

# Gearpro Annual Report

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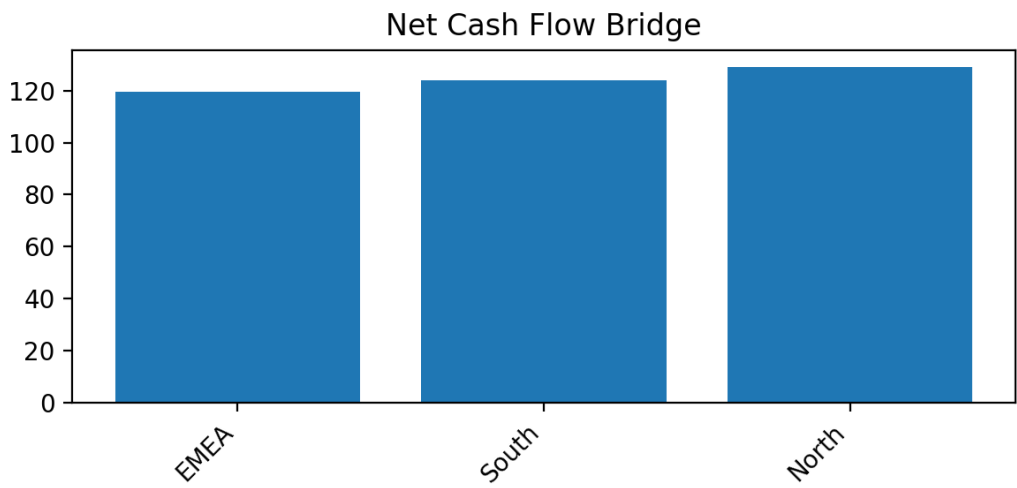
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# Chair’s Letter

On behalf of the Board of Directors, I am pleased to present Gearpro’s annual narrative, which reflects a year of disciplined execution and measured ambition. We strengthened our balance sheet, simplified our portfolio, and sharpened our strategic focus on electrification, safe automation, and digitalized cockpit experiences. A renewed emphasis on core industrial capabilities, coupled with rigorous cash discipline, enabled us to reduce net leverage while continuing to invest in scalable innovation. We also reinforced our governance practices, aligning decision rights with accountability and accelerating the integration of our diversified technology activities. This combination of steady operational performance and robust governance gives us confidence to pursue profitable growth in a volatile environment.

Operational resilience underpinned our performance across regions, with Asia remaining a strong engine, EMEA recovering at pace, and the Americas improving profitability through disciplined pricing and productivity gains. Our commercial momentum was supported by a balanced customer mix, expanded awards in electric and hybrid programs, and differentiated value propositions in energy management and safety systems. We deepened supplier collaboration to mitigate input cost variability and improved supply continuity through a multi-sourcing approach, enhanced logistics orchestration, and digital demand sensing. The Board also oversaw the advancement of our sustainability roadmap, with material progress in energy efficiency and renewable sourcing, and product re-engineering for lower embedded carbon. We recognize the journey ahead remains demanding, yet we are convinced our operating model and culture are fit for the long term.

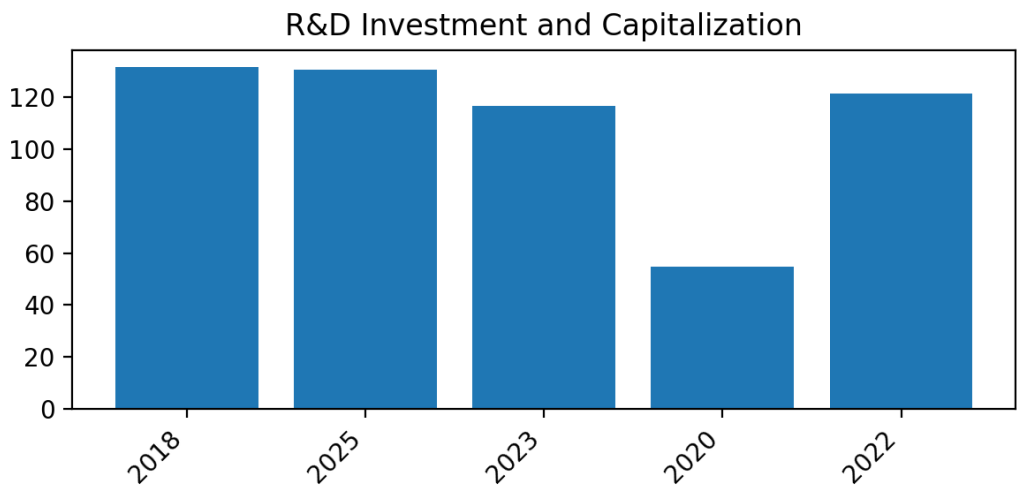
## Net Cash Flow Bridge



## Chair’s Letter — Board Renewal Highlights

The Board benefited from targeted refreshment and skills alignment to the company’s strategic vectors. We appointed directors with deep expertise in automotive electronics, AI-enabled product development, and industrial decarbonization to strengthen oversight of our transformation. The committees were recalibrated to bring sharper focus on audit rigor, succession planning, sustainability integration, and risk oversight. We also enhanced director onboarding with structured site immersions, cybersecurity tabletop exercises, and product portfolio walkthroughs. This deliberate approach ensures that Board discussions remain forward-looking and anchored in the realities of our markets and factories.

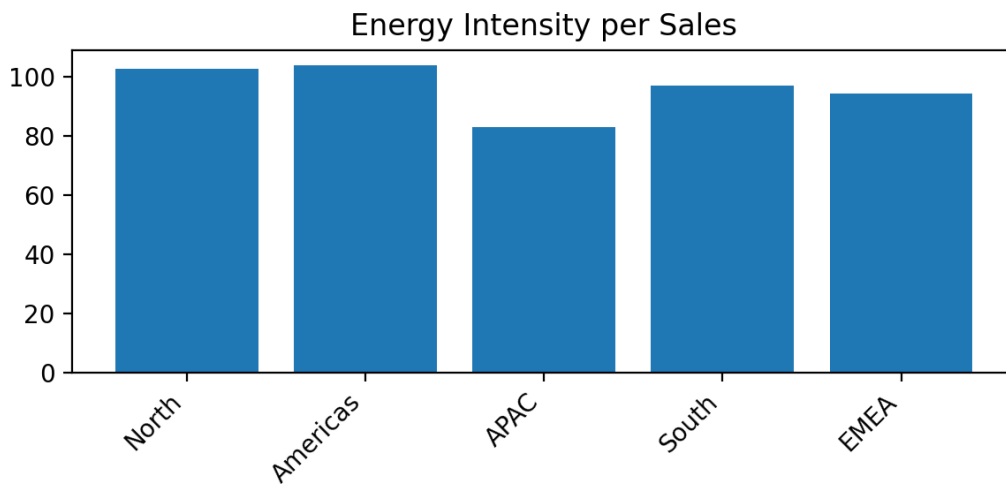
## R&D; Investment and Capitalization



## Chair’s Letter — Shareholder Dialogue and Market Context

In our engagement with shareholders, we prioritized clarity on capital allocation, deleveraging milestones, and the earnings bridge to our medium-term plan. We communicated the rationale behind portfolio actions, our disciplined hurdle rates for growth investments, and our approach to returns on R&D.; The dialogue also covered market uncertainties, including supply normalization, price-cost timing, and the pace of electrification by region. Investors welcomed the transparency of our disclosures, particularly on order intake composition, program launch risk gating, and ESG target linkages to management incentives. We will continue to evolve our disclosures to reflect best practice and the needs of a diverse, global investor base.

## Energy Intensity per Sales

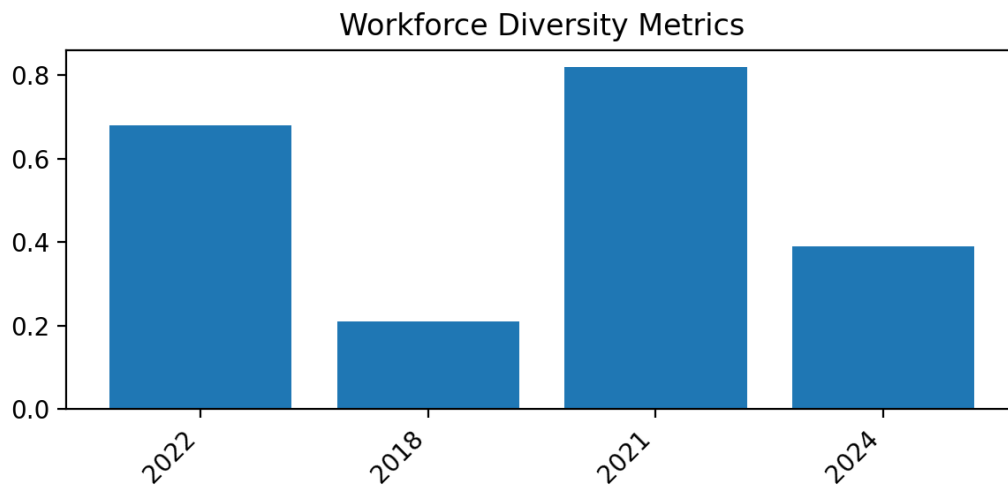


## Chief Executive Interview

Gearpro entered the year with a clear mandate: deliver cash, de-risk launches, and scale profitable technologies aligned with our customers' electrification and digitalization roadmaps. We accelerated our enterprise excellence system across plants and R&D; centers to compress development cycles, stabilize quality, and improve factory throughput. Our integration programs across interiors, seating, electronics, lighting, clean mobility, and lifecycle solutions translated into purchasing synergies and more cohesive platform offers. In parallel, we refreshed our cultural framework, reinforcing values that emphasize speed, accountability, and mutual respect. These initiatives helped us navigate persistent inflation, high rates, and an evolving demand profile without compromising investment in strategic growth domains.

Technology-led sustainability remains the cornerstone of our strategy. We expanded our sustainable materials platform, brought new energy management modules to market, and extended our safety electronics portfolio to address both interior and exterior sensing needs. The year was notable for industrial milestones, including the ramp-up of advanced electronics manufacturing with digital-twin commissioning and the commissioning of storage systems for hydrogen mobility. At the same time, we made pragmatic choices to simplify non-core exposure and support deleveraging, which is a top priority in our capital program. Looking forward, our North Star is unchanged: pioneer technologies that enhance safety, efficiency, and experience, while keeping mobility accessible.

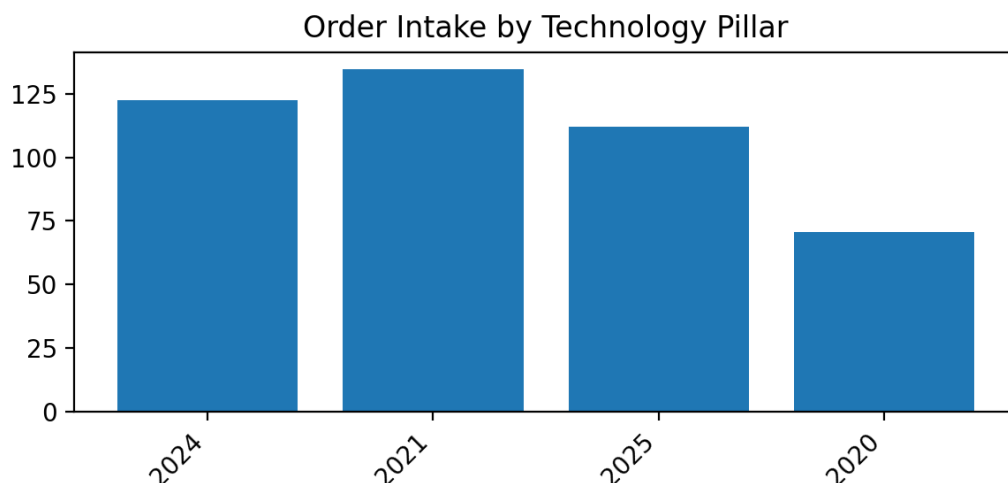
## Workforce Diversity Metrics



## CEO Interview — Scaling Technologies with Discipline

Our scale-up playbook rests on three pillars: reuse of core platforms, modularity in system design, and robust launch governance. Platform reuse reduces engineering effort, improves cost absorption, and shortens validation time, which directly benefits customer time-to-market. Modularity allows us to tailor content across vehicle segments and regions without fragmenting our engineering base. Launch discipline means gated readiness, early supplier alignment, and rigorous software and functional safety sign-offs. These practices ensure we industrialize innovations at scale while protecting margins and brand reputation.

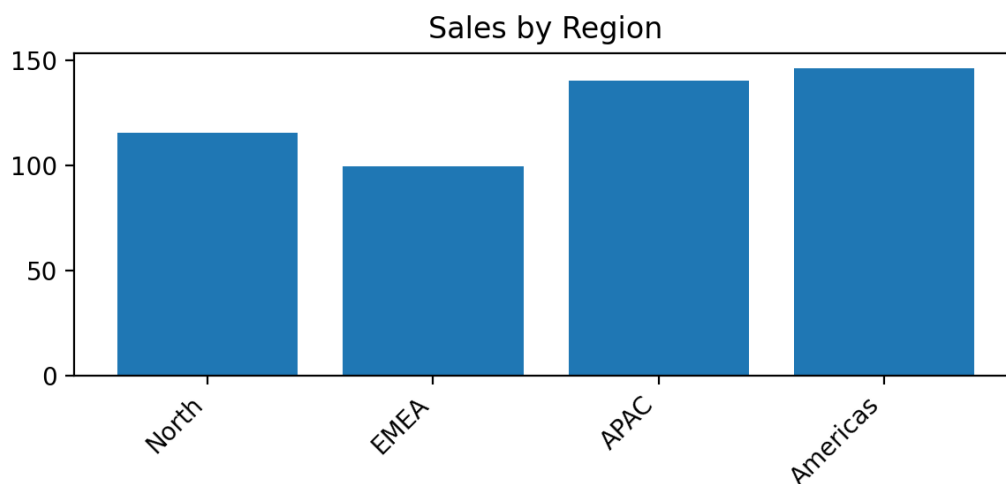
## Order Intake by Technology Pillar



## CEO Interview — AI and Data as Competitive Levers

AI is threaded through our value chain from design to service. In R&D, generative tools accelerate code generation, test-case creation, and variant management. In operations, AI improves scrap prediction, reduces line stoppages, and optimizes energy use at the machine level. In commercial and supply, forecasting models refine demand scenarios and inventory positioning, reducing working capital without endangering service levels. We invest in data governance and secure architectures to scale these capabilities safely and responsibly, and we focus on use cases with tangible ROI and user adoption.

## Sales by Region



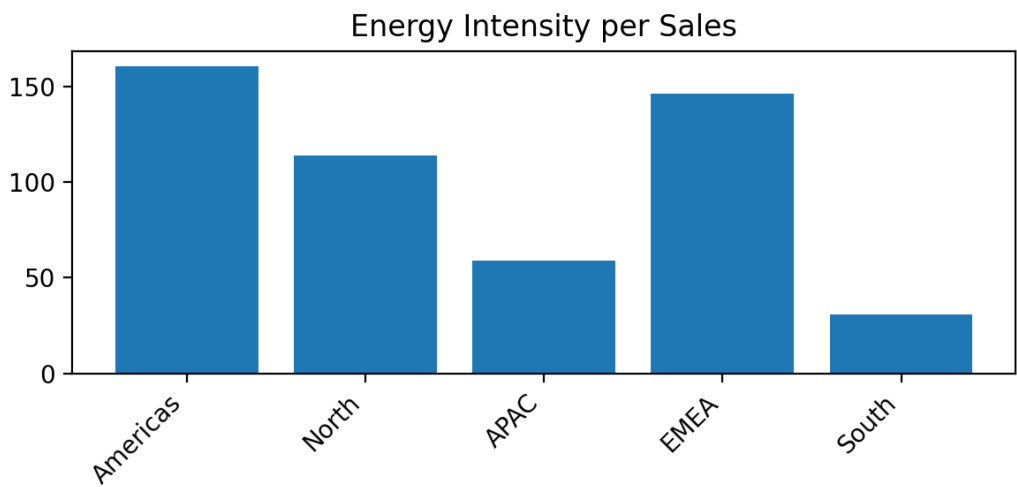
## Strategy and Business Model

Gearpro's strategy focuses on three enduring pillars: electrification and energy management, safe and automated driving, and digital and sustainable cockpit experiences. These pillars are served by six integrated business groups that share technology building blocks, manufacturing assets, and a harmonized operating system. Our business model converts advanced R&D into platformed solutions with modular options, allowing market-specific configurations and lifetime software-enabled upgrades. We deploy capital to areas with advantaged scale, recurring revenues, and clear pathways to above-market growth. The model is designed to withstand cyclical pressures while compounding value through disciplined reuse, lean launches, and customer stickiness.

Value creation depends on a balanced approach to investment and returns. We maintain a calibrated R&D envelope, prioritize programs with multi-customer applicability, and align incentive plans to cash and margin outcomes. Our customer portfolio is diversified across global, regional, and emerging mobility players, reducing concentration risk and opening channels for new technology adoption. We drive sustainability through materials substitution, light-weighting, modular repairability, and energy-efficient electronics architectures. The social and governance dimensions are equally central, with investments in skills, safety, diversity, and ethics intrinsically

linked to long-term success.

## Energy Intensity per Sales



## Strategy — Three Pillars at Scale

Electrification and energy management solutions include high-voltage conversion, thermal orchestration, and storage systems adapted to regional infrastructure realities. Safe and automated driving spans lighting intelligence, perception sensors, and by-wire actuation with rigorous functional safety compliance and cybersecurity. Digital and sustainable cockpit experiences integrate modular seats, sustainable materials, interactive lighting, and app ecosystems for connected services. Each pillar is anchored by reusable reference architectures, validated supply chains, and a roadmap of software updates. This structure ensures customer continuity and sustainable cost-down trajectories over product lifecycles.

## Customer Quality Awards

Region	Customer	AwardType	Count	Year
APAC	EMEA	North	44.34	2024
Americas	South	Americas	64.69	2020
APAC	APAC	Americas	89.87	2018
North	EMEA	North	85.45	2019
South	EMEA	South	113.55	2020
Americas	EMEA	APAC	110.29	2018
South	EMEA	EMEA	124.87	2025
South	Americas	APAC	110.19	2023
North	North	South	109.2	2018

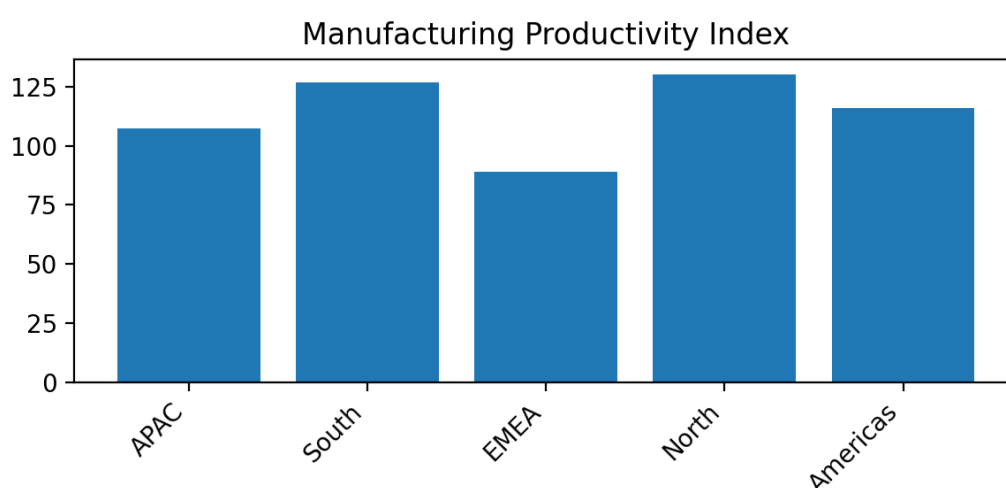


North	EMEA	APAC	87.53	2023
APAC	South	EMEA	111.23	2019
South	EMEA	APAC	151.96	2019
Americas	Americas	North	106.88	2022
North	EMEA	APAC	142.35	2019
APAC	APAC	Americas	111.5	2024
EMEA	EMEA	APAC	102.47	2024
North	Americas	South	68.19	2025
South	APAC	North	70.62	2020
EMEA	EMEA	APAC	93.75	2023
Americas	Americas	North	117.54	2020

## Business Model — Capital Allocation and Returns

Capital allocation decisions factor strategic fit, competitive advantage, scalability, and risk-adjusted returns. We set minimum internal rate of return thresholds that incorporate volatility in volumes, currencies, and input costs. Portfolio simplification releases capital to fund higher-return opportunities and supports our deleveraging path. We complement organic investment with selective partnerships that accelerate access to capability or scale. Transparency in hurdle rates and post-investment reviews ensures learning and accountability across the enterprise.

## Manufacturing Productivity Index

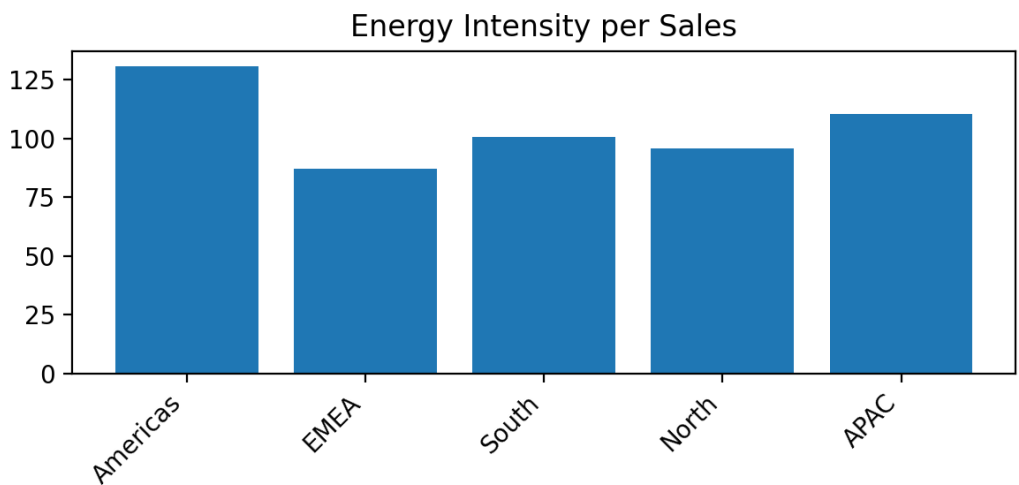


## Market and Competitive Landscape

Global light vehicle production rebounded as supply chains normalized, with Asia leading in volume scale and EMEA regaining momentum from prior lows. The electrification mix grew unevenly by region, driven by policy incentives, charging infrastructure, and consumer adoption differences. Customers prioritized total cost of ownership and upgradability, favoring modular architectures that accommodate fast-evolving electronics domains. New entrants in software-defined mobility intensified competition for cockpit and ADAS domains, while incumbents focused on cost excellence and platform commonization. Against this backdrop, Gearpro differentiated through platform scalability, robust industrialization, and balanced technology depth.

Pricing dynamics remained tight as OEMs navigated affordability constraints, even as they sought richer content in safety and energy management. Input cost volatility moderated relative to the prior year yet remained material, particularly in energy and specialized components. Customer sourcing emphasized dual and regional supply strategies to mitigate geopolitical and logistics exposure. Regulatory pressure on emissions, recyclability, and digital safety continued to rise, increasing the value of compliance-by-design. Overall, the landscape rewards suppliers with resilient operations, credible software and electronics scale, and integrated sustainability propositions.

## Energy Intensity per Sales

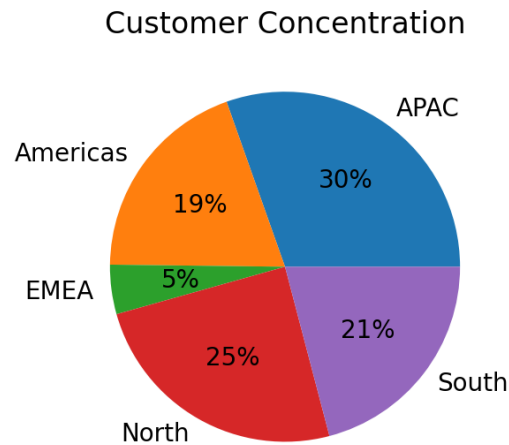


## Market Dynamics — Regional Nuances

Asia maintained leadership in EV penetration, cockpit digitalization, and value-for-money execution, supporting faster adoption of integrated electronics. EMEA prioritized sustainability and premiumization with renewed industrial localization, while gradually rebuilding production volumes. The Americas maintained steady demand in trucks and SUVs, with renewed interest in extended-range solutions and serviceability. Trade policies and industrial incentives shaped local content strategies and capital deployment decisions across the ecosystem. Gearpro’s regional

setup mirrored these nuances through localized engineering, supply partnerships, and tailored product roadmaps.

## Customer Concentration

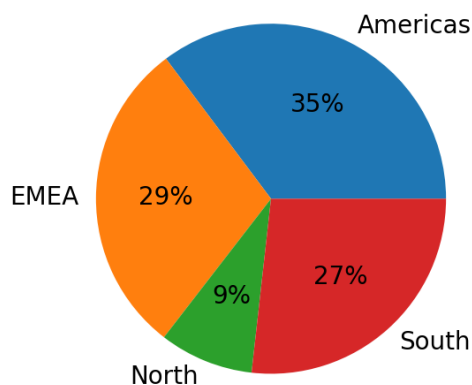


## Competitive Positioning — Technology and Cost

Our competitive edge builds on deep systems know-how, cost-competitive industrial footprints, and strong customer intimacy. We invest in shared technology stacks for lighting intelligence, sensors, power electronics, and sustainable materials to drive scale economies. Cost competitiveness is achieved through lean plant networks, digital twins for line design, and supplier co-engineering for early cost-out. Customer intimacy is reinforced by co-location, joint development centers, and proactive lifecycle value management. This triad enables defensible positions in content-rich domains where performance and reliability are paramount.

## Customer Concentration

## Customer Concentration



## Operational Excellence

Our enterprise excellence system is the backbone of standardized, digital, and sustainable operations. It codifies best practices in safety, quality, delivery, cost, and carbon, and embeds daily management across factories and technical centers. We deploy advanced analytics for predictive maintenance, yield stabilization, and energy optimization, integrating machine-level telemetry with plant-level decision rooms. Model plants serve as lighthouses for scaled adoption of automation, intralogistics robotics, and digital work instructions. The result is higher line availability, reduced defects per million, and a lower variability in launch performance.

Safety remains non-negotiable, and we doubled down on critical rules, visual standards, and leadership routines. After two fatal incidents during the period, we intensified controls, audits, and consequence management while enhancing incident learning mechanisms. Environmental improvements progressed through energy retrofits, heat recovery, and on-site renewables supported by power purchase agreements. Training academies for operators, technicians, and engineers accelerated skill building in automation, problem solving, and sustainability. These building blocks foster a culture that values precision, care, and relentless improvement.

## Top Enterprise Risks

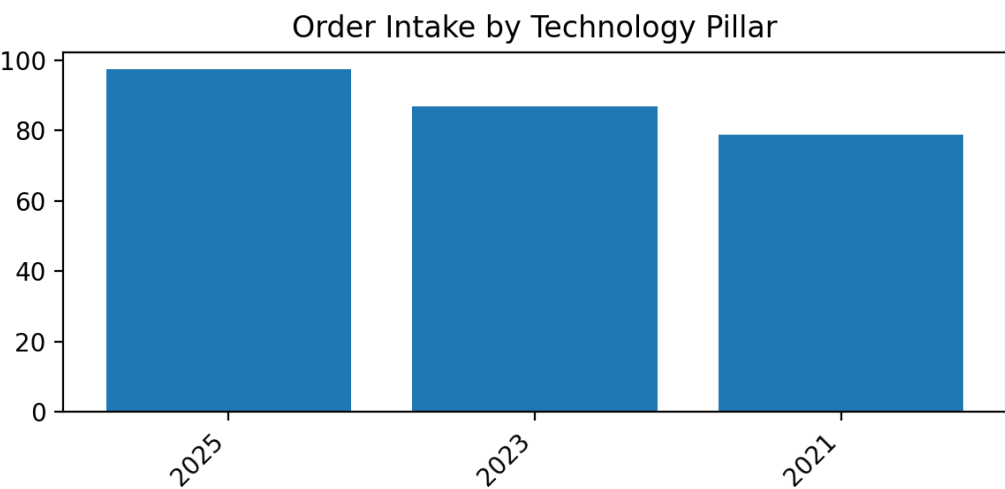
RiskName	Category	Likelihood	Impact	MitigationStatus
EMEA	EMEA	North	North	APAC
Americas	South	North	EMEA	South
North	EMEA	North	South	APAC
Americas	North	North	South	North
EMEA	EMEA	Americas	EMEA	North
APAC	Americas	EMEA	South	South
North	South	EMEA	APAC	South

South	EMEA	APAC	APAC	North
Americas	South	North	South	North
EMEA	South	APAC	North	EMEA
North	South	North	APAC	North
EMEA	Americas	EMEA	North	APAC
EMEA	North	APAC	APAC	APAC
South	Americas	Americas	North	North
APAC	Americas	North	Americas	EMEA
Americas	APAC	Americas	Americas	South
APAC	Americas	APAC	South	EMEA
Americas	EMEA	EMEA	APAC	APAC
Americas	North	North	EMEA	North
North	APAC	APAC	APAC	APAC

## Operations — Digitalization at Scale

Digital twins reduced time-to-ramp by simulating complex workflows and validating capacity scenarios before physical installation. Real-time dashboards synchronized production control with material flows and quality containment, improving decision speed. Computer vision assisted in defect detection and assembly verification, while AGVs and AMRs stabilized replenishment cycles. Energy dashboards surfaced waste at asset level and helped shift loads to lower-tariff periods. These tools are standardized through a scalable platform architecture, ensuring cybersecurity and data integrity.

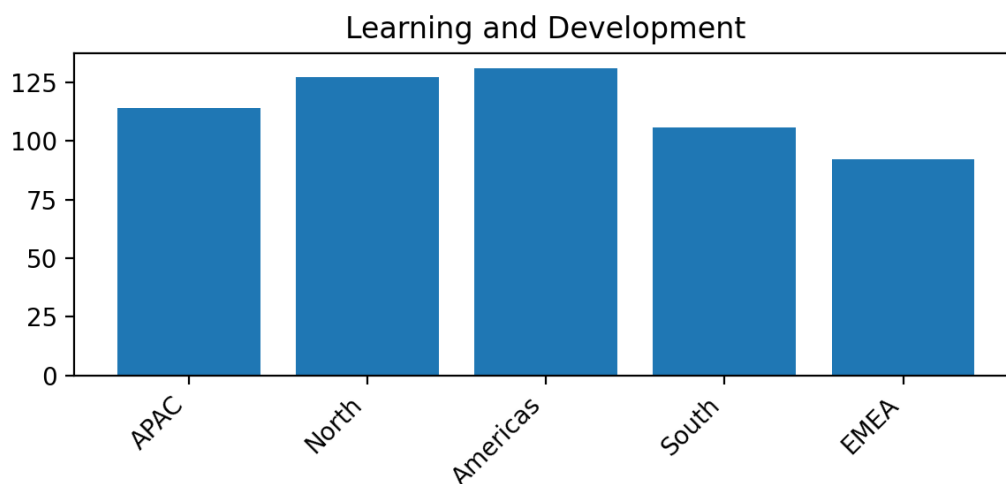
## Order Intake by Technology Pillar



## Operations — Supplier and Launch Readiness

Supplier readiness programs tightened APQP adherence, dual-sourcing where prudent, and incoming quality verification. We enforced frozen designs by maturity gates, secured early tooling, and pre-positioned critical components to cushion volatility. Cross-functional launch rooms tracked readiness metrics with red-to-green action plans and leadership sponsorship. Post-SOP stabilization benefited from layered process audits, fast triage, and standardized problem-solving routines. These measures reduced launch disruptions and protected customer deliveries.

## Learning and Development

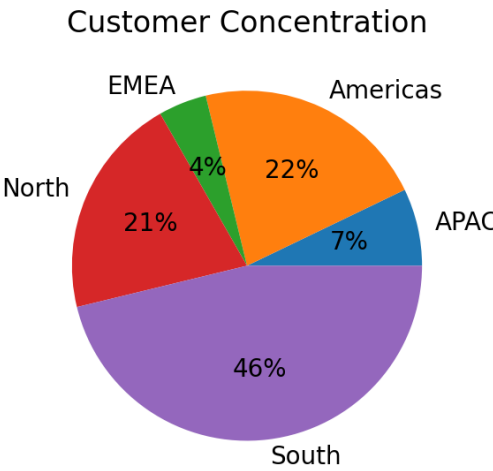


## Technology and Innovation

We structure innovation around platformed hardware, software-defined features, and sustainable materials science. Our electronics roadmap integrates high-voltage conversion, thermal hubs, and distributed power control tailored to vehicle architectures. Safety technologies span radar, camera, interior monitoring, and lighting intelligence with adaptive functions. Sustainable materials programs leverage bio-based and recycled compounds, low-carbon fibers, and durable foils, supported by AI-driven formulation. Partnerships with universities, start-ups, and ecosystem hubs accelerate risk sharing and time-to-market.

Our innovation funnel is governed by impact-based prioritization, robust validation frameworks, and IP protection. We emphasize cross-pillar synergies, such as using lighting optics knowledge for interior displays, and thermal expertise for battery safety. We incubate software features that can be delivered over-the-air, monetized through services, and extended across multiple platforms. Pilot lines and labs are co-located to shorten learning loops from lab to fab. This disciplined approach ensures that ingenuity translates into scale and margin-accretive products.

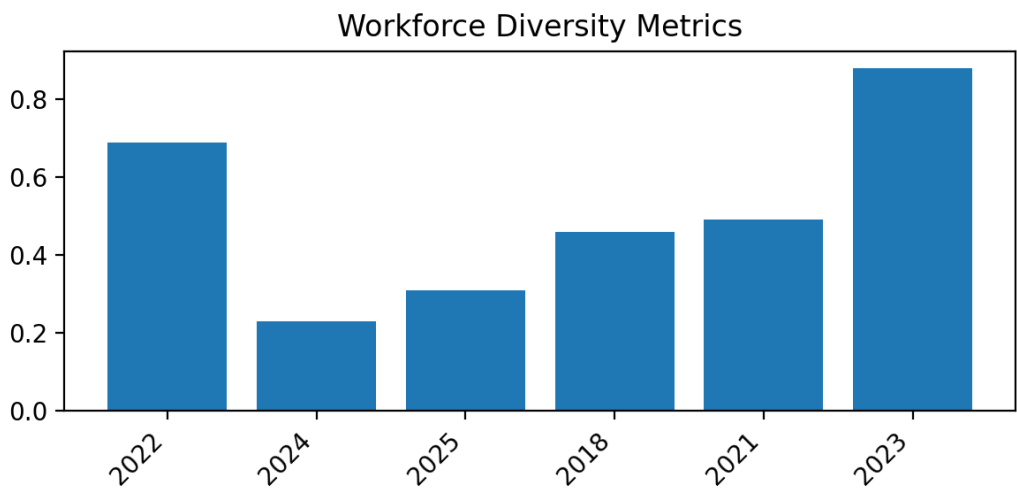
## Customer Concentration



## Innovation — Sustainable Materials Platform

Our materials unit focuses on reducing embedded carbon while preserving performance, finish, and durability. It develops bio-based and recycled polymers, sustainable foils as leather alternatives, and low-carbon fibers for structural parts. AI models support adaptive formulations that maintain consistency despite input variability. Pilot compounding and testing facilities accelerate qualification against stringent automotive requirements. This platform is integral to our scope 3 reduction pathway and customer circularity commitments.

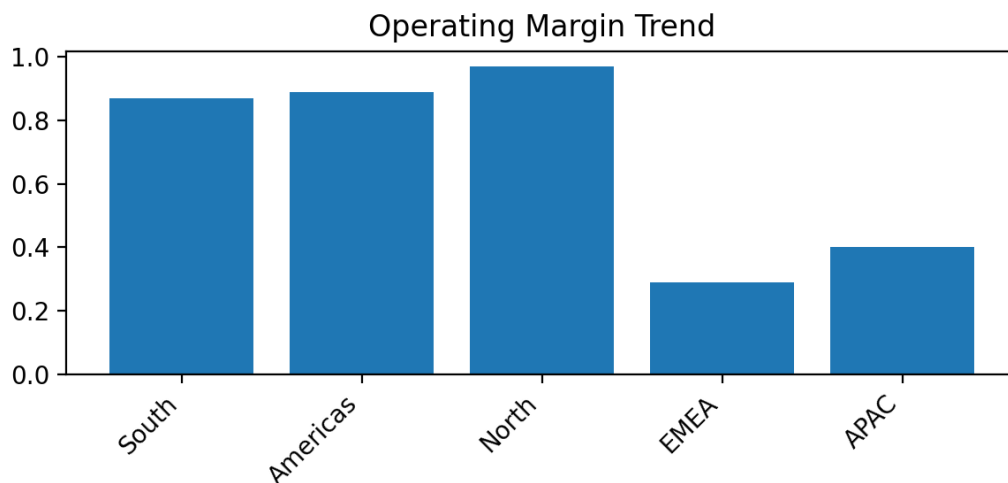
## Workforce Diversity Metrics



## Innovation — Safety and Power Electronics

The seventh generation of radar sensors delivers extended range, better angular resolution, and improved object classification. Power electronics integrate DC/DC conversion with charging circuitry to reduce packaging, weight, and cost. Thermal orchestration hubs unify coolant circuits for batteries, e-motors, and cabins, improving overall efficiency. These systems are designed for high-volume manufacturability and platform compatibility across segments. Stringent functional safety and cybersecurity processes govern development and lifecycle updates.

## Operating Margin Trend



## People, Culture, and Organization

Our people make our strategy possible, and we continue to invest in skills, leadership, and inclusion. The Gearpro University provides blended learning across technical, digital, and leadership domains, with role-based academies and micro-credentials. We support mobility across businesses and regions to build versatile careers and accelerate knowledge transfer. Diversity and inclusion remain priorities, with measurable goals embedded in leadership incentives. We also reinforce a speak-up culture, ethical standards, and zero-tolerance for misconduct.

Hiring and internal development were calibrated to strategic growth domains such as power electronics, software, and sustainable materials. We expanded early-career programs with targeted partnerships, including virtual fairs and coding challenges. Safety and well-being programs encompassed ergonomics, mental health, and flexible arrangements aligned with operational needs. Employee engagement was measured through pulse surveys, with action plans focused on recognition, development visibility, and local empowerment. We will continue to refine our people agenda as technology and market needs evolve.



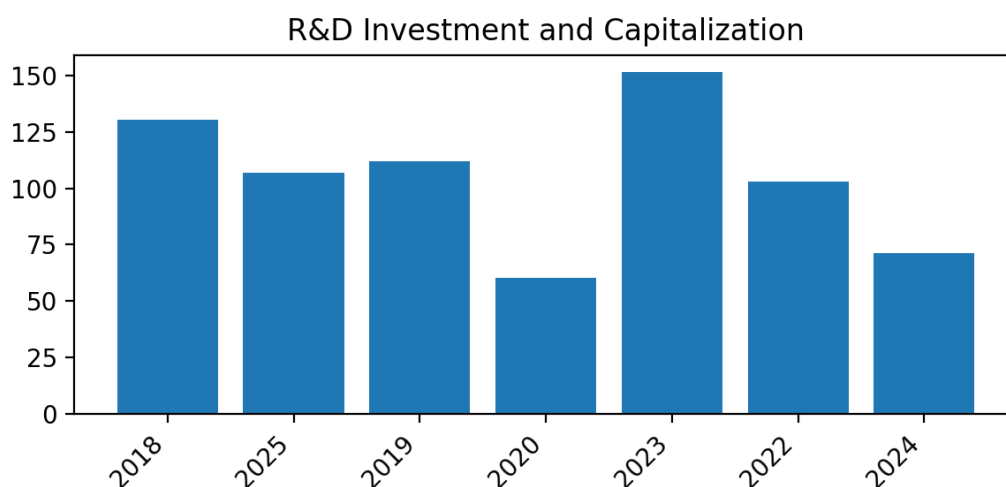
## Emissions by Scope

Scope	EmissionsMtCO2e	IntensityPerMEUR	Year
EMEA	84.91	134.61	2018
North	115.51	95.1	2023
Americas	128.76	150.57	2024
APAC	106.35	75.95	2018
APAC	74.13	107.85	2020
EMEA	102.33	109.24	2018
Americas	83.22	136.48	2022
EMEA	113.81	110.55	2023
Americas	115.13	71.66	2019

## Culture — Values in Action

We refreshed our common values to reflect the combined strengths of our businesses. Drive with vision underscores ambition coupled with realism in execution. Build on accountability reinforces ownership of outcomes and transparent learning from setbacks. Cultivate teamwork emphasizes cross-functional problem solving and respectful challenge. Embrace agility, act with respect, and believe in open-mindedness frame how we respond to change and diverse perspectives.

## R&D; Investment and Capitalization



## Organization — Operating Model and Integration

Our operating model balances centralized technology platforms with empowered business groups. Integration initiatives harmonized engineering tools, purchasing processes, and IT infrastructure to unlock synergies. Cross-business councils govern shared technology roadmaps and capital allocation within pillars. Regional organizations ensure proximity to customers and regulators, and facilitate industrial agility. This model scales innovation while keeping decision-making close to where value is created.

## Emissions by Scope

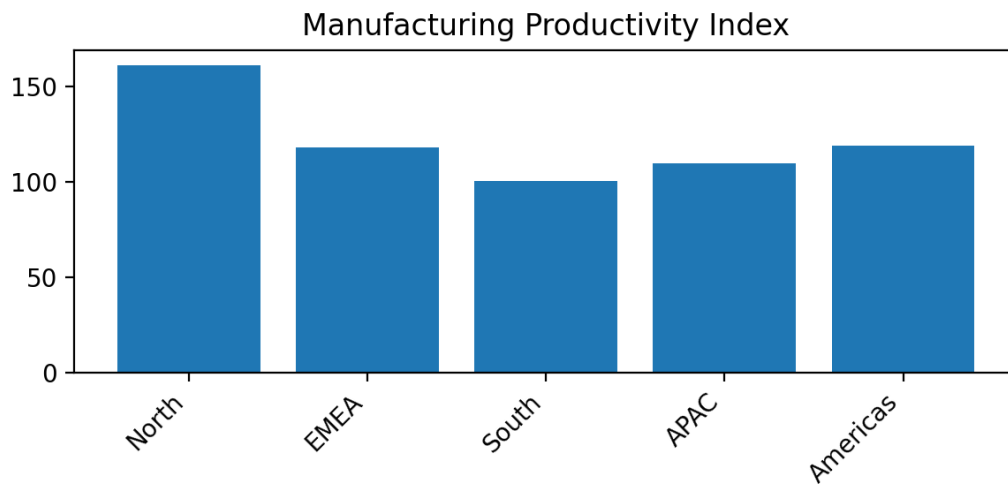
Scope	EmissionsMtCO2e	IntensityPerMEUR	Year
EMEA	132.66	101.05	2019
EMEA	142.45	43.99	2023
Americas	95.28	119.17	2018
Americas	70.16	115.02	2019
APAC	65.9	88.26	2021
North	141.25	98.77	2023
South	106.41	105.94	2025
South	91.23	110.25	2018
South	119.28	83.11	2020

## Sustainability and Climate

Our net-zero pathway targets operational neutrality in the near term and a meaningful reduction of value-chain emissions by 2030. We pursue energy efficiency, renewable power sourcing, and process optimization to cut scopes 1 and 2 intensity. For scope 3, we re-engineer products for lower embedded carbon, light-weighting, modular repairability, and enhanced recyclability. We align executive incentives with climate milestones and finance eligible projects with green and sustainability-linked instruments. External verification and ratings provide transparency on progress and gaps.

Environmental stewardship extends beyond carbon to water, waste, and biodiversity. We apply eco-design to new sites, install rooftop solar and heat-recovery where feasible, and implement closed-loop programs for materials. Sites near protected areas undergo biodiversity assessments with local action plans. Climate risk analyses help us adapt our footprint and protect our people and operations. We also cascade awareness training to engineers and buyers to integrate sustainability into everyday decisions.

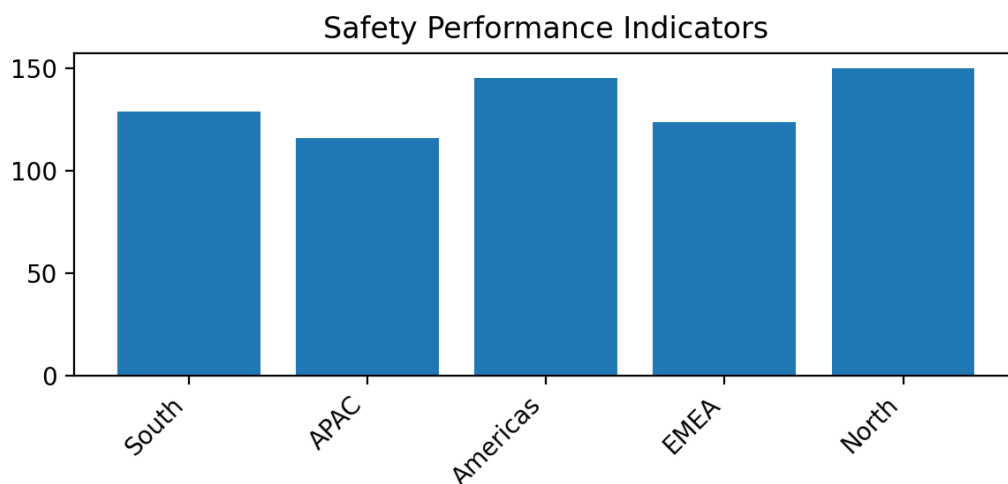
## Manufacturing Productivity Index



## Sustainability — Supply Chain Collaboration

We collaborate with suppliers to improve transparency, ratings, and corrective actions on environmental and social topics. Entry to our panel requires a minimum sustainability score assessed by an independent rating platform. Suppliers meeting higher thresholds face less frequent reassessment; others engage in annual improvement cycles. Joint innovation focuses on material substitution, process efficiency, and logistics optimization to reduce emissions and waste. This partnership approach elevates standards across the ecosystem while managing risk.

## Safety Performance Indicators

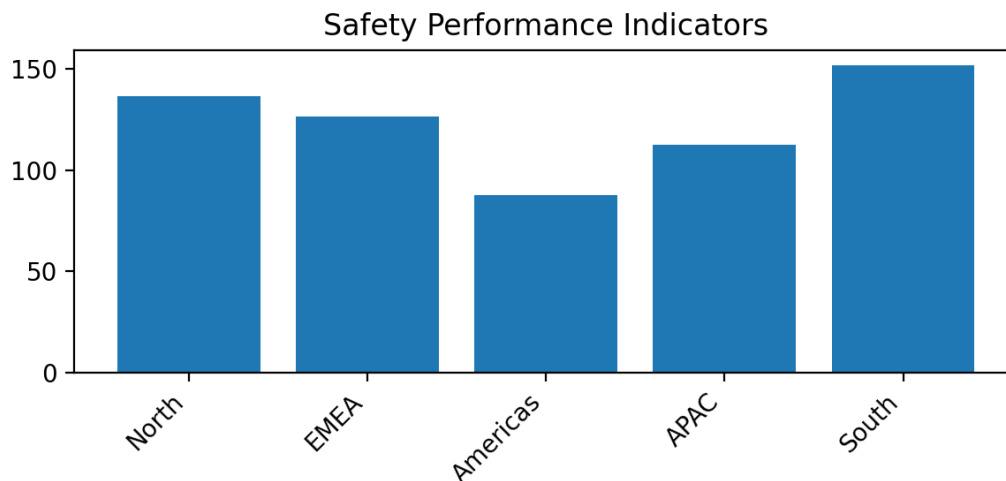


## Sustainability — Financing the Transition

We increasingly align funding instruments with sustainability outcomes. Green bonds and sustainability-linked notes support investments in energy efficiency, renewables, and sustainable

materials. Facilities include performance triggers linked to emissions intensity and other material indicators. Transparent reporting on allocation and impact is provided to investors in line with market standards. This approach reinforces our strategy and signals commitment to stakeholders.

## Safety Performance Indicators

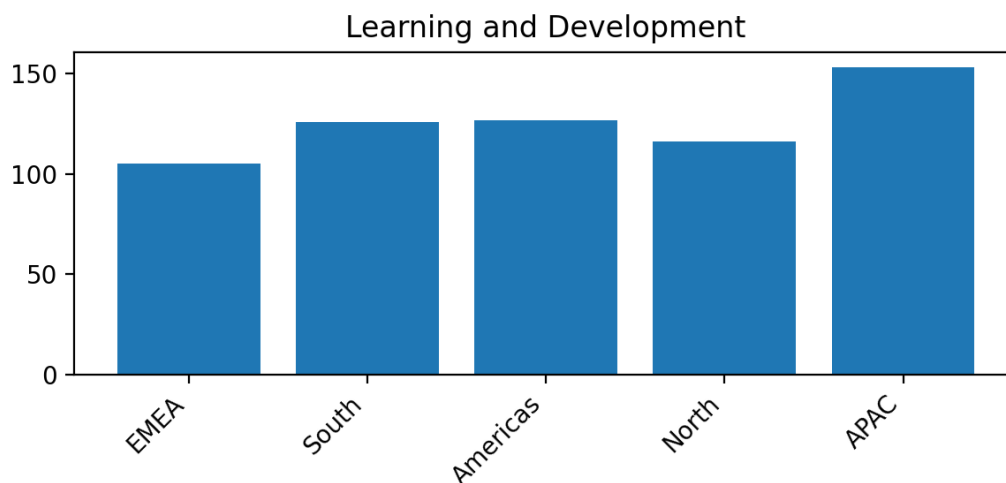


## Risk and Resilience

Our enterprise risk management program provides a structured, dynamic view of threats and opportunities across operational, financial, market, and compliance domains. A centrally coordinated network ensures consistent identification, assessment, and mitigation planning with clear owners. Risks are grouped into disruptive, unpredictable, and avoidable categories, with bespoke playbooks and indicators. Quarterly reviews inform the Audit Committee and Board, with deep dives on priority areas. The framework proved its value as we mitigated supply disruption, cybersecurity incidents, and program launch risks.

Resilience is engineered into our footprint, systems, and culture. We dual-source critical components, maintain regional redundancy, and pre-qualify alternates where feasible. Business continuity plans are tested, and event-driven command structures enable fast decision-making. Cyber defenses include layered controls, zero-trust principles, and ongoing employee training. Continuous improvement loops ensure lessons from incidents translate into system-wide fixes. These measures protect our license to operate and sustain customer trust.

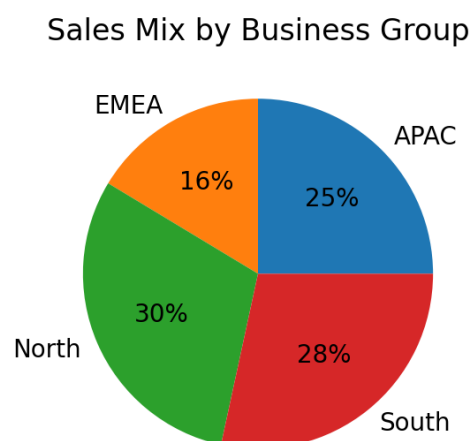
## Learning and Development



## Risk — Supply Chain and Launch

Supply risks are mitigated by early capacity booking, buffer strategies for critical items, and logistics diversification. Launch risks are reduced through gated readiness, robust validation, and parallel-run strategies for complex transfers. Price-cost risks are managed with indexation clauses, hedging, and proactive design-to-cost. Macroeconomic exposure is monitored through scenario planning and liquidity buffers. These interventions lower volatility in service levels and margins.

## Sales Mix by Business Group



## Risk — Digital and Regulatory

Cyber risk posture improved with enhanced detection, response simulations, and third-party assessments. Data governance policies define ownership, access, and retention for sensitive

information across the enterprise. Regulatory risks in emissions, product safety, and digital compliance are addressed through compliance-by-design and internal audits. Sanctions and trade controls are monitored, with clear escalation routes and controls in sourcing and logistics. This integrated approach curbs the likelihood and impact of adverse events.

## Supplier ESG Assessment

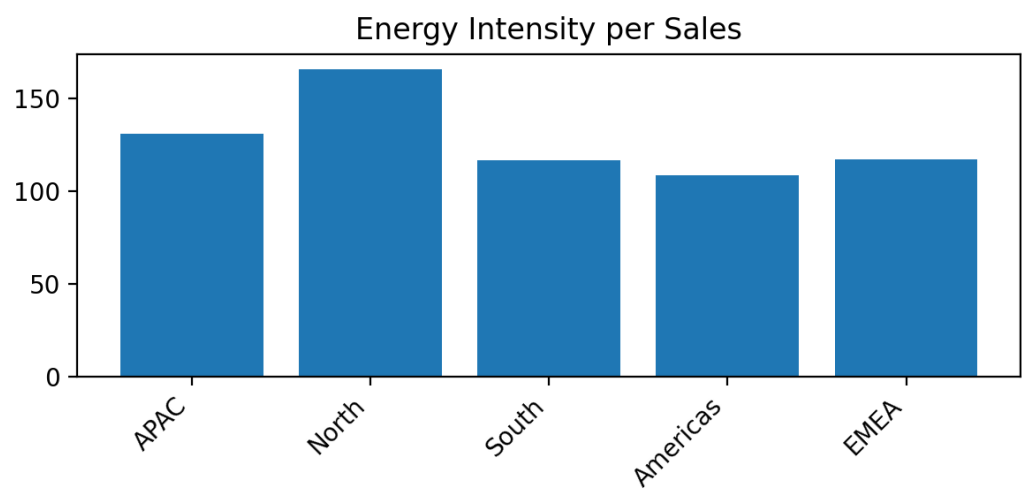
RatingBand	ShareOfSpendPercent	ReassessmentFrequency	Year
South	0.07	APAC	2023
EMEA	0.61	EMEA	2018
South	0.32	APAC	2020
South	0.56	EMEA	2024
APAC	0.57	South	2018
Americas	0.57	Americas	2025
Americas	0.39	North	2020
EMEA	0.86	South	2020
Americas	0.17	EMEA	2025
North	0.09	Americas	2025
Americas	0.36	EMEA	2018
South	0.35	Americas	2023

## Financial Performance

Consolidated sales reached €27.25 billion, reflecting organic growth materially above global production increases, aided by program ramp-ups and improved supply. Operating income before acquired intangibles amortization improved to 5.3% of sales, driven by volume, mix, productivity, and synergy capture. Adjusted EBITDA rose to 12.2% of sales, while net cash flow strengthened to €649 million, supported by working capital optimization and disciplined capex. Net debt reduced to €6.99 billion, lowering our net debt to EBITDA multiple to 2.1x by year-end. We complemented this trajectory with portfolio actions, including selected disposals and partnerships.

Regional performance showed Asia delivering double-digit operating margins, the Americas improving to the mid-single digits, and EMEA progressing on recovery and cost-out. By business group, lighting, electronics, lifecycle solutions, and clean mobility expanded operating margins, while seating and interiors improved through productivity and design-to-cost. R&D; gross spend remained above 8% of sales, with a focus on platform reuse and software. Capital expenditures were maintained at approximately 4% of sales, aligned with customer programs and lighthouse sites. The 2024 guidance maintains a path consistent with our medium-term ambition, contingent on stable production and currencies.

## Energy Intensity per Sales



## Financials — Revenue and Margin Bridge

Revenue expansion was primarily driven by program maturations in electronics, lighting, and seating, alongside recovery in interiors and clean mobility. The operating margin bridge reflected positive volume, industrial productivity, and purchasing synergies, partly offset by price-cost timing and residual inflation. R&D; capitalization remained consistent with major program cycles and software content increases. Currency translation headwinds weighed on reported sales but were mitigated through natural hedges and targeted financial instruments. Overall, profitability trends aligned with the trajectory required to reach our medium-term targets.

## Customer Quality Awards

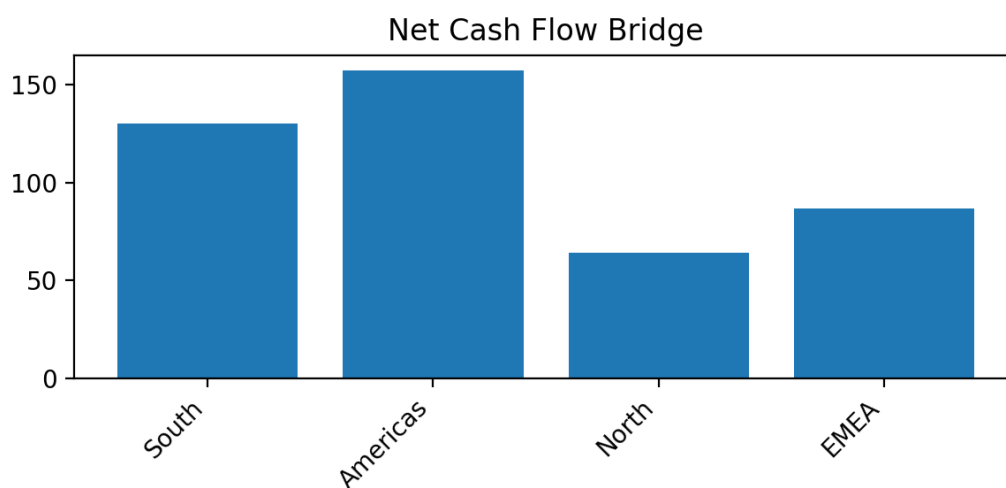
Region	Customer	AwardType	Count	Year
EMEA	Americas	North	148.53	2022
North	Americas	South	77.36	2025
Americas	South	North	96.27	2019
APAC	Americas	Americas	88.27	2020
APAC	South	EMEA	59.8	2023
South	North	APAC	102.05	2021
APAC	South	EMEA	162.78	2024
EMEA	South	Americas	90.58	2019
South	APAC	APAC	82.47	2023
South	EMEA	North	70.22	2019
APAC	EMEA	Americas	121.8	2023

South	South	Americas	98.78	2025
APAC	APAC	North	119.67	2021
Americas	Americas	EMEA	71.45	2022
North	South	South	88.1	2023
South	Americas	North	95.67	2025
South	South	South	94.85	2024
North	APAC	APAC	44.76	2020
EMEA	South	North	107.29	2023
South	South	APAC	106.99	2019

## Financials — Cash, Debt, and Liquidity

Net cash flow benefitted from inventory normalization, higher payables from synchronized sourcing, and improved receivables collection. Interest expenses increased with rates, reinforcing our focus on deleveraging and portfolio simplification. We diversified funding sources with regional issuances and extended maturities where favorable. Undrawn committed facilities provided ample liquidity buffers, supporting operational resiliency and selective investment. Our financial policy prioritizes investment in high-return technologies while accelerating the reduction of gross and net leverage.

### Net Cash Flow Bridge



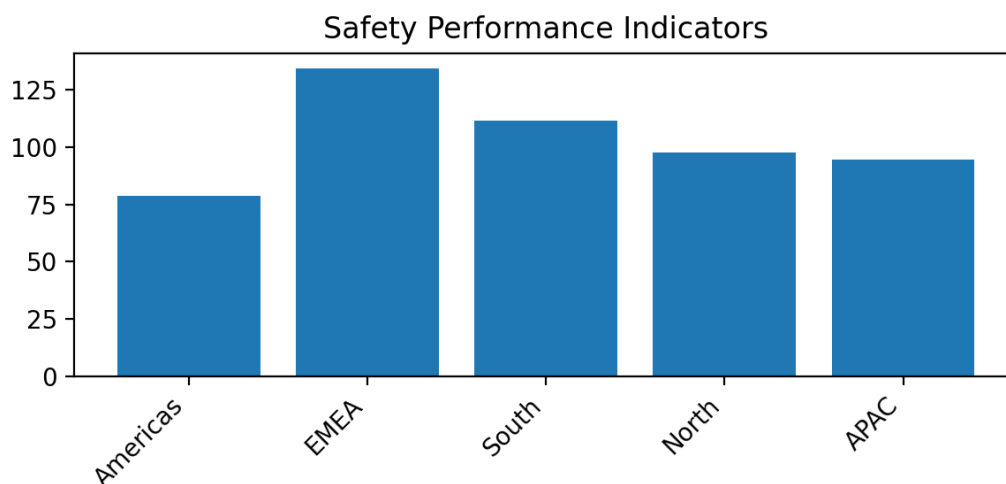
## Governance



Gearpro operates under a dual governance framework comprising Gearpro SE and Lumivera GmbH & Co. KGaA, reflecting distinct regulatory environments and stakeholder expectations. Clear decision rights and reserved matters maintain autonomy where required while enabling collaboration and synergy realization. The Board of Directors oversees strategy, performance, capital allocation, and sustainability integration, supported by Audit, Governance & Nominations, and Compensation committees. Attendance, independence ratios, and skills matrices meet or exceed prevailing market codes. Ad hoc committees are formed for critical topics such as portfolio actions, cybersecurity, and large capital projects.

Management effectiveness is delivered through an Executive Committee representing business groups and enabling functions. The committee meets monthly to align on strategy execution, program performance, and risk management. Incentives cascade from group-level outcomes to individual goals, with ESG and safety metrics embedded alongside financial ones. Regular organizational reviews ensure leadership depth, succession planning, and capability alignment to strategic priorities. External benchmarks and stakeholder feedback inform governance evolution and disclosure practices.

## Safety Performance Indicators



## Governance — Ethics and Compliance

Our Code of Ethics sets clear expectations for behavior, conflicts of interest, gifts, competition law, and human rights. Mandatory training covers employees and relevant third parties, with completion rates monitored and reported. We maintain speak-up channels accessible to employees, partners, and communities, with protections for confidentiality and non-retaliation. Investigations are conducted under the oversight of the Chief Compliance Officer and the General Counsel. Regular controls target higher-risk activities and geographies, with corrective actions tracked to closure.

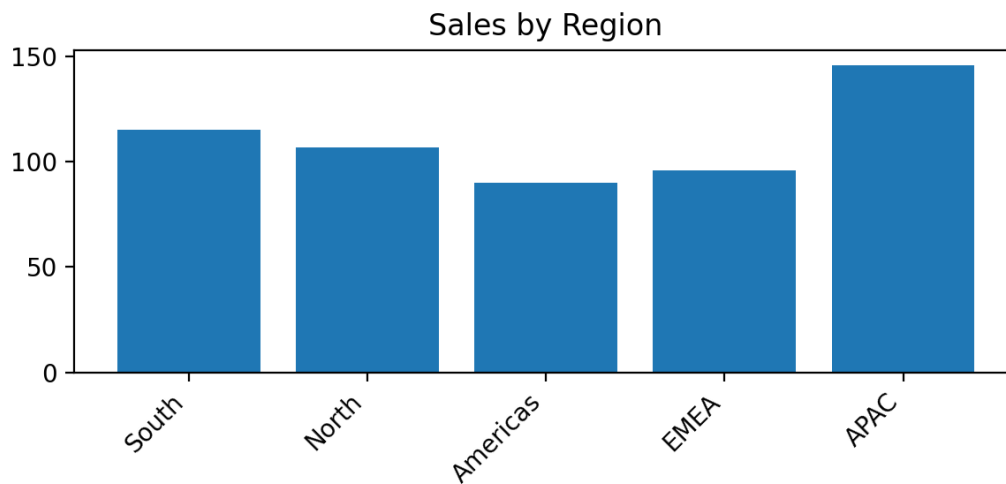
## Capital Expenditure Allocation

BusinessGroup	Theme	CapexEURm	Year
South	APAC	61.87	2023
South	APAC	115.9	2018
South	South	99.59	2022
Americas	South	56.4	2023
South	South	87.16	2024
Americas	APAC	87.5	2024
North	Americas	105.08	2019
South	EMEA	130.03	2024
South	North	101.07	2025
Americas	EMEA	111.97	2018
North	APAC	61.2	2018
EMEA	South	113.33	2025
South	South	108.25	2023
South	South	73.67	2019
North	APAC	94.15	2019
North	Americas	83.51	2025
Americas	North	50.1	2019
North	North	130.13	2019
APAC	EMEA	129.42	2023
South	EMEA	89.82	2021

## Governance — Board Effectiveness

Annual board effectiveness assessments identify strengths and areas for enhancement in oversight and strategy debate. Continuous education covers technology trends, regulatory changes, and stakeholder expectations. Site visits and product immersions deepen understanding of operational realities and innovation progress. Director tenure and skills are balanced to ensure continuity with fresh perspectives. The Board remains focused on long-term value creation with prudent risk-taking.

## Sales by Region

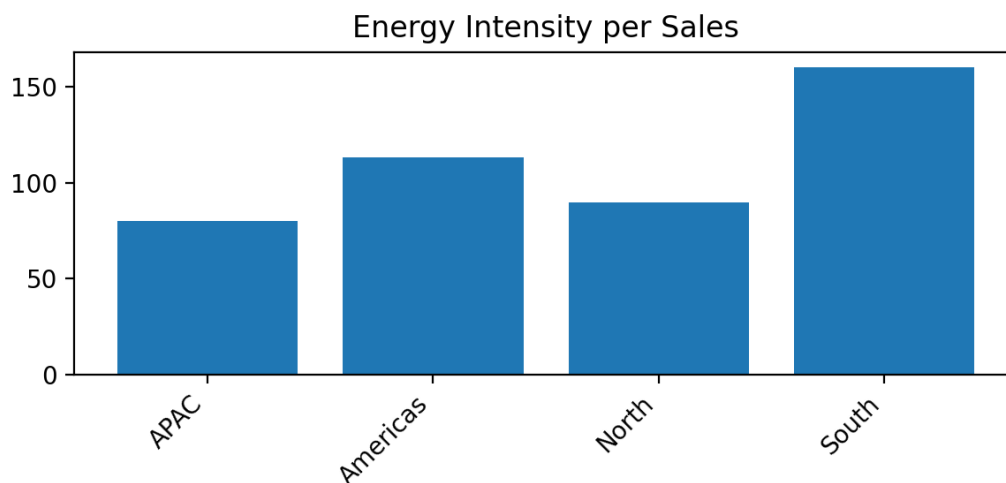


## Product and Platform Highlights

In sustainable materials, our premium leather-alternative foil entered series production, reducing embedded carbon while maintaining tactile quality. Our bio-composite families expanded into structural and visible parts, with improved recyclability and aesthetics. In seating, a modular architecture simplifies assembly, reduces parts, and enables upgradeability and repair, improving total lifecycle economics. For safety, the latest radar generation and camera systems enhance 360-degree coverage, supported by intelligent lighting for signaling and visibility. Power electronics advances combined DC/DC and charging functions in a compact, cost-optimized unit.

Thermal management innovations integrated coolant circuits for batteries, drivetrains, and cabins to maximize efficiency and safety. Interior activations showcased phygital surfaces for ambient communication and hazard awareness, improving user experience with minimal energy load. Connected services expanded through a white-label app marketplace, enabling OEM-branded digital ecosystems with in-car payment capabilities. Diagnostic solutions leveraged AI and big data to accelerate root cause identification, reducing downtime and improving service economics. Hydrogen storage systems advanced with higher-pressure tanks and containerized solutions for distribution, positioning us for longer-range applications.

## Energy Intensity per Sales



## Platforms — Cockpit Digitalization

Our immersive display concept leverages efficient LED light engines to project critical information at a low visual load point. App ecosystems scale securely across OEM brands with localized content, privacy safeguards, and seamless updates. Haptic seating enriches safety alerts and comfort modes without distracting the driver, integrating with ADAS. Interior monitoring capabilities support occupant safety and adaptive comfort while respecting privacy by design. These elements combine into configurable packages that align with segment positioning and cost targets.

## Emissions by Scope

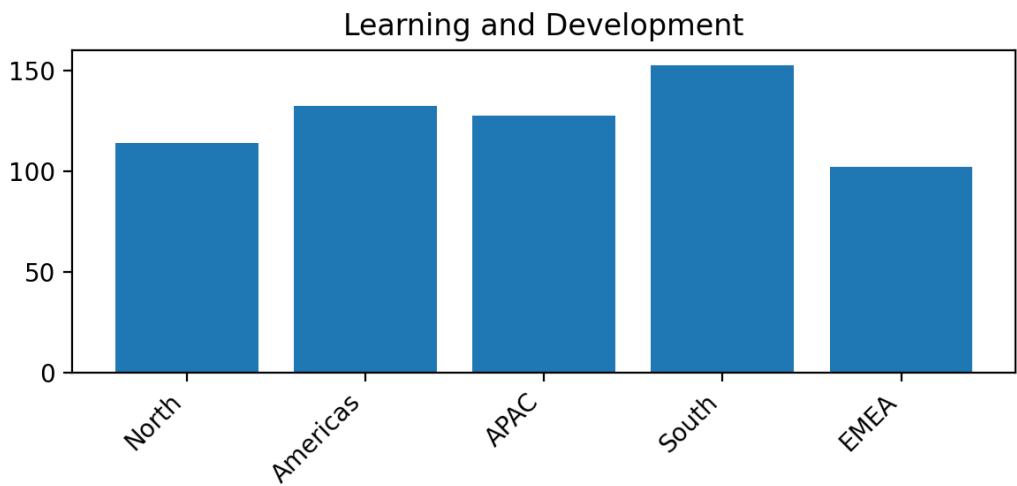
Scope	EmissionsMtCO2e	IntensityPerMEUR	Year
APAC	94.94	117.8	2022
Americas	87.33	84.76	2024
APAC	103.07	177.36	2021
EMEA	80.22	103.0	2025
North	123.39	73.54	2019
North	147.12	106.31	2025
EMEA	142.31	98.26	2019
South	96.65	98.98	2022
EMEA	88.98	105.22	2025

## Platforms — Energy and Safety

Integrated power modules reduce component count and thermal interfaces, improving efficiency and reliability. Lighting platforms deliver thinner, energy-efficient rear modules and high-definition

forward lighting for adaptive functions. By-wire actuation paves the way for advanced driver assistance and future autonomy, with stringent redundancy. Traffic rules engines and homologation-grade software support regulatory compliance in virtual testing environments. These platforms are engineered for global homologation and manufacturability at scale.

## Learning and Development



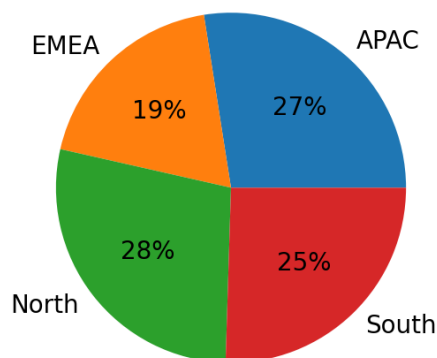
## Regional Focus: China and Asia

China remains our largest country in footprint and a leading market for electrified and connected vehicles. We expanded production capacity for electronics and seats, with our benchmark plant commissioned using end-to-end digital-twin methods. Local R&D; centers co-develop features such as premium rear-seat comfort and dynamic illumination adapted to regional tastes. Partnerships with domestic OEMs broaden our customer base and accompany their international expansion. The broader Asian region offers growth in both EV platforms and value-engineered solutions, and we tailor our offers accordingly.

Our sustainability ambitions are reflected in our Asian operations, with landmark facilities achieving net-zero in scopes 1 and 2 through energy efficiency and renewable sourcing. Local supplier ecosystems are engaged to improve materials circularity and reduce transport emissions. Talent strategies prioritize local leadership development and technical excellence in software, electronics, and materials. Regulatory engagement ensures compliance and anticipates shifts in standards affecting digital and environmental performance. We will continue to deepen our presence through innovation, proximity, and operational excellence.

## Sales Mix by Business Group

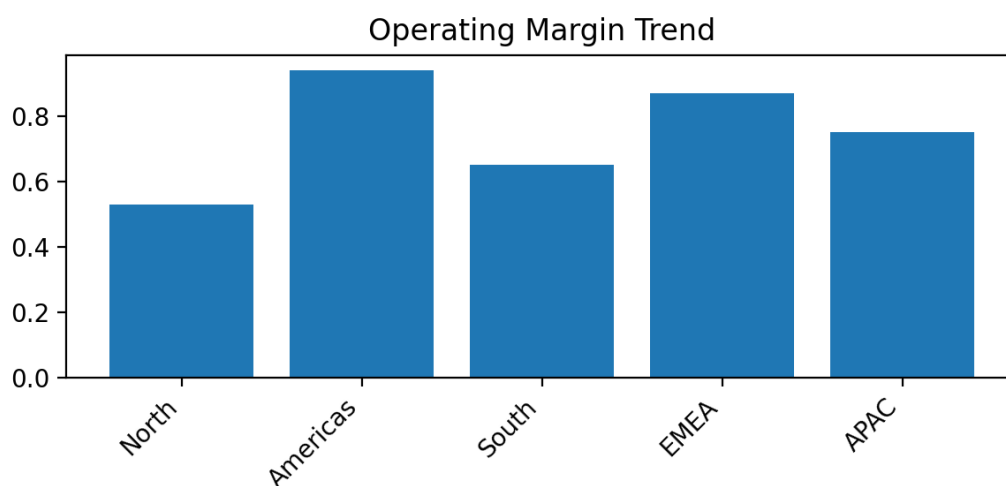
Sales Mix by Business Group



## Asia — Customer and Program Highlights

We secured multiple programs with leading regional OEMs across electronics, seats, and cockpit modules for EV and hybrid platforms. Premium comfort features originated in China are being adapted to global programs, demonstrating cross-regional innovation flows. Our electronics megasite ramped production for displays and driver assistance systems with high first-pass yields. Localized supply chains improved lead times and reduced currency and logistics risk exposure. These actions support sustainable growth and stronger customer intimacy.

## Operating Margin Trend

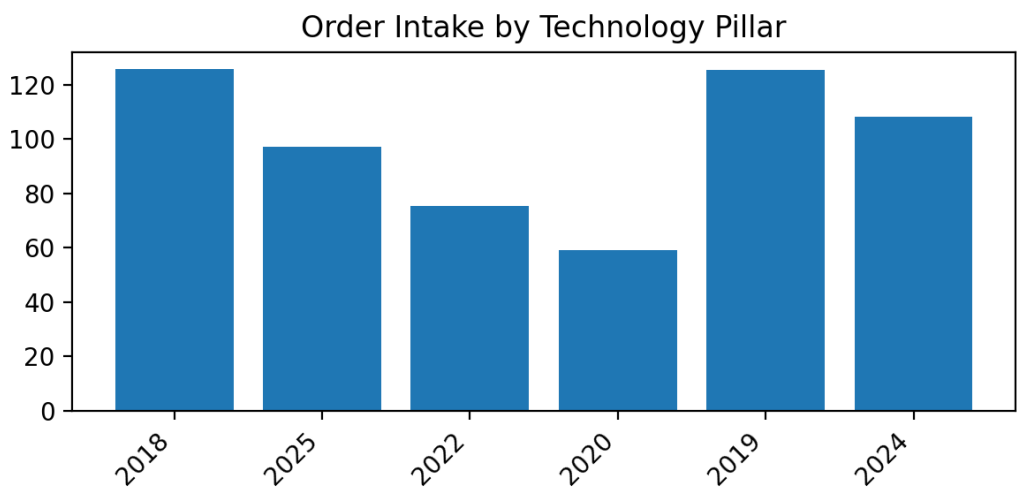


## Asia — Sustainability and Digital Lighthouses

Our flagship electronics plant integrates energy dashboards, intelligent warehousing, and closed-loop scrap handling. Rooftop solar, heat recovery, and high-efficiency HVAC systems

reduce energy intensity per unit produced. Digital-twin commissioning cut ramp time and stabilized quality by validating 89 production lines virtually. These lighthouses serve as templates for replication across the region and globally. The combination of sustainability and digitalization enhances cost competitiveness and resilience.

## Order Intake by Technology Pillar

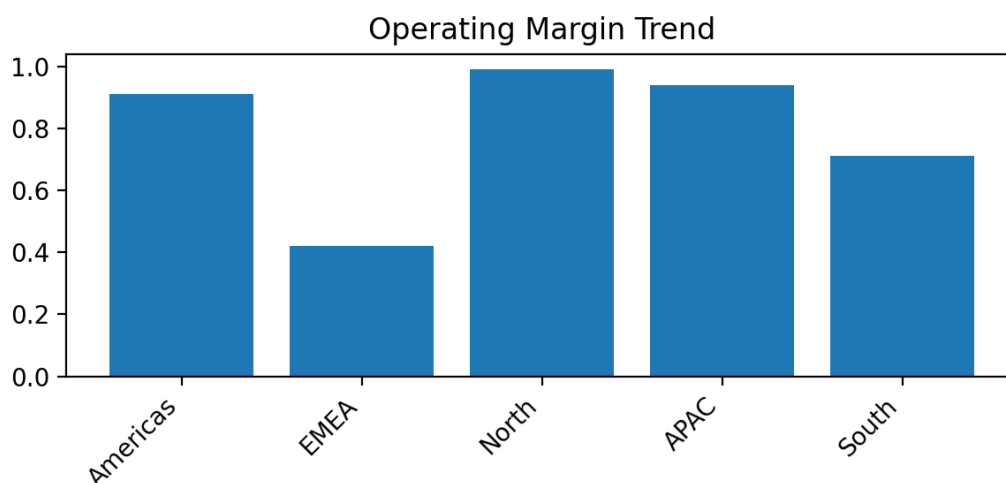


## Capital and Shareholding

Our shareholding structure reflects long-term oriented investors and strategic partners supporting our transformation. We maintain transparent engagement on capital allocation, dividend policy to minorities, and deleveraging priorities. Issuances in selective markets broadened and diversified our investor base, enhancing financial flexibility. Committed credit lines remained undrawn, providing liquidity while we pursued portfolio simplification and operational cash generation. Governance safeguards ensure that capital decisions align with strategic intent and stakeholder expectations.

We carefully consider equity, debt, and hybrid instruments against market conditions and our credit trajectory. Sustainability-linked features are increasingly incorporated to align cost of capital with ESG outcomes. Minority shareholder considerations in consolidated subsidiaries are managed through clear dividend policies and reinvestment frameworks. Over the period, ratings from global agencies stabilized with improved outlooks, reflecting progress on cash and leverage. Our objective remains to fund innovation and growth responsibly while steadily reducing gross debt.

## Operating Margin Trend



## Shareholding — Investor Relations and Disclosure

We enhanced disclosures on order intake, launch risk management, and program maturities to better inform investor models. Non-financial reporting advanced with clearer scope definitions, methodologies, and independent assurance. Roadshows and thematic sessions addressed topics such as AI deployment, materials decarbonization, and operational excellence. Engagement feedback fed into refinements of our guidance ranges and scenario sensitivities. We will continue to align with evolving best practices and regulatory requirements.

## Capital Expenditure Allocation

BusinessGroup	Theme	CapexEURm	Year
APAC	South	84.58	2019
APAC	Americas	92.87	2024
Americas	APAC	114.41	2021
North	Americas	132.11	2018
North	APAC	94.02	2020
North	North	108.91	2019
APAC	North	131.15	2025
Americas	APAC	48.09	2018
North	North	115.84	2023
APAC	EMEA	128.23	2023
South	APAC	97.8	2021
EMEA	South	85.0	2021
APAC	Americas	84.72	2022
Americas	APAC	126.33	2023
North	EMEA	77.27	2021
APAC	EMEA	91.57	2022



South	South	84.84	2018
South	South	104.09	2025
APAC	North	149.88	2020
North	Americas	104.64	2020

## Capital — Debt Maturity and Liquidity Profile

We actively manage maturities to avoid concentration risk and sustain ample headroom. Bank facilities and bond profiles are staggered, and covenants are aligned with our deleveraging plan. Regional market issuances complemented euro funding, broadening our access and investor mix. Interest rate exposure is managed through a balanced mix of fixed and floating, with selective hedging. Our liquidity position supports operations, capex, and selective M&A; while preserving resilience.

### Debt Maturity Profile

InstrumentType	Currency	MaturityYear	OutstandingEURm	CouponPercent
EMEA	North	2020	94.52	0.73
Americas	South	2018	101.11	0.2
South	APAC	2023	88.66	0.38
EMEA	South	2022	100.99	0.88
EMEA	North	2018	103.84	0.13
Americas	EMEA	2019	107.92	0.28
EMEA	South	2019	116.1	0.87
North	APAC	2024	77.77	0.93
APAC	South	2019	67.99	0.58
North	South	2020	105.6	0.63
North	APAC	2018	109.17	0.67
APAC	Americas	2023	90.15	0.09
North	EMEA	2022	105.49	0.71
APAC	South	2024	84.85	0.31
EMEA	Americas	2024	112.45	0.23
Americas	North	2023	90.32	0.11
Americas	EMEA	2023	107.3	0.35
APAC	South	2018	87.6	0.39
North	APAC	2019	80.73	0.05
APAC	APAC	2018	91.84	0.53

# Outlook

We enter the new year with prudent optimism, anchored in a resilient backlog and disciplined operating model. Our guidance assumes broadly stable global production, steady pricing discipline, and continued supply normalization. We will sustain investment in platformed technologies while prioritizing cash and deleveraging. Operational levers include productivity, design-to-cost, and footprint optimization, with targeted portfolio actions to simplify and focus. External variables such as rates, currency, and regulatory changes remain watchpoints, and we are prepared with contingency plans.

Medium-term, we reaffirm ambitions for revenue growth above market, operating margin expansion, and structurally stronger cash conversion. Electrification, safety, and cockpit digitalization remain our growth vectors, backed by lighthouse plants and robust ecosystems. Sustainability targets are integrated into product roadmaps and executive incentives, ensuring persistence of effort. Talent, culture, and governance will continue to be differentiators as competition intensifies. Gearpro is positioned to deliver value across cycles through disciplined execution and meaningful innovation.

## Net Cash Flow Bridge

