

TO OUR SHAREHOLDERS

The Management Board



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

Mark Wilhelms
Interim Chief Executive Officer (CEO)

Annette Stieve
Member of the Management Board (CFO)

Letter from the Management Board

Dear shareholders, customers and business partners,

Before we look at the main developments in fiscal year 2024, we would like to explain the change in the composition of the Management Board and Supervisory Board of NORMA Group SE communicated on February 17, 2025.

As you can see from the published notification, Mr. Guido Grandi has resigned from his position on the Management Board and as Chairman of the Management Board with effect from the end of February 17, 2025. For a transitional period of a maximum of one year, the previous Chairman of the Supervisory Board, Mr. Mark Wilhelms, has taken over the position as interim Chairman of the Management Board of NORMA Group. For the transitional period Ms. Kerstin Müller-Kirchhofs acts as the interim Chairwoman of the Supervisory Board. Mr. Wilhelms and Ms. Müller-Kirchhofs took up their respective new positions immediately with effect from February 18, 2025. The structured search for a successor for the Chairman of the Management Board also started immediately. NORMA Group is thus creating the conditions for a smooth transition as well as process continuity for the far-reaching sharpening of its strategic direction communicated at the end of November 2024.

The Management Board and the Supervisory Board remain committed to the decision taken: The global business activities of the Water Management strategic business unit are to be transferred to a suitable buyer. NORMA Group will focus even more strongly on the synergetic core industrial business in the future. This is accompanied by the transformation from a conglomerate to a focused "Industrial Powerhouse". Accelerating the transformation is one of the key success factors here - not least due to the persistently demanding conditions.

The 2024 fiscal year was largely characterized by a volatile market environment. The prevailing global macroeconomic and geopolitical influences had a negative impact. This resulted in weak and fluctuating demand in key markets, which also applied to some of the industries relevant to NORMA Group, especially in the EMEA and Asia-Pacific regions. In 2024, the challenging environment resulted in a 5.5% decline in Group sales to around EUR 1.2 billion.

In this demanding market environment, NORMA Group closed the fiscal year 2024 with robust profitability despite declining sales: Based on an adjusted EBIT of EUR 92.3 million, the adjusted EBIT margin reached a solid 8%. This was exactly in line with our expectations. Net operating cash flow showed a very strong increase despite the significant reduction in supply chain financing. It increased by 20.7% to EUR 105.4 million at the end of the year, driven by positive developments in working capital management as well as focused investment activities in the operating business. In addition, a significant reduction in debt was achieved in the 2024 fiscal year compared to the previous year. The results are to a large extent directly related to the successful implementation of the "Step Up" growth and efficiency program initiated in 2023. Since then, significant steps have been taken to increase profitability and ensure NORMA Group's ongoing competitiveness. These include essential optimizations in global purchasing, supply chain management and operational improvements in production plants, in which automation is increasingly playing a key role. All of this lays the foundation for continuous improvement in key areas.

The focus on profitable growth areas is a key pillar of the "Step Up" program. Targeted growth initiatives for the traditional core industry business have become an even greater focus since the end of 2024. In particular, the acquisition of direct business in the industrial area is becoming more important. NORMA Group places customers and a needs-based service approach at the centre of its business activities.

Based on the mission statement of the 2024 Annual Report “**Endless Opportunities**”, the Management Board sees a wide range of opportunities for profitable growth for NORMA Group in the coming years, especially in industrial business. Investments in the core business to expand the market position in the Industry Applications strategic business unit and strengthen Mobility & New Energy are a key aspect of this. The divestment of the international water business is intended to free up the necessary resources and capacities. The expected proceeds from the sale are to be reinvested primarily in three areas:

The initial focus is on creating a solid financial foundation and a robust balance sheet structure. For this reason, part of the future proceeds will be used to reduce debt appropriately. Structural optimizations in our global production, sales and administration network are also continuously reviewed. In a further step, one or possibly several targeted acquisitions should accelerate profitable growth in the Industry Applications strategic business unit. Last but not least, we would like our shareholders to participate with an appropriate share in the sales proceeds. The Management Board and Supervisory Board will discuss the details together following the successful conclusion of the current sales process. Taken together, this serves a common interest: We create added value as a reliable partner for customers, employees and shareholders.

That’s why we are pooling our strengths within the company. The key drivers here are: passionate collaboration and global excellence. Based on relevant megatrends, the colleagues are continuously working on identifying further innovative application potential for the joining products established on the market. The strength gained from years of engineering experience is a unique key asset here. At the same time, new mission-critical (service) solutions are being developed for a sustainable future. The 2024 and recently announced orders demonstrate the importance and success of the new approach.

Many of you, dear shareholders, have been following NORMA Group for years - even in challenging times. Thank you for your loyalty and trust. The Management Board and Supervisory Board plan to propose the payment of a dividend of EUR 0.40 per dividend-bearing share for 2024 to the Annual General Meeting on May 13, 2025. This corresponds to a payout ratio of around 31% of the adjusted profit for the period 2024 and is therefore in line with our sustainable dividend strategy.

We expect the environment to remain challenging in the 2025 fiscal year. We therefore continue to view the coming months with the necessary caution. Nevertheless, you can rest assured that we are continuing to work towards the #NewNORMA by focusing on profitable new business and operational efficiency. Our aim is to be the market leader in the field of joining technology, to be perceived as the preferred contact for our stakeholders and to achieve healthy profitability.

We look forward to that.

Sincerely,

Mark Wilhelms
Member of the Management
Board (Interim-CEO)

Annette Stieve
Member of the Management
Board (CFO)

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