no longer valid.

NORMA Group classifies the remuneration as a whole as share-based remuneration. Due to the past practice of cash payment in connection with the current lack of a legal possibility to use this remuneration to acquire own shares or to perform a conditional capital increase, NORMA Group classifies the share of the remuneration that is not subject to the share acquisition and holding obligation, i.e., 25% of the NOVA-LTI, as a cash-settled share-based payment. The remaining 75% of the remuneration is classified as an equity-settled share-based payment because the beneficiaries will ultimately receive shares of NORMA Group due to the share purchase and holding obligation.

The resulting personnel expenses are recognized pro rata over the respective three-year performance period, taking the employment period into account. For tranches not yet allocated, the fiscal years for which performance has already been rendered are already taken into account. This means recognition of the expense already begins two years prior to allocation.

The personnel expense for the 75% of the NOVA-LTI classified as equity-settled is transferred to retained earnings. For the remaining 25%, the personnel expense is recognized with the formation of a corresponding provision.

Fair value

The fair value of each tranche is determined at the beginning of the performance period on the basis of expected increases in value and adjusted on an ongoing basis. Internal company planning data is used for this purpose. It is based on financial plans approved by the management for a five-year period. In view of the input factors used for this valuation, the fair values determined are to be classified as Level 3 fair values.

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The NOVA-Bonus developed as follows in the fiscal years 2023 and 2022:

Development of NOVA-LTI				T135
	NOVA-LTI 2023	NOVA-LTI 2024	NOVA-LTI 2025	
Duration until exercise in years	0.50	1.50	2.50	
Fair value in EUR as of Dec 31, 2023	0	0	0	
Proportional fair value in EUR as of Dec 31, 2023	0	0	0	

Development of NOVA-LTI				T136
	NOVA-LTI 2022	NOVA-LTI 2023	NOVA-LTI 2024	
Duration until exercise in years	0.50	1.50	2.50	
Fair value in EUR as of Dec 31, 2022	0	0	0	
Proportional fair value in EUR as of Dec 31, 2022	0	0	0	

In total, the provision for the NOVA-LTI amounted to EUR 0 thousand as of December 31, 2023 (Dec 31, 2022: EUR 0 thousand). The fair values of the current 2023 tranche and the future 2024 and 2025 tranches are EUR 0 thousand due to the targets achieved and planned, meaning that the expected vesting for these future tranches is also EUR 0 thousand.

ii. ESG-LTI

The ESG-Bonus was adopted in fiscal year 2020 for the first time. It is granted in annual tranches. Each tranche has a term of four years. A tranche begins on January 1 of the granting fiscal year and ends at the end of December 31 of the third year following the granting fiscal year (ESG performance period). The amount paid out under the ESG-Bonus depends on the achievement of environmental, social and governance targets. For the tranche of 2020, the reduction of CO₂ emissions was defined as a target. The target amount of the ESG-Bonus is 20% of the fixed annual salary. The payout amount is limited to a maximum of 100% of the target amount. The Company can pay out the ESG-Bonus in cash or in company shares. In the case of cash payment, the members of the Management Board are obliged to purchase shares in the Company for the entire net amount paid out and to hold these shares for a period of one year (obligation to purchase and hold shares). The Company's Supervisory Board may decide at its reasonable discretion to issue shares in the Company in whole or in part in lieu of a cash payment. In this case, the members of the Management Board are also obliged to hold 100% of the shares issued for a period of one year. If a member of the Management Board enters the Company's service in the current fiscal year or does not work for the Company for a full twelve months in a fiscal year, the LTI is reduced on a pro rata basis.

NORMA Group classifies the remuneration (ESG-LTI) as share-based payment. The remuneration is classified as equity-settled due to the obligation to purchase and hold shares.

The resulting personnel expenses are recognized pro rata over the respective four-year performance period, taking the employment period into account, and are allocated to retained earnings.

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Fair value

The fair value of each tranche is determined at the beginning of the performance period based on expected target achievement and adjusted on an ongoing basis. Internal company planning data is used for this purpose. It is based on financial plans approved by the management for a five-year period. In view of the input factors used for this valuation, the fair values determined are to be classified as Level 3 fair values.

The ESG-LTI developed as follows in the fiscal years 2023 and 2022:

Development of ESG-LTI				T137
	Tranche 2020	Tranche 2021	Tranche 2022	Tranche 2023
Duration until exercise in years	0.50	1.50	2.50	3.50
Fair value in EUR as of Dec 31, 2023	248,550	213,600	163,800	301,842
Proportional fair value in EUR as of Dec 31, 2023	248,550	193,400	124,600	97,841

Development of ESG-LTI				T138
	Tranche 2020	Tranche 2021	Tranche 2022	
Duration until exercise in years		1.50	2.50	3.50
Fair value in EUR as of Dec 31, 2022		265,000	280,000	280,000
Proportional fair value in EUR as of Dec 31, 2022		194,000	140,000	70,000

b) Short-Term Incentive, STI

The STI is a performance-based bonus that takes into account the absolute performance indicator adjusted EBIT (earnings before interest and taxes, adjusted for acquisitions) of NORMA Group, on the one hand, and, on the other hand, the relative total shareholder return (TSR) of NORMA Group SE in relation to a peer group. The payout amount of the STI is calculated from a starting value and an adjustment to the target achievement of the TSR in the grant year. The calculation is shown in the following formula:

$$\text{Payout amount} = \text{initial value} \\ (= \text{average adjusted EBIT} \times \text{individual STI percentage}) \times \\ \text{TSR adjustment factor}$$

The initial value results from multiplying the average EBIT, adjusted for acquisitions, in the fiscal year for which the STI is granted and the two fiscal years preceding the grant year (arithmetic mean) by the individual STI percentage specified in the service contract. The individual STI percentage is 0.33% for the Chairman and 0.22% for the other members of the Management Board. In a second step, this initial value is then multiplied by the TSR adjustment factor and the result represents the payout amount. The TSR is defined as the percentage change in the stock market price during the grant year, including notionally reinvested dividends and all capital measures. In other words, the TSR is a measure of how the value of a share commitment has developed over a period of time and takes into account both dividends accrued during the period and any share price increases that may have occurred. In the current remuneration system, the share yield is taken into account as a relative performance factor. The TSR adjustment factor is determined by measuring the TSR development (share price and dividend

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development) of NORMA Group SE in relation to the TSR development of the peer group companies during the granting fiscal year. Depending on the results of the comparison, the starting value of the STI is adjusted upwards by 20% if a position in the peer group is reached above the 75th percentile and downwards by 20% if a position in the peer group is reached below the 25th percentile; the TSR adjustment factor is thus limited to the range of 0.8 to 1.2. The comparison group currently consists of the following 15 listed companies of comparable size, structure and industry sector to NORMA Group: Bertrandt AG, Deutz AG, DMG Mori AG, ElingKlinger AG, Gerresheimer AG, Jungheinrich AG, König & Bauer AG, Leoni AG, SAF-Holland S.A., Schaeffler AG, SGL Carbon SE, Stabilus S.A., Vossloh AG, Wacker Neuson SE and Washtec AG. The Supervisory Board is entitled to adjust the peer group for future assessment periods before the beginning of the respective assessment period. The payment amount (= base value x TSR adjustment factor) is limited to a maximum of 180% of the basic annual salary; the initial value (= average adjusted EBIT x individual STI percentage) is limited to a maximum of 150% of the fixed annual salary. The short-term variable remuneration for the past fiscal year is to be paid out in the following year after approval of the Consolidated Financial Statements by the Supervisory Board. If the Management Board member did not work for the Company for a full twelve months in a fiscal year, the annual bonus will be reduced accordingly.

NORMA Group classifies the remuneration as a cash-settled share-based payment. The expense from the remuneration is recognized in personnel expenses with the creation of a corresponding provision.

In total, the provision for the STI amounted to EUR 795 thousand as of December 31, 2023 (December 31, 2022: EUR 532 thousand), of which EUR 795 thousand will be paid out in fiscal year 2024 (2023: EUR 532 thousand).

c) Long-Term Incentive Plan

In the fiscal year 2013, NORMA Group installed a share-based, long-term, variable remuneration component for executives and certain other groups of employees (Long-Term Incentive Plan).

The Long-Term Incentive Plan (LTI) is a share-based payment, cash-settled plan that takes into account both the performance of the Company and the share price development.

The participants receive a preliminary number of share units (virtual shares) at the start of the performance period based on a percentage of the respective base salary multiplied by a conversion rate. The conversion rate is determined based on the average share price of the previous 60 trading days of the calendar year prior to the grant date. Once four years have elapsed, the number of share units granted at the start of the performance period is adjusted based on the performance the Company has achieved, incorporating both the targets defined during the performance period and the company / regional factor.

The goal achievement factor, measured by adjusted EBITA, as well as the company / regional factor are applied as performance targets. The goal achievement factor is based on the adjusted EBITA of NORMA Group. The absolute adjusted EBITA target is determined for every year of the performance period based on the budgeted value. After conclusion of the four-year period, the yearly recorded adjusted EBITA values are defined as a percentage in relation to the target values and averaged out over the four years. Allocation occurs above a goal achievement ratio of 90%. Between 90% and 100% goal achievement, every percentage point amounts to 10 percentage points of goal achievement factor. Between 100% and 200% goal achievement, the goal achievement factor grows by 1.5 percentage points per percentage point of goal achievement.

The company factor is determined by the Group Senior Management based on the Company's development, as well as the development in relation to comparable companies. In addition to this, the development of free cash flows is taken into account when determining the factor. At the discretion of the Group Senior Management,

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unanticipated developments can also be taken into account and the company factor corrected either downward or upward accordingly. The factor can assume values between 0.5 and 1.5.

The factor takes into account the results of the region as well as the region-specific characteristics and is used as an adjustment factor for plan participants with regional responsibility.

The value of the share units is then determined at the end of the fourth calendar year based on the average share price of the last 60 days of trading in this fourth year. In case the calculated Long-Term Incentive pay-out exceeds 250% of the initial grant value, the maximum pay-out is capped at 250%. The value determined is paid out to the participants in cash in May of the fifth year.

Thus, the LTI is a Group-wide and global remuneration instrument with a long-term orientation. Due to the coupling to the development not only of the stock price, but also the Company's performance, the LTI provides an additional incentive to create value through value-based action, aligned with the goals of NORMA Group.

The determination of fair value, which is the basis for determining the pro rata provision on the balance sheet date, was performed using a Monte Carlo simulation. Due to the cash settlement of the virtual share units, the fair value is measured on each balance sheet date and the resulting changes in the fair value are recognized in income or loss. The allocation of the expenses is made on a prorated basis over the performance period.

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The share units granted under the LTI changed as follows in the fiscal years 2022 and 2023:

Development of LTI						T139
	Tranche LTI 2019	Tranche LTI 2020	Tranche LTI 2021	Tranche LTI 2022	Tranche LTI 2023	
Expected duration until exercise in years	n / a	n / a	1.00	2.00	3.00	
Fair value per 'share unit' in EUR as of Dec 31, 2023	n / a	0	0	12.30	14.68	
Share price when granted in EUR	48.25	35.62	33.57	35.33	16.31	
Balance as of Dec 31, 2022	32,794	45,731	50,120	54,723	0	
Tentatively granted 'share units'					113,320	
Exercised						
Lapsed	32,794	416	303	2,939		
Balance as of Dec 31, 2023	0	45,315	49,817	51,784	113,320	
	Tranche LTI 2018	Tranche LTI 2019	Tranche LTI 2020	Tranche LTI 2021	Tranche LTI 2022	
Expected duration until exercise in years	n / a	n / a	1.00	2.00	3.00	
Fair value per 'share unit' in EUR as of Dec 31, 2022	n / a	0	16.66	16.28	15.86	
Share price when granted in EUR	56.27	48.25	35.62	33.57	35.33	
Balance as of Dec 31, 2021	24,894	33,441	48,636	53,697	0	
Tentatively granted 'share units'					54,723	
Exercised						
Lapsed	24,894	647	2,905	3,577		
Balance as of Dec 31, 2022	0	32,794	45,731	50,120	54,723	

No payment was made from the LTI program in fiscal year 2023 (2022: no payment).

In total, the provision for the LTI amounts to EUR 1,018 thousand as of December 31, 2023 (December 31, 2022: EUR 1,706 thousand. As of December 31, 2023, there were no options exercisable under the LTI (December 31, 2022: none).

d) Share-based payments with tax withholding

According to the tax law applicable in Germany, NORMA Group is obliged to withhold an amount for the tax liability of the beneficiary member of the Management Board or employee if they are subject to payroll tax in Germany in relation to share-based payments and to pay it to the tax authorities on behalf of the respective beneficiary. This also applies to equity-settled share-based payments (NOVA-LTI; ESG-LTI). NORMA Group settles these on a net basis, i.e., by withholding / buying back the number of shares whose value on the payment date corresponds to the beneficiary's tax liability. In the 2023 and 2022 fiscal year, no payments were made from share-based payments, meaning that no amounts were paid to the tax authorities.

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e) Expenses from share-based payment

The net expense / income from share-based remuneration recognized in employee benefit expenses in the fiscal year was as follows:

Expense from share-based payment transactions		T140
in EUR thousands	2023	2022
Net expenses (+) / income (-) from cash-settled share-based payment transactions:		
LTI - Management	-688	95
NOVA-LTI		-70
STI - Board Members	795	532
	107	557
Net expenses (+) / income (-) from equity-settled share-based payment transactions:		
NOVA-LTI		-210
ESG-LTI	262	209
	262	-1

26. Retirement benefit obligations

Retirement benefit obligations result mainly from two German pension plans and a Swiss post-employment benefit plan.

The German defined benefit pension plan for NORMA Group employees was closed for new entrants in 1990 and provides benefits in case of retirement, disability, and death as life-long pension payments. The benefit entitlements depend on years of service and salary. The portion of salary that is above the income threshold for social security contribution leads to higher benefit entitlements compared to the portion of the salary up to that threshold. Even if no further benefits can be earned from these old commitments, NORMA Group is still exposed to certain actuarial risks associated with defined benefit plans, such as longevity and remuneration increases. Due to the amount of the obligation and the composition of the plan participants, approximately 96% pensioners, a significant change in the actuarial assumptions would have no significant effects on NORMA Group.

Employees hired after 1990 are eligible under a defined contribution scheme. The contributions are paid into an insurance contract providing lump sum payments in case of retirements and deaths.

Furthermore, a plan for members of the Management Board was established in fiscal year 2015. This second German defined benefit plan is based on a direct commitment to an annual retirement payment for members of the Management Board of NORMA Group when having joined before fiscal year 2020. The annual retirement payment is measured as a percentage of the pensionable income. The pension entitlement arises when the contract has expired, but not before reaching the age of 65, or if that individual is unable to work. The percentage depends on the number of years of service as a Management Board member. The percentage amounts to 4% of the last fixed annual salary prior to leaving for each completed year of service. The percentage can increase to a maximum of 55%. Furthermore, a survivor's pension will be provided as well.

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The obligations arising from the plan are subject to certain actuarial risks associated with defined benefit plans, such as longevity and remuneration increases. Please see the Remuneration Report for further details with regard to this plan [REMUNERATION REPORT](#).

Besides the German plans, there is a further benefit plan in Switzerland resulting from the Swiss 'Berufliches Vorsorgegesetz' law (BVG). According to the BVG, each employer has to grant post-employment benefits for qualifying employees. The plan is a capital-based plan under which the Company has to make contributions equivalent to at least the limits specified in the plan conditions for employee contributions. These plans are administered by foundations that are legally separated from the entity and subject to the BVG. The Group has outsourced the investment process to a foundation, which sets the strategic asset allocation in its group life portfolio. All regulatory granted obligations out of the plan are reinsured by an insurance company. This covers risks of disability, death and longevity. Furthermore, there is a 100% capital and interest guarantee for the retirement assets invested. In the case of a shortfall, the employer and plan participants' contribution may be increased based on the decisions of the relevant foundation board. Strategies of the foundation boards to make up for potential shortfalls are subject to approval by the regulator.

Besides the plans described in Germany and Switzerland, NORMA Group also participates in a multi-employer pension plan in the US for the benefit of employees of one of its US-based plants. NORMA Group's obligation to participate in the fund arises from the agreement with the employees' labor organization. The multi-employer pension plan is governed by US federal law under which the plan funds are held in trust and the plan administration and procedures substantially governed by federal regulation. The multi-employer pension plan is a defined benefit plan, and would normally be treated as such based on its associated actuarial estimates; however, the plan trustees do not provide the participating employers with sufficient information to individually account for the plan (or their portioned participation therein) as a defined benefit plan. For this reason, the plan is being treated in accordance with the rules for defined contribution pension plans (IAS 19.34). The share of contributions that NORMA Group paid to the pension schemes in the previous fiscal year amounted to EUR 1.5 million (2022: EUR 1.4 million). Contributions to the plan are recognized directly in personnel expenses for the period. Future changes to the contributions, if any, would be determined through negotiations with the workers' organization or as they may be slightly modified from time to time by regulation. Apart from the agreed contributions, NORMA Group has no firm commitment to this plan. Conditionally, in the unlikely event that NORMA Group withdraws from the fund or a significant employer in the fund experiences a major solvency event, additional future contribution payment obligations could arise. The funded status of the multi-employer plan is reported annually by the US Department of Labor, and is influenced by various factors, including investment performance, inflation, changes in demographics and changes in the participants' levels of performance. .

On July 11, 2023, the plan received further government funding totaling USD 994 million (2022: USD 715 million), after which there was no longer a shortfall as at the balance sheet date and the plan was classified as "solvent." The payments made in the past two years reduce the potential future payment obligation in the event of withdrawal from the multi-employer plan pro rata temporis over a period of ten years after receipt of the state subsidies.

The expected employer contributions to the pension schemes for the following year 2024 amount to EUR 1.5 million.

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Reconciliation of defined benefit obligations (DBO) and plan assets

The amounts included in the Group's Consolidated Financial Statements arising from its post-employment defined benefit plans are as follows:

Components pension liability		T141
in EUR thousands	Dec 31, 2023	Dec 31, 2022
Present value of obligations	16,162	15,044
Fair value of plan assets	6,843	5,870
Liability in the balance sheet	9,319	9,174

The reconciliation of the net defined benefit liability (liability in the balance sheet) is as follows:

Reconciliation of the net defined benefit liability		T142
in EUR thousands	2023	2022
as of Jan 1	9,174	15,913
Current service cost	1,032	1,484
Past service cost	-20	-26
Administration costs	-15	12
Interest expenses	278	146
Remeasurements:		
Return on plan assets excluding amounts included in net interest expenses	48	100
Actuarial (gains) losses from changes in demographic assumptions	-13	-227
Actuarial (gains) losses from changes in financial assumptions	973	-4,997
Experience (gains) losses	-726	425
Employer contributions	-793	-3,125
Plan participants contribution		1
Benefits paid	-729	-539
Settlement payments	86	-10
Foreign currency translation effects	24	17
as of Dec 31	9,319	9,174

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A detailed reconciliation of the changes in the DBO is provided in the following table:

Reconciliation of the changes in the DBO		T143
in EUR thousands		
as of Jan 1	2023	2022
	15,044	19,016
Current service cost	1,032	1,484
Past service cost	-20	-26
Administration costs	-15	12
Interest expenses	483	160
Remeasurements:		
Actuarial (gains) losses from changes in demographic assumptions	-13	-227
Actuarial (gains) losses from changes in financial assumptions	973	-4,959
Experience (gains) losses	-726	425
Plan participants contribution	64	113
Benefits paid	-797	-645
Settlement payments	-26	-426
Foreign currency translation effects	163	117
as of Dec 31	16,162	15,044

The total defined benefit obligation at the end of the past fiscal year includes EUR 5,564 thousand for active employees, EUR 4,117 thousand for former employees with vested benefits and EUR 6,481 thousand for retirees and surviving dependents.

The slight increase in pension obligations mainly resulted from the adjustment of the discount factor of the liabilities of German companies due to the slightly lower interest rate level in Germany, Poland and Switzerland. This change is reflected in the actuarial gains and losses from financial assumptions.

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A detailed reconciliation of the changes in the fair value of plan assets is provided in the following table:

Reconciliation of changes in the fair value of plan assets		T144
in EUR thousands		
as of Jan 1	2023	2022
	5,870	3,103
Interest income	205	14
Remeasurements:		
Return on plan assets excluding amounts included in net interest expenses	-48	-100
Employer contributions	793	3,125
Plan participants contributions	64	112
Benefits paid	-68	-68
Settlement payments	-112	-416
Foreign currency translation effects	139	100
Fair value of plan assets at end of year	6,843	5,870

From fiscal year 2022 on, the partial reinsurance of pension obligations under the plan for members of the Management Board was effected by taking out corresponding reinsurance policies. The payments for these are included under the item "Employer contributions".

Disaggregation of plan assets

The breakdown of the plan assets of the benefit plans is as follows:

Breakdown of plan assets		T145
in EUR thousands		
Asset class	2023	2022
Insurance contracts	6,796	5,893
Cash deposit	35	-14
Equity securities	12	-9
Total	6,843	5,870

Cash deposits and equity securities have quoted prices in active markets. The values for insurance contracts represent their fair value. No quoted prices in an active market are available for these.

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Actuarial assumptions

The principal actuarial assumptions are as follows:

Actuarial assumptions	2023	T146 2022
in %		
Discount rate	2.76	3.75
Inflation rate	1.83	2.03
Future salary increases	2.22	2.18
Future pension increases	1.51	2.06

The biometric assumptions are based on the 2018 G Heubeck life-expectancy tables for the German plan and on the life-expectancy tables of the BVG 2020 G for the Swiss plan. The tables are generation tables and hence differ according to gender, status and year of birth.

Sensitivity analysis

If the discount rate were to differ by 0.25% upwards or 0.25% downwards from the interest rate recognized on the balance sheet date, the carrying amount of the pension obligation would be an estimated EUR 409 thousand lower or EUR 438 thousand higher. If the pension trend were to differ by 0.25% upwards or downwards from management's estimates, the carrying amount of the pension obligation would be an estimated EUR 275 thousand higher or EUR 264 thousand lower. The reduction / increase in the mortality rates by 10% results in an increase / deduction in life expectancy depending on the individual age of each beneficiary. That means, for example, that the life expectancy of a male NORMA Group employee age 55 years as of December 31, 2023, increases / decreases by approximately one year. In order to determine the longevity sensitivity, the mortality rates were reduced / increased by 10% for all beneficiaries. The effect on DBO as of December 31, 2023, due to a 10% reduction / increase in mortality rates would result in an increase of EUR 697 thousand or a decrease of EUR 729 thousand.

When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method) has been applied as when calculating the post-employment benefit obligation recognized in the Consolidated Statement of Financial Position. Increases and decreases in the discount rate or rate of pension progression which are used in determining the DBO do not have a symmetrical effect on the DBO due to the compound interest effect created when determining the net present value of the future benefit. If more than one of the assumptions are changed simultaneously, the combined impact due to the changes would not necessarily be the same as the sum of the individual effects due to the changes. If the assumptions change at a different level, the effect on the DBO is not necessarily in a linear relation.

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Future cash flows

Employer contributions expected to be paid to the post-employment defined benefit plans in fiscal year 2024 amount to EUR 263 thousand (2022: EUR 217 thousand).

The expected payments from the plans for post-employment benefits are distributed as follows for the next 10 fiscal years, whereby the last 5 years are shown as a total:

Expected payments from post-employment benefit plans		T147
in EUR thousands		2023
Expected benefit payments		
2024		661
2025		700
2026		748
2027		897
2028		1,052
2029 – 2032		5,809
in EUR thousands		2022
Expected benefit payments		
2023		686
2024		702
2025		784
2026		782
2027		863
2028 – 2031		6,437

The weighted average duration of the defined benefit obligation is 12.78 years (2022: 12.22 years).

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27. Provisions

The development of provisions is as follows:

Development of provisions								T148
in EUR thousands	As of Jan 1, 2023	Additions	Amounts used	Unused amounts reversed	Interest accrued	Transfers	Foreign currency translation	As of Dec 31, 2023
Guarantees	7,498	2,286	-2,604	-448			-151	6,581
Severance	420	128	-389			19		178
Early retirement	2,203	2,201	-1,636		77			2,845
Other personnel-related obligations	3,552	2,011	-911	-1,127		-19	-34	3,472
Outstanding invoices	1,560	1,399	-1,484	-2			-6	1,467
Others	3,985	1,055	-253	-242			-132	4,413
Total provisions	19,218	9,080	-7,277	-1,819	77	0	-323	18,956

in EUR thousands	As of Jan 1, 2022	Additions	Amounts used	Unused amounts reversed	Interest accrued	Transfers	Foreign currency translation	As of Dec 31, 2022
Guarantees	3,203	5,030	-653	-97			15	7,498
Severance	12,913	163	-12,652	-1			-3	420
Early retirement	1,985	1,076	-794		-64			2,203
Other personnel-related obligations	3,648	1,131	-694	-524			-9	3,552
Outstanding invoices	1,651	2,479	-2,365	-126		-154	75	1,560
Others	3,585	623	-242	-119			138	3,985
Total provisions	26,985	10,502	-17,400	-867	-64	-154	216	19,218

Provisions – split current / non-current							T149
in EUR thousands	Dec 31, 2023			Dec 31, 2022			
	Total	thereof current	thereof non-current	Total	thereof current	thereof non-current	
Guarantees	6,581	6,224	357	7,498	7,187	311	
Severance	178	178		420	420		
Early retirement	2,845	1,251	1,594	2,203	841	1,362	
Other personnel-related obligations	3,472	1,566	1,906	3,552	1,407	2,145	
Outstanding invoices	1,467	1,467		1,560	1,560		
Others	4,413	3,903	510	3,985	3,503	482	
Total provisions	18,956	14,589	4,367	19,218	14,918	4,300	

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Provisions for guarantees

Provisions for guarantees include provisions due to circumstances where a final agreement has not yet been reached and provisions based on experience (customer claim quota, amount of damage, etc.). Future price increases are considered if material.

Provisions for restructuring

Provisions for restructuring are recognized in the amount of the expected future cash outflows. Provisions are recognized when a detailed restructuring plan, which has been approved by management and publicly announced or communicated to employees or their representatives, is available. Only expenses directly attributable to the restructuring measures are used to measure the amount of the provision. Expenses related to future operating business are not taken into account.

The additions to provisions for restructuring in the prior fiscal year result from the measures under the 'Get on track' program. The accruals include personnel restructuring measures for which provisions can be recognized, resulting in severance payments. In the current fiscal year, EUR 0.3 million were paid out of the provisions (2022: EUR 12.4 million).

Provisions for severance payments include expected severance payments for NORMA Group employees due to circumstances where a final agreement has not yet been reached. The provisions will be paid out in the following fiscal year and are therefore reported under current provisions.

Provisions for partial retirement

Employees at NORMA Group in Germany can in general engage in an early retirement contract ('Altersteilzeit'). In the first phase, the employee works 100% ('Arbeitsphase'). In the second phase, he / she is exempt from work ('Freistellungsphase'). This is the so-called block model. The employees receive half of their pay for the total early retirement phase as well as top-up payments (including social security costs paid by the employer). The duration of the early retirement is a maximum of six years.

Accounting for early retirement is based on actuarial valuations taking into consideration assumptions such as a discount rate of 3.41% p. a. (2022: 3.32% p. a.) as well as the 2018 G life-expectancy tables by Prof. Dr. Klaus Heubeck. For signed early retirement contracts, a liability has been recognized. The liability includes top-up payments ('Aufstockungsbeträge') as well as deferred salary payments ('Erfüllungsrückstände'). The expected payments out of the early retirement provisions amount to EUR 1,251 thousand for fiscal year 2024.

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Other personnel-related provisions

Other personnel-related provisions are as follows:

		Dec 31, 2023			Dec 31, 2022		
		Total	thereof current	thereof non-current	Total	thereof current	thereof non-current
in EUR thousands	Note						
NOVA-LTI	(25)						
ESG-LTI	(25)						
STI - Board Members	(25)	795	795		532	532	
Matching Stock Program (MSP)	(25)						
LTI - Management	(25)	1,018		1,018	1,706		1,706
Anniversary provisions		724		724	200		200
Other personnel-related		935	771	164	1,114	875	239
		3,472	1,566	1,906	3,552	1,407	2,145

The NOVA-LTI, the ESG-LTI and the STI for members of the Management Board consist of share-based variable remuneration and are explained in more detail at [NOTE 25 SHARE-BASED PAYMENTS](#).

The LTI management provision consists of a share-based variable remuneration and is explained in more detail at [NOTE 25 SHARE-BASED PAYMENTS](#).

The provisions for anniversaries were measured using an actuarial interest rate of 3.22% p. a. (2022: 3.81% p. a.) and on the basis of the 2018 G mortality tables of Prof. Dr. Klaus Heubeck in accordance with actuarial principles.

Other personnel-related provisions mainly include payable income tax and social security contributions in foreign countries.

Other non-personnel-related provisions

Provisions for outstanding invoices include expected obligations for the audit and advisory services. There are uncertainties regarding the amount and timing of the outflows. However, it is expected that this results in payments within a year.

Other provisions include provisions for legal disputes and obligations from other taxes.

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28. Other non-financial liabilities

Other non-financial liabilities are as follows:

Other non-financial liabilities		T151
in EUR thousands	Dec 31, 2023	Dec 31, 2022
Non-current		
Government grants	296	349
Other liabilities	389	322
	685	671
Current		
Government grants	234	452
Non-income tax liabilities	3,243	5,133
Social liabilities	4,468	4,637
Personnel-related liabilities (e.g., vacation, bonuses, premiums)	30,158	29,039
Other liabilities	505	697
	38,608	39,958
Total other non-financial liabilities	39,293	40,629

The personnel-related liabilities fall within the scope of IAS 19, 'Employee Benefits', and also include bonuses in connection with short-term profit-sharing schemes. These are based on the achievement of corporate targets (earnings targets (e. g., EBIT), cash flow targets, sales growth) and on personal targets of the respective employee.

The increase in personnel-related liabilities is mainly due to the increase in liabilities from expected bonus payments for employees.

NORMA Group received government grants, whereby EUR 530 thousand have not been received yet. They consist of grants in cash as well as land. The grants are bound to capital expenditures, employees and the supply of equity of the respective local entities. Potential repayments of the grants received would arise if the subsidized investments were sold early.

NORMA Group recognizes the government grants as income over the period in which related expenses occur. Income of EUR 957 thousand was therefore recognized in fiscal year 2023 (2022: EUR 877 thousand), which also resulted from government subsidies in connection with the reimbursement of personnel expenses and export subsidies.

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29. Information on the Consolidated Statement of Cash Flows

In the Statement of Cash Flows, a distinction is made between cash flows from operating activities, investing activities and financing activities.

Net cash provided by operating activities is derived indirectly from profit for the period. The profit for the period is adjusted to eliminate non-cash expenses such as depreciation and amortization as well as expenses and payments for which the cash effects are investing or financing cash flows and to eliminate other non-cash expenses and income. The cash inflow from operating activities in the amount of EUR 118,912 thousand (2022: EUR 76,615 thousand), the changes in current assets, provisions and liabilities (excluding liabilities in connection with financing activities) are shown.

As in the prior year, the Group participates in a reverse factoring program, a factoring program and an ABS program. Liabilities in the reverse factoring program are reported under trade and other payables. As at December 31, 2023, liabilities in the amount of EUR 18,620 thousand (Dec 31, 2022: EUR 22,538 thousand) from reverse factoring programs are recognized. [NOTE 21. \(E\) FINANCIAL LIABILITIES AND NET DEBT](#). The cash flows from the trade receivables sold as part of the factoring and ABS programs are shown under the cash flow from operating activities as this corresponds to the economic substance of the transactions.

The cash flows from the reverse factoring programs for the settlement of the original trade accounts payable are presented under cash flow from operating activities, as this corresponds to the economic substance of the transactions.

Interest payments in the amount of EUR 1,062 thousand (2022: EUR 767 thousand) in connection with the factoring, ABS and reverse factoring programs are included in cash flows from financing activities.

The total amount of trade receivables sold within the factoring programs and the ABS program can be found in [NOTE 21. \(B\) TRADE RECEIVABLES AVAILABLE FOR TRANSFER](#).

The cash inflow from operating activities includes payments for share-based payments in the amount of EUR 530 thousand (2022: EUR 579 thousand), resulting from the payment from the STI for the Management Board of NORMA Group in the current fiscal year (2022: payment from the STI for the Management Board).

The correction included in the cash inflow from operating activities for expenses from the measurement of hedging derivatives in the amount of EUR 1,036 thousand (2022: expenses in the amount of EUR 5,036 thousand) relates to the change in the fair value of foreign currency derivatives recognized in profit or loss, which are allocated to financing activities.

The restated other non-cash income (-) / expenses (+) include income from the currency translation of external financing liabilities and intercompany monetary items in the amount of EUR 643 thousand (2022: income in the amount of EUR 5,317 thousand).

Furthermore, non-cash (-) income/expenses (+) in the fiscal year 2023 include non-cash interest expenses from the application of the effective interest method in the amount of EUR 240 thousand (2022: EUR 206 thousand) and

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expenses from share-based payments in the amount of EUR 261 thousand (2022: income in the amount of EUR 2 thousand).

Cash flows resulting from interest paid are disclosed as cash flows from financing activities.

Cash flows from investing activities include net cash outflows from the acquisition and disposal of property, plant and equipment and intangible assets amounting to EUR 59,761 thousand (2022: net cash outflows in the amount of EUR 44,485 thousand).

Of the investments made in property, plant and equipment and intangible assets in the fiscal year amounting to EUR 61,335 thousand (2022: EUR 53,177 thousand), EUR 40,823 thousand (2022: EUR 36,530 thousand) relate to expenses for the expansion of operating capacity and EUR 20,512 thousand (2022: EUR 16,647 thousand) to expenses for the maintenance and improvement of operating capacity and processes.

Cash flows from financing activities include payments for dividends to the shareholders of NORMA Group SE in the amount of EUR 17,524 thousand (2022: EUR 23,897 thousand), for interest (2023: EUR 19,570 thousand; 2022: EUR 11,106 thousand) and repayments from derivatives in the amount of EUR 1,862 thousand (2022: repayments in the amount of EUR 5,364 thousand).

In addition, the net payments of loans in the amount of EUR 5,176 thousand (2022: net payments of loans EUR 1,812 thousand) [NOTE 5. \(C\) LIQUIDITY RISK](#), repayments of liabilities from ABS and factoring in the amount of EUR 1,544 thousand (2022: payments in the amount of EUR 1,735 thousand) and the repayment of lease liabilities in the amount of EUR 12,268 thousand (2022: EUR 13,941 thousand) are reported under cash flow from financing activities. [NOTE 20 LEASES](#) and [21. \(E\) FINANCIAL LIABILITIES AND NET DEBT](#)

The changes in balance sheet items that are presented in the Consolidated Statement of Cash Flows cannot be derived directly from the balance sheet, as the effects of currency translation are non-cash transactions and changes in the consolidated group are shown directly in the net cash used in investing activities.

As at December 31, 2023, cash and cash equivalents comprised cash and demand deposits in the amount of EUR 161,485 thousand (Dec 31, 2022: EUR 163,726 thousand) and cash equivalents in the amount of EUR 3,722 thousand (Dec 31, 2022: EUR 4,944 thousand).

Means of payment in Serbia, China, India, Russia, Brazil, South Korea, Thailand and Malaysia (Dec 31, 2023: EUR 41,121 thousand, Dec 31, 2022: EUR 41,317 thousand) cannot currently be distributed due to capital movement restrictions.

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Reconciliation of debt movements to cash flows from financing activities

The following table represents the reconciliation from the opening balance sheet values of the financial statements of debt arising from financing activities for the relevant closing balance sheet items and which led to changes in equity.

Reconciliation of changes in assets and liabilities to cash flows from financing activities

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	in EUR thousands	Note	Financial liabilities				Derivatives held to hedge financial liabilities (assets (-) / liabilities (+))		Equity			Total
			Short-term loans payable	Long-term loans payable	Borrowings from the ABS/factoring programs	Lease liabilities	Interest rate swaps – cash flow hedge	Foreign currency derivatives – fair value hedge	Retained earnings	Other Reserves	Non-controlling interests	
238 CONSOLIDATED STATEMENT OF FINANCIAL POSITION			125,899	339,679	8,959	40,749	-6,162	865	434,780	28,106	285	1,078,891
			Changes in cash flow from financing activities									
240 CONSOLIDATED STATEMENT OF CASH FLOWS				119,400								119,400
		(21. (e))	-124,576		-1,544							-126,120
241 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY								-1,862				-1,862
		(21. (f))				-1,457	2,527					-18,508
> NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS						-12,268						-12,268
		(21. (e))							-17,524			-17,524
		(24)										
			Total change in cash flow from the financing activities									
352 APPENDIX TO THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS		(29)	-144,154	119,400	-1,544	-13,725	2,527	-1,862	-17,524			-56,882

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(Continued) Reconciliation of changes in assets and liabilities to cash flows from financing activities

in EUR thousands	Note	Financial liabilities				Derivatives held to hedge financial liabilities (assets -) / liabilities (+)		Equity			Total
		Short-term loans payable	Long-term loans payable	Borrowings from the ABS/factoring programs	Lease liabilities	Interest rate swaps – cash flow hedge	Foreign currency derivatives – fair value hedge	Retained earnings	Other Reserves	Non-controlling interests	
Effects of changes in exchange rates		-342	-4,006	-144	-1,164					-31	-5,687
Changes in the fair value											
Other changes											
Based on debt											
Interest expense		22,028	240		1,457			n/a	-2,527	n/a	21,198
Derecognition of lease liabilities					-677						-677
New leases					15,976			n/a	n/a	n/a	15,976
Transfer		18,000	-18,000					n/a	n/a	n/a	0
Other changes related to debt		40,028	-17,760	—	16,756	—	—	n/a	-2,527	n/a	36,497
Other changes related to equity	(24)	n/a	n/a	n/a	n/a	n/a	n/a	28,007	-20,756	84	7,335
Balance as of Dec 31, 2023		21,431	437,313	7,271	42,616	-4,466	37	445,263	5,654	338	1,061,188

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Reconciliation of changes in assets and liabilities to cash flows from financing activities

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in EUR thousands	Note	Financial liabilities				Derivatives held to hedge financial liabilities (assets -) / liabilities (+)		Equity			Total
		Short-term loans payable	Long-term loans payable	Borrowings from the ABS/factoring programs	Lease liabilities	Interest rate swaps – cash flow hedge	Foreign currency derivatives – fair value hedge	Retained earnings	Other Reserves	Non-controlling interests	
Balance as of Jan 1, 2022		69,490	393,747	6,976	30,815	247	1,193	416,296	9,768	335	1,034,598
Changes in cash flow from financing activities											
Loan proceeds	(21. (e))	56,750		1,735	3,454						61,939
Loan repayments	(21. (e))	-57,016	-5,000								-62,016
Inflow (+) / outflow (-) from hedging derivatives	(21. (f))						-5,364				-5,364
Interest paid		-9,490			-1,106	257					-10,339
Repayment of debts from leases	(21. (e))				-13,941						-13,941
Dividends paid	(24)							-23,897		-133	-24,030
Total change in cash flow from the financing activities	(29)	-9,756	-5,000	1,735	-11,593	257	-5,364	-23,897		-133	-53,751

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(Continued) Reconciliation of changes in assets and liabilities to cash flows from financing activities

in EUR thousands	Note	Financial liabilities				Derivatives held to hedge financial liabilities (assets (-) / liabilities (+))		Equity			Total
		Short-term loans payable	Long-term loans payable	Borrowings from the ABS/factoring programs	Lease liabilities	Interest rate swaps – cash flow hedge	Foreign currency derivatives – fair value hedge	Retained earnings	Other Reserves	Non-controlling interests	
Effects of changes in exchange rates		1,203	6,204	248	1,139					-24	8,770
Changes in the fair value						-6,666	5,036		6,666		5,036
Other changes											
Based on debt											
Interest expense		9,484	206		1,106			n/a	-257	n/a	10,539
Derecognition of lease liabilities					-3,387						-3,387
New leases					22,669			n/a	n/a	n/a	22,669
Transfer		55,478	-55,478					n/a	n/a	n/a	
Other changes related to debt		64,962	-55,272		20,388			n/a	-257	n/a	29,821
Other changes related to equity	(24)	n/a	n/a	n/a	n/a	n/a	n/a	42,381	11,929	107	54,417
Balance as of Dec 31, 2022		125,899	339,679	8,959	40,749	-6,162	865	434,780	28,106	285	1,078,891

30. Segment reporting

Segment reporting

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	EMEA		Americas		Asia-Pacific		Total segments		Central functions		Consolidation		Consolidated Group	
in EUR thousands	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Total revenue	546,604	522,445	543,792	585,624	185,063	188,779	1,275,459	1,296,848	41,865	42,371	-94,543	-96,205	1,222,781	1,243,014
thereof inter-segment revenue	31,953	33,253	9,285	11,382	11,440	9,199	52,678	53,834	41,865	42,371	-94,543	-96,205		
Revenue from external customers	514,651	489,192	534,507	574,242	173,623	179,580	1,222,781	1,243,014	0	0	0	0	1,222,781	1,243,014
Contribution to consolidated Group sales	42.1%	39.4%	43.7%	46.2%	14.2%	14.4%	100.0%	100.0%						
Adjusted gross profit ¹	277,885	267,043	300,409	310,042	90,903	89,089	669,197	666,174	n/a	n/a	-1,217	-1,729	667,980	664,445
Adjusted EBITDA¹	46,114	35,823	86,627	97,895	30,234	29,736	162,975	163,454	-8,575	-5,935	-173	-280	154,227	157,239
Adjusted EBITDA margin ^{1,2}	8.4%	6.9%	15.9%	16.7%	16.3%	15.8%							12.6%	12.6%
Depreciation without PPA depreciation ³	-20,184	-19,983	-21,522	-20,193	-10,046	-9,233	-51,752	-49,409	-811	-965	75		-52,488	-50,374
Adjusted EBITA¹	25,930	15,840	65,105	77,702	20,187	20,503	111,222	114,045	-9,386	-6,900	-97	-280	101,739	106,865
Adjusted EBITA margin ^{1,2}	4.7%	3.0%	12.0%	13.3%	10.9%	10.9%							8.3%	8.6%
Amortization without PPA amortization ³	-1,681	-2,090	-1,971	-3,284	-260	-551	-3,912	-5,925	-346	-1,976			-4,258	-7,901
Adjusted EBIT¹	24,250	13,750	63,133	74,417	19,927	19,952	107,310	108,119	-9,732	-8,875	-97	-280	97,481	98,964
Adjusted EBIT margin ^{1,2}	4.4%	2.6%	11.6%	12.7%	10.8%	10.6%							8.0%	8.0%
Assets ⁴	640,501	644,561	670,149	721,827	258,452	268,156	1,569,102	1,634,544	251,815	270,319	-327,639	-344,183	1,493,278	1,560,680
Liabilities ⁵	216,871	242,004	255,898	288,077	48,387	56,372	521,156	586,453	574,513	575,564	-295,831	-306,693	799,838	855,324
CAPEX ⁶	25,103	18,028	27,357	23,500	11,960	14,598	64,420	56,126	928	348	-183	-212	65,165	56,262
Number of employees ⁷	3,279	3,344	1,446	1,467	1,236	1,293	5,961	6,104	133	129	n/a	n/a	6,094	6,233

¹ For details regarding the adjustments, refer to [NOTE 7](#).

² Based on segment sales.

³ Depreciation from purchase price allocations.

⁴ Including allocated goodwill, taxes are shown in the column 'consolidation.'

⁵ Taxes are shown in the column 'consolidation.'

⁶ Including capitalization for right-of-use assets related to movable assets

⁷ Number of employees (average headcount).

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NORMA Group segments the Group at a regional level. The reportable segments of NORMA Group are EMEA, the Americas and Asia-Pacific. NORMA Group's vision includes regional growth targets. Distribution Services are focused regionally and locally. EMEA, the Americas and Asia-Pacific have linked regional intercompany organizations with different functions. As a result, the Group's management reporting and controlling system has a regional focus. The product portfolio does not vary significantly between these segments.

Revenues are generated across all segments from the sale of products in the three product categories metallic fastening clips and fasteners (FASTEN), fluid systems and connectors (FLUID), and water management applications (WATER).

NORMA Group evaluates its segments mainly on the basis of the financial performance indicator 'adjusted EBIT'. An overview of the adjustments and a reconciliation of reported to adjusted net income can be found in [NOTE 7 ADJUSTMENTS](#).

'Adjusted EBITDA' comprises revenue, changes in inventories of finished goods and work in progress, other own work capitalized, raw materials and consumables used, other operating income and expenses, and employee benefits expense, adjusted for material one-time effects. EBITDA is measured in a manner consistent with that used in the Consolidated Statement of Comprehensive Income.

'Adjusted EBITA' includes, in addition to EBITDA, the depreciation adjusted for depreciation from purchase price allocations.

'Adjusted EBIT' comprises adjusted EBITA less amortization of intangible assets.

Inter-segment revenue is generally recorded at values that approximate third-party selling prices.

Segment assets comprise all assets less (current and deferred) income tax assets. Taxes are shown in the consolidation. Assets of the 'Central Functions' include mainly cash and intercompany receivables.

Segment liabilities comprise all liabilities less (current and deferred) income tax liabilities. Taxes are shown in the consolidation. Segment assets and liabilities are measured in a manner consistent with that used in the Consolidated Statement of Financial Position. Liabilities of the 'Central Functions' include mainly borrowings.

Capex equals additions to non-current assets (property, plant and equipment and other intangible assets including additions for leases for moveable assets).

The deferred and actual income taxes are reported in the segment reporting within the consolidation, as they were not regularly reported to the management and thus not included in the assessment of the profit and loss of the individual segments. As at December 31, 2023, this amounted to EUR 16,305 thousand in assets (Dec 31, 2022: EUR 28,802 thousand) and in liabilities EUR 46,931, thousand (Dec 31, 2022: EUR 59,731 thousand).

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External sales per country, measured according to the place of domicile of the company which manufactures the products, are as follows:

External sales per country		T155
in EUR thousands	2023	2022
Germany	144,514	151,986
USA	486,923	486,826
China	109,852	114,191
Poland	109,059	85,792
Other countries	372,433	404,219
	1,222,781	1,243,014

Non-current assets per country include non-current assets less deferred tax assets, derivative financial instruments, and shares in consolidated related parties and are as follows:

Non-current assets per country		T156
in EUR thousands	Dec 31, 2023	Dec 31, 2022
Germany	105,271	106,347
USA	404,278	416,948
China	56,662	61,352
India	50,945	56,520
France	42,795	45,608
Other countries	214,827	211,696
	874,778	898,471

31. Contingent liabilities

The Group has contingent liabilities in respect of legal claims arising in the ordinary course of business (e. g., warranty obligations).

NORMA Group does not believe that any of these contingent liabilities will have a material adverse effect on its business or any material liabilities will arise from contingent liabilities.

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32. Other financial obligations

Capital commitments

Capital expenditure (nominal value) contracted for on the balance sheet date but not yet incurred is as follows:

Commitments		T157	
in EUR thousands		Dec 31, 2023	Dec 31, 2022
Property, plant and equipment		10,594	12,845
		10,594	12,845

As in the previous year, there are no material commitments concerning intangible assets.

33. Related party transactions

Remuneration of members of the Management Board

Remuneration of the members of the Management Board according to IFRS is as follows:

Remuneration of members of the Management Board (IFRS)		T158	
in EUR thousands		2023	2022
Short-term benefits		1,385	1,447
Post-employment benefits		419	1,153
Termination benefits		607	800
Share-based payment		813	460
Total remuneration according to IFRS		3,224	3,860

Provisions for the remuneration of the members of the Management Board are as follows:

Provisions / liabilities for remuneration of the Management Board members			T159	
in EUR thousands			Dec 31, 2023	Dec 31, 2022
Share-based payments	Note (25)		795	532
Post-employment benefit plans	(26)			3,966
Termination Benefits			160	800
Total			955	5,298

Details regarding the individual provisions can be found in the respective notes.

Details on the remuneration of the members of the Management Board can be found in the [REMUNERATION REPORT](#).

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The total remuneration of the members of the Supervisory Board of NORMA Group SE for short-term employee benefits including the meeting fees paid to them amounted to EUR 581 thousand in the fiscal year 2023 (2022: EUR 645 thousand).

34. Additional disclosures pursuant to Section 315e (1) of the German Commercial Code (HGB)

Total remuneration of the executive bodies

The amounts presented below for the remuneration of the Management Board and the Supervisory Board of NORMA Group SE result from the valuation principles defined in the German GAAP (HGB) and may differ from the amounts recognized in the IFRS Consolidated Financial Statements.

The remuneration of the Management Board and Supervisory Board was as follows:

Remuneration of Management Board members		T160	
in EUR thousands		2023	2022
Member of the Management Board		2,807	2,684
<i>thereof non-performance-related cash remuneration of the Management Board</i>		1,385	1,447
<i>thereof fair value of share-based payment allocated to the Management Board in the fiscal year as of allocation date</i>		1,422	1,237
Total remuneration of former members of the Management Board		288	800
Compensation of the Supervisory Board		581	645

The defined benefit obligation of pension commitments to prior members of the Management Board and their dependents was EUR 7,196 thousand as of December 31, 2023 (2022: EUR 1,014 thousand).

Further information on the remuneration of the members of the Management Board of NORMA Group SE can be found in the [REMUNERATION REPORT](#).

Fees for the auditor

In the fiscal year, 2023 the following fees for the auditor, KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, (2022: PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main) were recognized as expenses:

Fees for the auditor		T161	
in EUR thousands		2023	2022
Auditing services		573	535
Other confirmation services		152	91
Other services		17	28
		742	654

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The fee for auditing services of KPMG AG Wirtschaftsprüfungsgesellschaft relates to the audit of the consolidated financial statements and the annual financial statements together with the combined management report of NORMA Group SE as well as various annual audits of its subsidiaries in Germany.

The other confirmation services relate to the audit of the non-financial statement with limited assurance and assurance services for financial covenants.

Fees for other services relate to audits in connection with regulatory requirements.

Headcount

The average headcount breaks down as follows:

Average headcount		T162
Number	2023	2022
Direct labor	2,930	3,017
Indirect labor	1,033	1,085
Salaried	2,131	2,131
	6,094	6,233

The category 'direct labor' consists of employees who are directly engaged in the production process. The numbers fluctuate according to the level of output. The category 'indirect labor' consists of personnel that does not directly produce products, but rather supports production. Salaried employees are employees in administrative / sales / central functions.

Scope of consolidation

Name, place of domicile and share in capital pursuant to Section 313 (2) No. 1 HGB of the consolidated group of companies is presented in [NOTE 4 SCOPE OF CONSOLIDATION](#).

Proposal for the distribution of the earnings

The Management Board of NORMA Group SE proposes to the Annual General Meeting to pay a dividend of EUR 0.45 per share to the shareholders. The total dividend payment would thus amount to EUR 14,338,080.

Declaration of Compliance with the German Corporate Governance Code (Section 161 AktG)

The Management Board and Supervisory Board have issued a Corporate Governance Declaration pursuant to section 161 of the German Stock Corporation Act (Aktiengesetz) and made it available to shareholders on the website of NORMA Group.

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35. Exceptions under Section 264, (3) of the German Commercial Code (HGB)

In 2023, the following German subsidiaries made use of disclosure exemptions pursuant to Section 264, (3) of the German Commercial Code (HGB):

- NORMA Group Holding GmbH, Maintal
- NORMA Distribution Center GmbH, Marsberg
- NORMA Germany GmbH, Maintal
- NORMA Verwaltungs GmbH, Maintal

36. Events after the balance sheet date

Up until March 13, 2024, there were no events or developments that would have resulted in a material change in the recognition or measurement of the individual assets and liabilities as of December 31, 2023.

APPENDIX TO THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Voting rights notifications

According to section 160 (1) No. 8 AktG, information regarding voting rights that have been notified to the Company pursuant to Section 33 (1) or (2) of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) must be disclosed.

The following table presents an overview of all voting rights notifications that have been sent to the Company as of March 12, 2024. It contains the information of the last notification of each shareholder. The percentage and shares may have changed in the meantime.

All notifications of shareholder voting rights in the year under review and beyond are available on the [WEBSITE OF NORMA GROUP](#).

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Voting rights notification

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Notifying party	Achievement of voting rights	Touched or exceeded reporting threshold	Share in %	Shares	Pursuant to WpHG
The Capital Group Companies, Inc., Los Angeles, USA	Feb 28, 2024	less than 10%	9.96	3,173,858	§§ 33, 34, 38
Allianz Global Investors GmbH, Frankfurt am Main, Germany	Jan 2, 2024	less than 3%	2.73	869,792	§§ 33, 34
Igor Kuzniar ¹	Dec 5, 2023	more than 10%	10.08	3,212,010	§§ 33, 34
Union Investment Privatfonds GmbH, Frankfurt am Main, Germany	Sep 29, 2023	less than 3%	2.82	900,000	§§ 33, 34
Schroders plc, London, United Kingdom	Jun 26, 2023	more than 3%	3.44	1,097,030	§§ 33, 34
Ministry of Finance on behalf of the State of Norway, Oslo, Norway ²	May 17, 2023	less than 3%	2.61	830,988	§ 33, 34, 38
SMALLCAP World Fund, Inc., Lutherville Timonium, USA	May 4, 2023	more than 5%	5.26	1,676,962	§§ 33, 34
KBI Global Investor Ltd, Dublin, Ireland	Apr 5, 2023	more than 3%	3.01	959,987	§§ 33, 34
AVGP Limited, St Helier, Jersey	Jan 31, 2023	less than 3%	2.79	887,684	§§ 33, 34
Joseph van Caldenborgh ³	Jan 6, 2023	more than 5%	5.003402129155	1.594.204	§§ 33, 34
Nicolaas Hoek ⁴	Jan 6, 2023	more than 5%	5.003402129155	1.594.204	§§ 33, 34
SPICE TWO Investment Coöperatief U.A., Amsterdam, Netherlands	Jan 6, 2023	more than 5%	5.00	1.594.204	§§ 33, 34

1_In the consideration of the entire corporate chain, Igor Kuzniar holds 10.08% via Teleios Capital Partners LLC (Zug, Switzerland).

2_In the consideration of the entire corporate chain, the Ministry of Finance on behalf of the State of Norway holds 2.58% and 0.03% in shares on loan (right to recall) via Norges Bank.

3_In the consideration of the entire corporate chain, Joseph van Caldenborgh holds 5.003402129155% via SPICE Two Investment Coöperatief U.A. (Amsterdam, Netherlands).

4_In the consideration of the entire corporate chain, Nicolaas Hoek holds 5.003402129155% via SPICE Two Management B.V. (Amsterdam, Netherlands).

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Corporate Bodies of NORMA Group SE

Management Board members

Guido Grandi (since June 1, 2023)

Graduate Engineer
Chief Executive Officer (CEO) since June 1, 2023

- No further mandates in supervisory boards or comparable bodies

Dr. Daniel Heymann (since May 1, 2023)

Doctorate in Engineering
Member of the Management Board (COO) since May 1, 2023

- No further mandates in supervisory boards or comparable bodies

Annette Stieve

Diploma in Business Administration
Chief Financial Officer (CFO) since October 1, 2020

- No further mandates in supervisory boards or comparable bodies

Management Board Members in office during the year

Miguel Ángel López Borrego

Diploma in Business Administration
Chief Executive Officer (CEO) until May 31, 2023

- Mr. López Borrego's position on the Supervisory Board of NORMA Group SE was suspended from January 1, 2023 to May 31, 2023. Further details on this transition phase can be found in the [SUPERVISORY BOARD REPORT](#).
- Member of the Supervisory Board of thyssenkrupp Nucera AG & Co. KGaA

Dr. Friedrich Klein

Graduate Engineer
Member of the Management Board (COO) until April 30, 2023

- No further mandates in supervisory boards or comparable bodies

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Supervisory Board members, exercised profession

Mark Wilhelms

Chairman, Consultant
Member since 2018

- Member of the Supervisory Board of Novem Group SA, Luxembourg / Vorbach, Luxembourg / Germany (listed on the stock exchange)

Erika Schulte

Vice Chairwoman, Managing Director of Hanau Wirtschaftsförderung GmbH, Germany
Member since 2013

- No seats on other boards or comparable committees

Rita Forst

Consultant
Member since 2018

- Member of the Board of Directors (Non-Executive Director) of AerCap Holdings N.V., Dublin, Ireland (listed company)
- Member of the Board of Directors (Non-Executive Director) of Westport Fuel Systems Inc., Vancouver, Canada (listed company)
- Member of the Board of Directors (Non-Executive Director) of Johnson Matthey PLC, London, UK (listed company)
- Member of the Advisory Board of iwis SE & Co. KG (formerly Joh. Winklhofer Beteiligungs GmbH & Co. KG), Munich, Germany (not listed on the stock exchange)

Miguel Ángel López Borrego

Chief Executive Officer of thyssenkrupp AG, Essen, Germany
Member since 2021 (mandate suspended from January 1, until May 31, 2023)

- Member of the Supervisory Board of thyssenkrupp Nucera AG & Co. KGaA

Denise Koopmans

Consultant
Member since 2023

- Member of the Board of Directors (Non-Executive Director) of Cicor Technologies AG, Boudry, Switzerland (listed on the stock exchange)
- Member of the Supervisory Board of Royal BAM Group NV, Bunnik, Netherlands (listed on the stock exchange)
- Member of the Board of Directors (Non-Executive Director) of Sanoma Corporation, Helsinki, Finland (listed on the stock exchange)
- Member of the Board of Directors (Non-Executive Director) of Schweizerische Post AG, Bern, Switzerland (not listed)

Dr. Markus Distelhoff

Board Member of REHAU SE, Rehau, Germany
Member since 2023

- No seats on other boards or comparable committees

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Maintal, March 13, 2024

NORMA Group SE



Guido Grandi
Chief Executive Officer (CEO)



Annette Stieve
Member of the Management Board (CFO)



Dr. Daniel Heymann
Member of the Management Board (COO)

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To the best of our knowledge, and in accordance with the applicable reporting principles, the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Condensed Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Maintal, March 13, 2024

NORMA Group SE

The Management Board

Guido Grandi
Chief Executive Officer (CEO)

Annette Stieve
Member of the Management Board (CFO)

Dr. Daniel Heymann
Member of the Management Board (COO)

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To NORMA Group SE, Maintal

Report on the Audit of the Consolidated Financial Statements and of the Condensed Management Report

Opinions

We have audited the consolidated financial statements of NORMA Group SE and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the management report of the Company and the Group ("condensed management report") of NORMA Group SE including the remuneration report included in the section "Remuneration Report 2023" of the condensed management report, together with the related disclosures, for the financial year from 1 January to 31 December 2023.

In accordance with German legal requirements, we have not audited the content of those components of the condensed management report specified in the "Other Information" section of our auditor's report.

The condensed management report contains cross-references marked as unaudited that are not required by law. In accordance with German legal requirements, we have not audited these cross-references or the information to which the cross-references refer.

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2023, and of its financial performance for the financial year from 1 January to 31 December 2023, and
- the accompanying condensed management report as a whole provides an appropriate view of the Group's position. In all material respects, this condensed management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the condensed management report does not cover the content of those components of the condensed management report specified in the "Other Information" section of the auditor's report. The condensed management report contains cross-references marked as unaudited that are not required by law. Our opinion does not cover these cross-references or the information to which the cross-references refer.

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Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the condensed management report.

Basis for the Opinions

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

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Recoverability of Goodwill

For information on the accounting policies applied, please refer to Note 3 with the subsections "Intangible assets" and "Impairment of non-financial assets" in the notes to the consolidated financial statements. The assumptions underlying the valuation and disclosures on the amount of goodwill are included in Note 18 of the notes to the consolidated financial statements. Information on the economic development of the EMEA, Americas and Asia-Pacific operating segments can be found in the condensed management report in the section "Development of sales and earnings in the segments".

THE FINANCIAL STATEMENT RISK

Goodwill amounted to EUR 394.8 million as at 31 December, 2023 and represents a significant proportion of assets at 26% of total assets.

Goodwill is tested for impairment annually at the level of the EMEA, Americas and Asia-Pacific groups of cash-generating units (CGUs), irrespective of any indications of impairment. If there are indications of a need for impairment during the year, an impairment test is also carried out on an ad hoc basis. For this purpose, the carrying amount is compared with the recoverable amount of the respective CGU. The recoverable amount is the higher of the fair value less costs of disposal and the value in use of the CGU. NORMA Group SE determines the recoverable amount as the fair value less costs of disposal on the basis of a discounted cash flow model for each CGU. If the carrying amount is higher than the fair value less costs of disposal, an impairment loss must be recognized if the carrying amount is not covered by the value in use. The reporting date for the impairment test is 30 September, 2023.

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Impairment testing of goodwill is complex and is based on a number of discretionary assumptions. These include the expected business and earnings development of the respective CGU for the next five years prepared by the Board of Management of NORMA Group SE and approved by the Supervisory Board, the assumed long-term growth rate in perpetuity and the discount rates used. Based on the values determined, there was no need for impairment.

There is a risk for the consolidated financial statements that an impairment existing on the reporting date was not recognized. There is also a risk that the related disclosures in the notes are not appropriate.

OUR AUDIT APPROACH

With the involvement of our valuation specialists, we assessed, among other things, the appropriateness of the key assumptions and the Company's calculation method. For this purpose, we discussed the expected business and earnings development per CGU as well as the assumed long-term growth rate with those responsible for planning.

We also examined whether the planning on which the valuation is based is consistent with the budgets prepared by the Board of Management and approved by the Supervisory Board with regard to the expected business and earnings development. In addition, we assessed the consistency of the assumptions with external market assessments. Our audit of the appropriateness of the key assumptions of the approved budgets also included an assessment of the quality of the Company's forecasts to date by comparing forecasts from previous financial years with the results actually achieved and analyzing deviations. Based on forecast deviations in the past, we examined how those responsible for planning reacted to the forecast deviations when preparing the budget.

We compared the assumptions and data underlying the discount rate, in particular the risk-free interest rate, the market risk premium and the beta factor, with our own assumptions and publicly available data. In order to assess the methodologically and mathematically appropriate implementation of the valuation method, we verified the valuation performed by the company using our own calculations and analyzed deviations.

In order to take into account the existing and, due to the economic environment, increased forecasting uncertainty, we also examined the effects of possible changes in the discount rate and the expected cash flows on the recoverable amount by calculating alternative scenarios and comparing them with the Company's values (sensitivity analysis).

Finally, we assessed whether the disclosures in the notes on the recoverability of goodwill are appropriate.

OUR OBSERVATIONS

The procedure underlying the goodwill impairment testing is appropriate and in line with the valuation principles.

The assumptions and data of the Company on which the valuation is based are appropriate. The related disclosures in the notes are appropriate.

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Other Information

The Board of Management respectively Supervisory Board are responsible for the other information. The other information comprises the following components of the condensed management report, whose content was not audited:

- the separate combined nonfinancial report of the Company and the Group which is referred to in the condensed management report,
- the combined corporate governance statement for the Company and the Group which is referred to in the condensed management report, and,
- the information extraneous to management reports and marked as unaudited.

The other Information includes also the remaining parts of the annual report. The other Information does not include the consolidated financial statements, the condensed management report information audited for content and our auditor's report thereon.

Our opinions on the consolidated financial statements and on the condensed management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the above-mentioned other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the condensed management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Board of Management and of the Supervisory Board for the Consolidated Financial Statements and the Condensed Management Report

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

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

Furthermore, the Board of Management is responsible for the preparation of the condensed management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the Board of Management is responsible for such

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arrangements and measures (systems) as they have considered necessary to enable the preparation of a condensed management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the condensed management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the condensed management report.

Furthermore, the Board of Management and the Supervisory Board are responsible for the preparation of the remuneration report included in a separate section of the condensed management report, including the related disclosures, in accordance with the requirements of Section 162 German Stock Corporation Act (AktG). In addition, they are responsible for the internal controls that they deem necessary, in order to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

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

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

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

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the condensed management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the condensed management report 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 these systems.
- Evaluate the appropriateness of accounting policies used by the Board of Management and the reasonableness of estimates made by the Board of Management and related disclosures.

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- Conclude on the appropriateness of the Board of Management'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the condensed management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the condensed management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the condensed management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the Board of Management in the condensed management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the Board of Management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

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

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

Other legal and regulatory requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Condensed Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the condensed management report

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(hereinafter the "ESEF documents") contained in the electronic file „normagroup-2023-12-31-de.zip" (SHA256-Hashwert: baa1aa0152c1d927a24d5a271a1ebec7fc5947f246fa7ad3e117273dd001fcef) made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the condensed management report into the ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the condensed management report contained in the aforementioned electronic file and made available, for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying condensed management report for the financial year from 1 January to 31 December 2023 contained in the "Report on the Audit of the Consolidated Financial Statements and the Condensed Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

We conducted our assurance work on the rendering of the consolidated financial statements and the condensed management report contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described below. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1(09.2022)).

The Company's Board of Management is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the condensed management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the company's Board of Management is responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

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- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, as amended as at the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and the audited condensed management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, as amended as at the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor at the annual general meeting on 11 May 2023. We were engaged by the Supervisory Board on 15 September 2023. We have been the group auditor of the NORMA Group SE since financial year 2023.

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

Other matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited condensed management report as well as the examined ESEF documents. The consolidated financial statements and condensed management report converted to the ESEF format – including the versions to be entered in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited condensed management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Matthias Forstreuter.

Frankfurt am Main, 13 March 2024

KPMG AG
Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

Forstreuter

Wirtschaftsprüfer
[German Public Auditor]

Klinke

Wirtschaftsprüferin
[German Public Auditor]

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Number of defective parts per million (ppm) in FY 2023:

2.2

FGR PLAST Grip / PLAST Grip E: The axially tension-resistant pipe coupling for connecting plastic pipes is powerful in use and thanks to the special anchoring ring with flat rows of teeth, grips the pipe surface without causing damage.



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5S Methodology

5S is a method for organizing a work space for efficiency and effectiveness in order to reduce industrial accidents.

Aftermarket segment

The market concerned with the maintenance/repair of investment goods or long-life final goods (e.g. vehicles) or the sale of replacement parts or complementary parts for the goods. This involves the sale of services and / or parts that are directly related to the previous sale of the goods.

Asset-backed securities (abs) program

A specific way of converting payment claims into negotiable securities with a financing company.

Best-landed cost approach

Assessment of the total costs of a product including the price of the product as well as the charges for shipping, taxes and/or duties.

BEV

BEV is the abbreviation for "Battery Electric Vehicle". This refers to an automobile that uses at least one electric motor for propulsion.

Bubble assignment

Short-term exchange program for employees to promote internal knowledge transfer, intercultural awareness, the development of networks and the individual development of participants.

CDP

Formerly "Carbon Disclosure Project," non-governmental organization focusing on environmental reporting in the areas of climate, water and forests.

Circular economy

The circular economy corresponds to a regenerative economic system in which the use of resources, waste production, emissions as well as energy consumption are minimized. The basis for this is formed by long-lasting and closed material and energy cycles.

CO₂ equivalents

CO₂ equivalents illustrate the global warming potential of various gases that are harmful to the climate and show how much a specific quantity of a greenhouse gas contributes to the greenhouse effect. The comparative value used here is carbon dioxide (CO₂). The index thus expresses the warming effect of a greenhouse gas over a clearly defined period of time compared to that of CO₂.

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Code of Conduct

A set of policies that can and should be applied in a wide range of contexts and environments depending on the situation. In contrast to a rule, the target audience is not obliged to always comply with the Code of Conduct. A Code of Conduct is more of a personal commitment to follow or abstain from certain patterns of behavior, ensuring that nobody gains an unfair advantage by circumventing these patterns.

Commercial Paper

Commercial Paper (CP) is a short-term bond issue with a money market character.

Compliance

Conforming to rules: a company and its employees adhering to Codes of Conduct, laws and guidelines.

Conflict minerals

Natural resources whose deposits are largely located in conflict regions (especially the Democratic Republic of Congo), where they are mined and traded in some cases in serious violation of international law; especially tin, tantalum, tungsten and gold.

Corporate governance

A set of all international and national rules, regulations, values and principles that apply to companies and determine how these companies are to be managed and monitored.

Corporate responsibility

A form of corporate self-regulation integrated into a business model by taking societal and environmental aspects into account.

Corporate Volunteering

Corporate volunteering refers to the voluntary, employer-sponsored sponsored by the employer of employees in social or ecological areas and activities.

Covenants

Covenants is a collective term for additional contractual clauses or ancillary agreements in loan agreements or bond conditions. They contain future obligations on the part of the borrower or bond debtor to perform or refrain from performing a certain act.

Coverage

The regular assessment of the economic and financial situation of a listed company by banks or financial research institutions.

Cross-selling effects

The action or practice of selling an additional product or service to an existing customer.

CSR-RUG

German CSR Directive Implementation Law.

CSRD

Corporate Sustainability Reporting Directive, EU directive on CSR reporting that will become mandatory for companies in stages from the 2024 financial year.

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Diversity Management

Diversity management is a central element of human resources policy, which diversity of employees in terms of gender, age, ethnic origin, religious beliefs ethical background, religious beliefs, sexual identity or possible disabilities for the success of the company.

Due Diligence

Refers to the examination and analysis of a company with “due diligence”, especially with regard to economic, legal, tax and financial circumstances.

Earnings before interest, taxes and amortization (EBITA)

EBITA describes earnings before interest, taxes and amortization of intangible assets. For long-term comparison and a better understanding of business development, NORMA Group adjusts the EBITA for certain one-time expenses. [NOTES](#)

Earnings before interest, taxes, depreciation and amortization (EBITDA)

Earnings before interest, taxes, depreciation (of property, plant and equipment) and amortization (of intangible assets). It is a measure of a company's operating performance before investment expenses. For long-term comparison and a better understanding of its business development, NORMA Group adjusts the EBITDA for certain one-time expenses. [NOTES](#)

EBITA margin (adjusted)

The adjusted EBITA margin is calculated from the ratio of adjusted EBITA to sales and is an indicator of the profitability of NORMA Group's business activities.

EBITDA margin (adjusted)

The adjusted EBITDA margin is calculated from the ratio of adjusted EBITDA to sales.

Economies of scale

Describes the ratio of production volume to the factors of production factors. In the case of positive economies of scale increases with the intensification of the production factors the quantity of output also increases.

Elastomers

Stable but elastic plastics that are used at a temperature above their glass transition temperature. The plastics can deform under tensile or compressive load, but then return to their original shape.

EMEA

Abbreviation for the economic area of Europe (comprising Western and Eastern Europe), the Middle East and Africa.

Engineered Joining Technology (EJT)

One of NORMA Group's two ways to market. It provides customized, highly Engineered Joining Technology products primarily, but not exclusively, for industrial OEM customers.

ESG

ESG stands for Environmental, Social and Governance. The abbreviation refers to the commitment of companies in the areas of environment, social affairs and corporate governance.

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ESRS

European Sustainability Reporting Standards; standards for CSR reporting according to CSRD.

Equity ratio

Equity in relation to total assets.

EU Taxonomy

The EU Taxonomy represents a detailed classification system designed to provide the greatest possible transparency to the capital market in order to encourage investment in environmentally sustainable activities. It also establishes, for the first time, a link between financial and non-financial issues in order to provide an objective and consistent assessment of the sustainability of economic activities. The EU Taxonomy was originally designed by the European Commission as part of its climate policy positioning following the Paris Climate Agreement in 2019. It is based on the European Green Deal and aims to establish reporting requirements that increase the informative value of companies' non-financial reporting.

Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between market participants in an arm's length transaction at the measurement date. In principle, it is a value concept for the measurement of assets or liabilities. Fair value is used in particular for the measurement IAS 40 in conjunction with IFRS 13.

FAO

Food and Agriculture Organization of the United Nations.

Foresight management

Long-term strategic planning based on an analysis of changing environmental conditions (e.g. technology trends and changes in the market environment).

Free cash flow

Indicates the amount of money that is available to pay dividends to shareholders and / or repay loans.

Gearing

Gearing is a measure of a company's debt level. Gearing is calculated from the ratio of net debt to equity.

Gemba walk

Daily walk through production halls, inspecting individual processes in the opposite order of workflow and analyzing potential opportunities for improvement.

GRI – Global Reporting Initiative

Initiative that sets standards for sustainability reporting.

IATF 16949

An international standard that combines the existing general demands on quality management systems of the (mostly North American and European) automotive industry.

IDW

The Institute of Auditors in Germany (Institut der Wirtschaftsprüfer in Deutschland e. V.)

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Initial public offering (IPO)

First offering of shares of a company on the regulated capital market.

Innovation roadmapping

Systematic approach to adapt company-specific product innovations to future market and technological developments.

Innovation scouting

Structured observation of changes, potentials and relevant knowledge of technological developments and processes.

International securities identification number (ISIN)

12-digit alphanumeric code used to identify a security traded on the stock market.

International Labour Organization (ILO)

The ILO was founded in 1919 and has its headquarters in Geneva. The aim of the ILO is to the improvement of the working and living conditions of all people, the world peace by improving the working and living conditions of all people. To this end, legally binding agreement and conventions as well as labor and social standards has been defined.

ISO 9001

International standard that defines the minimum requirements that quality management systems must meet.

ISO 14001

An international environmental management standard that specifies the internationally accepted requirements for an environmental management system.

ISO 45001

Health and Safety Management that replaces the current Occupational Health and Safety Assessment Series 18001 (OHSAS 18001)

Lean manufacturing

A systematic method for the elimination of waste within a manufacturing process. An integrated socio-technical system reduces or minimizes supply-side, customer-side and internal fluctuations.

Leverage

Leverage is a measure of a company's debt and is calculated as the ratio of net debt (without hedging instruments) to adjusted EBITDA over the last 12 months (LTM). For the purpose of a better comparison, adjusted EBITDA LTM includes the companies acquired during the year.

Lockout-tagout

Safety procedure used to ensure that dangerous machines are properly shut off and not able to be started up again prior to the completion of maintenance or repair work.

Long-term assignment

Long-term exchange program for employees to promote internal knowledge transfer, intercultural awareness, the development of networks and the individual development of participants.

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Long-term incentive plan (LTI)

Multi-year variable compensation in the form of stock rights for executives and other specific employee groups, representing a cash-settled share-based compensation plan in the form of virtual shares. It takes into account both the development of the company as well as that of the share price.

Material cost ratio

The material cost ratio of NORMA Group results from the ratio of material expenses to sales.

Net debt

Net debt is the sum of financial liabilities less cash and cash equivalents. Financial liabilities also include liabilities from derivative financial instruments that are held for trading purposes or as hedging instruments.

Net operating cash flow

Net operating cash flow is calculated on the basis of EBITDA plus changes in working capital less investments from operating activities. Net operating cash flow is a key financial control figure for NORMA Group and serves as a measure for the Group's liquidity.

NORMA Value Added (Nova)

A key financial control figure for NORMA Group that serves as a measure for the annual rise in corporate value.

OHSAS 18001

Occupational Health and Safety Assessment Series; certification of occupational health and safety management systems.

Original equipment manufacturer (OEM)

A company that retails products under its own name.

Peugeot Société Anonyme PSA

A French car manufacturer group that includes the Citroen, DS, Opel, Peugeot and Vauxhall brands.

PHEV

PHEV is the abbreviation for Plug-in Hybrid Electric Vehicle. A PHEV is a hybrid electric vehicle with a battery that can be charged by plugging a charging cable into an external power source. The battery can also be charged internally on board by the combustion engine's generator.

Prime standard

A segment of the regulated stock market with higher inclusion requirements than the General Standard. It is the private law segment of the Frankfurt Stock Exchange with the highest transparency standards. All companies listed in the DAX, MDAX, TecDAX and SDAX must be included in the Prime Standard.

Reverse factoring

A financing solution initiated by the ordering party in order to help its suppliers finance their receivables more easily and at a lower interest rate than they would normally be offered.

Roadshow

Series of corporate presentations made to investors by an issuer at various financial locations to attract investment in the company.

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ROCE

ROCE is the abbreviation for return on capital employed.

Science-based targets initiative (SBTi)

Initiative that sets climate targets that support the Paris Climate Agreement and meet the goal of limiting global warming to well below two degrees Celsius.

Scope 1, 2, 3

Method for differentiating greenhouse gases. Scope 1: Emissions from emission sources within the company's boundaries. Scope 2: Emissions from the generation of energy procured from outside the boundaries (especially electricity and heat). Scope 3: All other emissions caused by the company's activities but not under its control, for example from suppliers, service providers or employees.

Securities ID number (WKN)

A six-character combination of numbers and letters used in Germany to identify securities.

Selective catalytic reduction (SCR)

Selective catalytic reduction is a method used to reduce particle and nitric oxide emissions.

SMED (Single Minute Exchange of Die)

Optimization of set up times of processes through both organizational and technical measures.

Societas europaea (SE)

Legal form for stock companies in the European Union and the European Economic Area. With the SE, the EU started allowing for companies to be founded in accordance with a largely uniform legal framework at the end of 2004.

Stakeholder approach

The stakeholder approach is an extension of the shareholder value approach often found in business management. However, the stakeholder approach attempts to grasp the company in its entire context and to reconcile the needs of different groups. In addition to shareholders, stakeholders include employees, customers, suppliers and the general public.

Standardized Joining Technology (SJT)

One of NORMA Group's two distribution channels with a wide range of high-quality, standardized connection products for different application areas and end customers. This distribution channel was known as Distribution Services (DS) until 2019.

Step Up

Medium-term growth and efficiency program aimed at making the operating business of NORMA Group even more efficient and productive in order to achieve further profitable growth in the three strategic business units "Industrial Applications", "Water Management" and "Mobility & New Energies".

Sustainable Development Goals (SDGs)

The Sustainable Development Goals (SDGs) were adopted by the United Nations General Assembly in 2015. They cover economic, environmental and social aspects and consist of individual indicators that make implementation measurable.

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Thermoplasts (also known as plastomers)

Plastics that become elastic (thermoplastic) in a particular temperature range, whereby this process is reversible.

UN Global Compact

United Nations initiative for corporate responsibility.

Weighted average cost of capital (WACC)

The weighted average cost of capital (WACC) represents a company's total costs of capital for liabilities and equity depending on the individual capital structure.

Working capital

Trade working capital describes the Group's current net operating assets and is calculated as the sum of inventories and trade receivables minus trade payables.

Xetra

An electronic trading system operated by Deutsche Börse AG for the spot market.

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Overview by Quarters¹

		Q1 2023	Q2 2023	Q3 2023	T164 Q4 2023
Income statement					
Group sales	EUR million	315.0	324.0	297.1	286.7
Adjusted EBIT ²	EUR million	22.6	27.1	24.8	23.0
Adjusted EBIT margin ²	%	7.2	8.4	8.3	8.0
EBIT	EUR million	17.2	21.8	19.5	17.5
EBIT margin	%	5.5	6.7	6.6	6.1
Adjusted profit for the period ²	EUR million	11.8	14.5	11.0	6.6
Adjusted earnings per share ²	EUR	0.37	0.45	0.35	0.21
Profit for the period	EUR million	7.8	10.6	7.1	2.5
Earnings per share	EUR	0.24	0.33	0.22	0.08
Balance sheet³					
Total assets	EUR million	1,524.8	1,510.1	1,539.6	1,493.3
Equity	EUR million	701.6	690.9	710.3	693.4
Equity ratio	%	46.0	45.8	46.1	46.4
Net debt	EUR million	414.3	427.0	400.6	345.4
Cash flow					
Cash flow from operating activities	EUR million	-36.5	29.4	48.9	77.1
Cash flow from investing activities	EUR million	-18.3	-13.0	-13.3	-15.1
Cash flow from financing activities	EUR million	-4.1	-24.2	-3.3	-26.4
Net operating cash flow	EUR million	-44.8	31.9	38.6	61.7

¹Minor deviations may occur due to commercial rounding for the full year compared with the summation of the corresponding quarterly amounts.

²Since 2020: Adjusted exclusively for expenses related to acquisitions; Prior years: Adjusted for expenses related to acquisitions and non-recurring items. Details regarding the adjustments, can be found in the corresponding Annual Reports.

³Figures as at balance sheet date end of quarter.

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10-Year Overview

			T165								
		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Order situation											
Order book ¹	EUR millions	530.0	569.6	508.4	391.3	358.3	379.2	329.1	302.4	295.8	279.6
Income statement											
Revenue	EUR millions	1,222.8	1,243.0	1,091.9	952.2	1,100.1	1,084.1	1,017.1	894.9	889.6	694.7
thereof EMEA	EUR millions	514.7	489.2	462.4	409.5	486.0	494.8	485.9	432.0	416.0	394.5
thereof Americas	EUR millions	534.5	574.2	456.8	385.5	450.8	441.5	411.3	381.6	395.3	237.8
thereof Asia-Pacific	EUR millions	173.6	179.6	172.8	157.2	163.4	147.8	119.9	81.3	78.2	62.5
Engineered Joining Technology (EJT)	EUR millions	709.6	698.8	620.7	552.6	665.5	684.6	638.2	535.9	540.3	481.0
Standardized Joining Technology (SJT)	EUR millions	506.7	535.3	464.3	395.5	430.2	393.8	372.3	354.5	344.1	211.5
Cost of materials ratio	%	45.0	48.0	45.8	43.8	43.4	43.6	41.2	39.4	40.8	41.7
Personnel cost ratio	%	26.3	24.9	26.1	31.3	27.5	25.9	26.5	27.3	26.3	27.1
Adjusted EBITA ²	EUR millions	101.7	106.9	122.5	54.6	144.8	173.2	174.5	157.5	156.3	121.5
Adjusted EBITA margin ²	%	8.3	8.6	11.2	5.7	13.2	16.0	17.2	17.6	17.6	17.5
EBITA	EUR millions	100.7	105.6	121.0	51.1	127.9	164.8	166.8	150.4	150.5	113.3
EBITA margin	%	8.2	8.5	11.1	5.4	11.6	15.2	16.4	16.8	16.9	16.3
Adjusted EBIT ²	EUR millions	97.5	99.0	113.8	45.3	136.1	164.5	166.0	147.7	147.9	116.2
Adjusted EBIT margin ²	%	8.0	8.0	10.4	4.8	12.4	15.2	16.3	16.5	16.6	16.7
EBIT	EUR millions	76.1	76.5	92.1	20.1	96.7	133.5	137.8	120.0	124.8	97.8
EBIT margin	%	6.2	6.2	8.4	2.1	8.8	12.3	13.5	13.4	14.0	14.1
Financial result	EUR millions	-22.7	-12.6	-12.4	-14.8	-15.5	-11.7	-16.1	-14.6	-17.2	-14.5
Adjusted tax rate ²	%	41.3	35.2	28.6	20.3	27.1	24.9	30.0	28.9	32.1	33.3
Adjusted profit for the period ²	EUR millions	43.9	56.0	72.3	24.3	87.8	114.8	105.0	94.6	88.7	71.5
Adjusted EPS ²	EUR	1.37	1.75	2.27	0.77	2.76	3.61	3.29	2.96	2.78	2.24
Profit for the period	EUR millions	27.9	39.2	56.1	5.5	58.4	91.8	119.8	75.9	73.8	54.9
EPS	EUR	0.87	1.23	1.76	0.18	1.83	2.88	3.76	2.38	2.31	1.72

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		(Continued)									
		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
NORMA Value Added (NOVA)	EUR millions	-43.6	-27.1	16.0	-46.4	17.3	60.8	54.9	53.1	48.3	n/a
Return on Capital Employed (ROCE) ³	%	9.3	9.7	11.9	4.6	13.0	17.2	18.9	17.7	19.3	n/a
R&D expense	EUR millions	44.3	40.6	38.0	29.0	31.2	30.5	29.4	28.8	25.4	25.7
R&D ration (related to sales) ⁴	%	3.6	3.3	3.5	3.1	4.7	4.5	4.6	5.4	4.7	5.3
Investment ratio in relation to sales (without acquisitions)	%	5.0	4.3	4.3	4.3	5.0	5.8	4.7	5.4	4.7	5.7
Balance sheet¹											
Total assets	EUR millions	1,493.3	1,560.7	1,498.2	1,414.7	1,514.3	1,471.7	1,312.0	1,337.7	1,167.9	1,078.4
Equity	EUR millions	693.4	705.4	668.6	589.5	629.5	602.4	534.3	483.6	429.8	368.0
Equity ratio	%	46.4	45.2	44.6	41.7	41.6	40.6	40.7	36.2	36.8	34.1
Net debt	EUR millions	345.4	349.8	318.5	338.4	420.8	400.3	344.9	394.2	360.9	373.1
Working capital	EUR millions	230.9	230.4	189.5	160.8	192.5	179.2	158.2	144.5	151.9	141.8
Working capital related to sales	%	18.9	18.5	17.4	16.9	17.5	16.5	15.6	16.1	17.1	20.4
Cash flow											
Cash flow from operating activities	EUR millions	118.9	76.6	108.4	133.5	137.1	130.8	146.0	149.2	128.2	96.4
Cash flow from investing activities	EUR millions	-59.8	-44.5	-45.2	-39.1	-57.0	-129.5	-70.8	-133.8	-44.5	-265.1
Cash flow from financing activities	EUR millions	-57.9	-54.5	-71.1	-81.0	-93.2	31.3	-77.7	49.6	-70.4	57.7
Net operating cash flow	EUR millions	87.3	65.3	99.8	78.3	122.9	124.4	132.9	148.5	134.7	109.2
Non financial figures											
Core workforce ¹	Number	5,994	6,175	6,191	6,635	6,523	6,901	6,115	5,450	5,121	4,828
Temporary workers ¹	Number	2,011	2,532	2,012	2,155	1,998	1,964	1,552	1,214	1,185	1,147
Total workforce ¹	Number	8,005	8,707	8,203	8,790	8,521	8,865	7,667	6,664	6,306	5,975
Invention applications	Number	20	21	25	22	22	32	33	n/a	n/a	n/a

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		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Defective parts (PPM)	Parts/ million	2.2	2.9	4.9	5.1	6.1	7.1	16.1	32.0	n/a	n/a
Customer complaints	Month/ Entity	3.9	3.7	5.1	4.7	6.4	7.0	9.0	8.0	n/a	n/a
CO ₂ emissions (Scope 1 and 2) ⁵	t CO ₂	5,064	4,879	43,449	49,875	54,494	51,018	n/a	n/a	n/a	n/a
Share data											
Last price ^{1,6}	EUR	16.03	17.00	33.88	41.90	38.00	43.20	56.00	40.60	51.20	39.60
Market capitalization ^{1,6}	EUR millions	511	542	1,079	1,334	1,211	1,376	1,783	1,292	1,630	1,263
Dividend ⁷	EUR	0.45	0.55	0.75	0.70	0.04	1.10	1.05	0.95	0.90	0.75
Payout ratio ⁷	%	32.7	31.3	33.0	91.7	1.5	30.5	31.9	32.0	32.3	33.4
Price-earnings ratio		18.4	13.8	19.3	232.7	20.8	15.0	14.9	17.0	22.1	23.0
Number of shares issued		31,862,400	31,862,400	31,862,400	31,862,400	31,862,400	31,862,400	31,862,400	31,862,400	31,862,400	31,862,400

1_Figures as of balance sheet date Dec 31.

2_Since 2020: Adjusted exclusively for expenses related to acquisitions; prior years: Adjusted for expenses related to acquisitions and non-recurring items. Details regarding the adjustments can be found in the corresponding Annual Reports.

3_Adjusted EBIT in relation to the average capital employed.

4_Until 2019: in relation to EJT sales, since 2020: in relation to total sales.

 5_Since 2017, CO₂ emissions have been reported according to the requirements of the Greenhouse Gas Protocol. The figures relating to the years 2019 and before are audited with "limited assurance". Overall, emissions from Scope 1 and 2 (method: market-based) were 3.8% higher than in the previous year (2022: 4,879 tons). Since January 2022, NORMA Group has been purchasing electricity from renewable energy sources at all production sites through "Energy Attribute Certificates".

 NORMA Group's CO₂ emissions are reported in accordance with the GHG Protocol (market-based, Scope 1 and Scope 2). Scope 1 includes only emissions from natural gas and LPG and Scope 2 emissions from purchased electricity and district heating. When recording emissions, only emissions relating to the production sites are taken into account. Further information can be found in the [CR-REPORT](#).

6_Xetra price.

7_Subject to approval by the Annual General Meeting.

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Financial Calendar, Contact and Imprint

Financial calendar 2024

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Date	Event
May 7, 2024	Publication of Interim Statement Q1 2024
May 16, 2024	Ordinary Annual General Meeting 2024, Frankfurt / Main
Aug 13, 2024	Publication of Interim Report H1 2024
Nov 5, 2024	Publication of Interim Statement Q3 2024

The financial calendar is constantly updated. Please visit the Investor Relations section on the company website

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Forward-looking statements

This Annual Report contains certain future-oriented statements. Future-oriented statements include all statements that do not relate to historical facts and events and contain future-oriented expressions such as “believe,” “estimate,” “assume,” “expect,” “forecast,” “intend,” “could” or “should” or expressions of a similar kind. Such future-oriented statements are subject to risks and uncertainties since they relate to future events and are based on the Company’s current assumptions, which may not in the future take place or be fulfilled as expected. The Company points out that such future-oriented statements provide no guarantee for the future and that the actual events including the financial position and profitability of NORMA Group SE and developments in the economic and regulatory fundamentals may vary substantially (particularly on the down side) from those explicitly or implicitly assumed in these statements. Even if the actual assets for NORMA Group SE, including its financial position and profitability and the economic and regulatory fundamentals, are in accordance with such future-oriented statements in this Annual Report, no guarantee can be given that this will continue to be the case in the future.



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