Compensation Report 2024/25

Compensation Report for the 2024/25 financial year

of the Hoenle AG (formerly: Dr. Hönle Aktiengesellschaft), Gilching

Management Board remuneration

The following remuneration report in accordance with Section 162, German Stock Corporation Act provides individualised information on the remuneration granted and owed to current and former members of the Management Board and Supervisory Board of the Hoenle AG, Gilching in the past financial year.

Remuneration component	Assessment basis/parameters
Non-performance-based components (fixed remuneration)	**50% of total target remuneration**
Base remuneration	**Fixed, contractually agreed remuneration paid in twelve equal monthly instalments, less statutory withholdings**
Fringe benefits	▪ **Provision of a company car, including for private use** ▪ **Insurance (accident insurance and D&O insurance)** ▪ **Payment of employer's contribution to health and care insurance**
Retirement benefits	**Annual retirement benefit amount**
Performance-based components (variable remuneration)	**50% of total target remuneration**
Short-term incentive (STI)	▪ **40% target bonus** ▪ **Performance period: one year** ▪ **75% financial performance criteria:** – **Sales revenue** – **EBITDA** ▪ **25% non-financial performance criteria:** – **Organisational core projects** ▪ **Limit: 150% of STI target amount** ▪ **Payout: cash**
Long-term variable incentive (LTI)	▪ **60% performance share plan (virtual shares)** ▪ **Performance period: three years** ▪ **60% Financial performance criteria** – **ROCE** – **EBIT** ▪ **40% non-financial performance criteria:** – **Strategic core projects** – **Environment/Social/Governance** ▪ **Limit: 150% of LTI target amount** ▪ **Payout: in cash after the vesting period**
Maximum remuneration	**Fixed maximum amount for each Management Board member** ▪ **CEO: 1,200,000 Euro** ▪ **Regular Board Member: 800,000 Euro**
Malus / Claw-Back	**Right to withhold or reduce variable remuneration components that have not been paid out (malus) or to reclaim variable remuneration components that have already been paid out (claw-back)**

1 Basic features of the system for Management Board remuneration

The remuneration system for members of the Hoenle AG Management Board is geared towards sustainable corporate development and the achievement of strategic corporate goals. In the absence of a personnel committee, the Management Board remuneration system is defined directly by the Supervisory Board. The Supervisory Board may involve external independent consultants, as required.

The remuneration system makes a significant contribution to promoting and implementing the corporate strategy of Hoenle AG. It is based on both short-term variable remuneration and long-term variable remuneration and, in the process, sets different performance criteria. In order to link remuneration to the Company's long-term performance, the long-term variable remuneration makes up a specific part of total remuneration.

The remuneration system for Management Board members is clear and easy to understand. It corresponds to current requirements of the German Stock Corporation Act. In the event of significant changes, but at least every four years, the remuneration system resolved by the Supervisory Board is submitted to the Annual General Meeting for approval.

2 The remuneration system in detail

2.1 Overview of remuneration components and their respective share in total remuneration

Remuneration for members of the Management Board consists of fixed and variable components. Fixed remuneration components include the Management Board member's fixed annual salary, fringe benefits and pension contributions.

2.2 Determination of total target remuneration by the Supervisory Board, appropriateness of Management Board remuneration

The Supervisory Board determines the performance criteria and the level of target achievement required to receive the total target remuneration amount ("total target remuneration") for each member of the Management Board for the upcoming financial year in line with the remuneration system. The total target remuneration corresponds to the total amount of remuneration paid for short-term and long-term variable remuneration components, assuming 100% target achievement based on the performance criteria. The objective is to ensure that the respective remuneration is commensurate with the duties and the performance of the Management Board member and the situation of the Company, is geared toward ensuring the long-term, sustainable performance of the Company and the Hoenle Group, and does not exceed customary remuneration levels without a specific reason.
Both external (horizontal) and internal (vertical) comparisons are used to assess the appropriateness and customary level of remuneration, as described in the following.

2.2.1 External (horizontal) comparison

The Supervisory Board refers a suitable peer group (horizontal comparison) to assess the appropriateness and customary nature of the total target remuneration paid to Management Board members in comparison with other companies. For the purposes of the peer group comparison, the market position of the Company is compared with that of other companies. The peer group is made up of technology companies with a similar structure as Hoenle AG in terms of their sales revenue, number of employees and market capitalisation. In selecting the peer group, the Supervisory Board considers the remuneration structure, total target remuneration and individual remuneration components as well as the maximum total remuneration paid by peer companies.

2.2.2 Internal (vertical) comparison

The internal (vertical) comparison involves determining the ratio of Management Board remuneration to the remuneration paid at the Company's second management level. In doing so, the Supervisory Board examines the Management Board remuneration relative to the remuneration paid at the first management level below the Management Board. The Supervisory Board also considers the evolution of the remuneration paid to those groups over time as well as the relationship between them.

2.2.3 Remuneration components

The following bullet points list the share in total target remuneration of each remuneration component. The percentage amounts shown for short-term and long-term variable remuneration were calculated on the assumption of 100% target achievement. The amounts relevant for target achievement are set by the Supervisory Board for the respective financial year based on the budget, including the strategic budget.

- Fixed remuneration is not performance-related and comprises the base remuneration plus fringe benefits and a pension contribution. The fixed remuneration component accounts for 50% of the Management Board

member's total target remuneration.
- Variable remuneration is performance-related and is made up of short-term incentives (STIs) and long-term incentives (LTIs). The variable remuneration component likewise accounts for 50% of the Management Board member's total target remuneration.
- Of the total variable remuneration, STIs account for 40% and LTIs for 60%.

Target remuneration for the 2024/25 financial year

in T€	Robert Stark Board Member	Markus Arendt CEO
Fixed remuneration incl. fringe benefits	200	300
Short-term variable compensation component (STI)	80	120
Long-term variable compensation component (LTI)	120	180
Total	400	600

2.2.4 Maximum total remuneration threshold (maximum remuneration)

The Supervisory Board has set a maximum threshold for the total remuneration paid out to Management Board members ("Maximum Total Remuneration"). The Maximum Total Remuneration amount may not exceed

- EUR 1,200,000.00 for the chairperson of the Management Board, insofar as a chairperson has been appointed;
- or EUR 800,000.00 for the other members of the Management Board.

The Maximum Total Remuneration that a member of the Management Board may receive is limited not only to the financial year in which it was earned; there is also an absolute upper limit on payments in later financial years.

The Supervisory Board may permit exceptions to the Maximum Total Remuneration in specific cases, especially in the event of extraordinary developments or to compensate for lost income from a previous appointment in the case of newly appointed Management Board members.

The fixed maximum remuneration of the members of the Board of Management was complied with in all aspects in the 2024/25 financial year.

Compliance with the maximum compensation for the compensation of Board members in the 2024/25 financial year

		Markus Arendt (since 01.05.2024)			Robert Stark (since 01.10.2024)		
in T€		target	expense	maximum	target	expense	maximum
performance-independent remuneration	fixed remuneration	300	300	300	200	200	200
	ancillary service	9	9	9	15	15	15
	retirement benefits	0	0	0	0	0	0
	benefits from termination of employment	0	0	0	0	0	0
	total	309	309	600	215	215	400
performance-dependent compensation	short-term renumeration	64	64	360	50	50	240
	long-term component I	0	0	540	88	88	360
	total	64	64	900	138	138	600
sum		373	373	1.200	352	352	800

2.3 Disclosures on individual remuneration components

2.3.1 Fixed remuneration components

Base remuneration consists of a fixed amount paid in 12 equal instalments over the year at the end of each month, after deducting statutory withholdings. The Supervisory Board considers the role and the responsibilities of the respective Management Board member in setting the base remuneration amount.
If a member is appointed to or leaves the Management Board during the course of the financial year, their base remuneration will be prorated for the financial year in question in accordance with the duration of the Management Board member's contract during that year.

Fringe benefits such as those described in the following may also be granted to Management Board members:

- Provision of a company car, including for private use, with operating and maintenance costs included;
- Payment of employer's contribution to pension, health and long-term care insurance up to the statutory maximum;
- Provision of D&O insurance with a deductible, or adding the Management Board member to the Company's D&O policy.

When a new member is appointed to the Management Board, the Supervisory Board may grant a suitable bonus payment at its due discretion in specific cases. Any such payment may be used, for example, to compensate for losses in variable remuneration that a member of the Management Board may have incurred as a result of switching to the Company from another company.

2.3.2 Variable remuneration components

The variable remuneration components include both short-term and long-term components. The short-term variable remuneration component in the form of the annual bonus and the long-term variable remuneration component in the form of the performance share plan differ in terms of their underlying performance periods and in the financial and non-financial performance criteria used to calculate the payout. The performance criteria are selected to reflect the Company's corporate strategy and is geared towards growth, profitability and competitiveness. Non-financial performance indicators are also taken into account.

2.3.2.1 Short-term variable remuneration (STI)

Purpose and calculation of the STI

The short-term variable remuneration paid out in the form of a bonus is intended to reward members of Management Board for their contribution to the Company's success during a specific financial year. In addition to financial performance criteria, it includes non-financial performance criteria relating to the collective or individual performance of Management Board members and the achievement of other non-financial targets, for instance targets relating to the implementation of strategic corporate goals, organisational performance or good corporate governance. The Supervisory Board ensures that the variable remuneration targets are based on ambitious strategic performance parameters for the Company, with the actual amount paid out depending on the degree of target achievement. The targets with respect to financial performance parameters are based on the budget prepared by the Management Board and approved by the Supervisory Board. When selecting the performance parameters for variable remuneration components, the Supervisory Board ensures that they are distinctly measurable and strategically relevant.

The short-term variable remuneration amount is calculated as follows:

For each Management Board member, the Supervisory Board sets a target amount for the bonus ("STI Target Amount") in the agreement entered into with the respective Management Board member. The bonus is granted if 100% of the STI Target Amount for a specific financial year is achieved. The Supervisory Board establishes the target achievement level for the financial performance criteria as well as the annual targets for the non-financial performance criteria in advance for the respective financial year and communicates them to the Management Board member.

The financial performance criteria are based on metrics that can be derived from the Company's consolidated financial statements. The bonus amount depends on the level of target achievement. No bonus is paid if the level of target achievement is below 80%, and the bonus is capped at 150% of the STI Target Amount if the targets established are exceeded ("STI Cap"). Thus the target corridor ranges from 80% to 150%. When establishing the STI Target Amount and calculating the level of target achievement, financial performance criteria are weighted at 75% and non-financial performance criteria at 25%.

If a member is appointed to or leaves the Management Board during the course of the financial year, the Supervisory Board may decide at its due discretion to pay short-term variable remuneration on a pro rata basis in accordance with the duration of the Management Board member's contract during the financial year in question.

Financial performance criteria
The bonus amount to be disbursed depends on the respective Management Board member's level of target achievement with regard to the targets set by the Supervisory Board for that member based on financial performance criteria within the meaning of section 87a(1) sentence 2 no. 4 of the German Stock Corporation Act (AktG).

Types of financial performance criteria
To determine the STI Target Amount, the Supervisory Board selects at least one of the following assessment bases: revenue, EBITDA (earnings before interest, taxes, depreciation and amortization), EBIT (earnings before interest and taxes), EBIT margin, ROCE (return on capital employed), TSR (total shareholder return), cash flow, free cash flow and working capital.

Each of these assessment bases is subject to separate specifications in terms of their composition and how they are calculated. All figures are derived from the Company's budget and its financial reporting, which is based on the consolidated financial statements and thus follows the accounting policies applied by the Company. Should the accounting policies change, comparability will be ensured. Non-recurring items, as may arise from acquisitions, are excluded from the calculation. The Supervisory Board may decide to deviate from this stipulation on a case-by-case basis.

Key financial performance indicators are revenue, EBITDA, EBIT, ROCE, TSR, free cash flow and working capital. The Hoenle Group's use of EBITDA and EBIT means that Management Board remuneration depends on the profitability of the Company and thus supports one of the Company's most important strategic objectives. As for the other performance criteria, ROCE refers to return on capital employed and indicates how efficiently capital is used to generate profits. ROCE is defined as earnings before interest and taxes divided by capital employed. Total shareholder return (TSR) refers to the return on investments in Hoenle stock and is calculated from the share price trend including reinvested dividends and adjusted for capital changes. Free cash flow (FCF) refers to total cash and cash equivalents available for the purpose of distributing dividends, making acquisitions and paying down debt. FCF is calculated as net cash from operating activities less capital expenditure, net interest income and payments of the principal portion of lease liabilities. Working capital is the difference between the Company's current assets and its current liabilities. It serves as a benchmark for liquidity and short-term funding needs.

The Supervisory Board sets the targets for each financial year prior to the start of the year on the basis of the Company budget, which is prepared by the Management Board and approved by the Supervisory Board. Financial performance criteria that are partially or fully identical may be set for Management Board members at the due discretion of the Supervisory Board.

Determining the level of target achievement: financial performance criteria
The level of target achievement (expressed as a percent) is calculated with respect to the aforementioned financial performance criteria by the Supervisory Board on the basis of the audited financial statements for the respective financial year. For each financial performance criterion, the level required for 100% target achievement corresponds to the value assigned in the budget adopted by the Supervisory Board for the respective financial year. The level achieved must fall within a corridor of 80% to 150% of the target level to be considered. Within that corridor, the level of target achievement is calculated on a straight-line basis by way of comparison with the actual figure for the financial year.

Non-financial performance criteria
In addition to financial performance criteria, the Supervisory Board establishes non-financial performance criteria for specific Management Board members or for the Management Board as a whole prior to the start of each financial year. The non-financial performance criteria consist of one or more of the following:

- Strategic corporate targets such as meeting key strategic objectives, tapping new markets, making strategic, technical or structural changes to the Company based on sustainability factors or putting any restructuring plans into effect;
- Strategically relevant projects implemented and other operating milestones, e.g. in the areas of sales and marketing, research and development, IT, finance or legal;

- Targets associated with good corporate governance, customer satisfaction, employee concerns and corporate culture, including initiatives to improve employer attractiveness and employee satisfaction and initiatives supporting leadership development, diversity and equal opportunity as well as sustainability (ESG goals).

Establishing non-financial performance criteria
The Supervisory Board sets the targets for each financial year prior to the start of the year on the basis of the Company budget approved by the Supervisory Board. Initially, the Supervisory Board may specify measurable targets for non-financial performance criteria, insofar as the criterion in question is measurable. Alternatively, the Supervisory Board may set targets whose achievement can at least be verified even if the targets cannot be measured precisely. In so doing, it is necessary (and also sufficient) that a third-party observer be able to follow the logic applied, i.e. that achievement of the target that cannot be measured precisely is at least linked to objective factors, and plausible arguments can be made to support the level of target achievement. Targets that are partially or fully identical may be set for the Management Board at the due discretion of the Supervisory Board.

The degree of target achievement of non-financial targets is also calculated after the end of the respective financial year and expressed as a percentage. For each non-financial performance criterion, the level required for 100% target achievement corresponds to the level set by the Supervisory Board for the respective performance criterion prior to the start of the financial year. The level achieved must fall within a corridor of 80% to 150% of the target level to be considered. Within that corridor, the level of target achievement is calculated on a straight-line basis by way of comparison with the actual figure for the financial year.

Payout of the STI
The STI is payable one month after approval of the annual and consolidated financial statements for the financial year to which the STI applies.

Short Term Incentive (STI) for the 2024/25 financial year

Performance criterion	Target	Target achievement 80 % - 150 %	Weighting in %	Robert Stark Board Member	Markus Arendt CEO
Sales revenues in T€	103.503	91	40	29	43
EBITDA in T€	9.730	0	35	-	-
Organisational core projects	collective	75	10	6	9
Organisational core projects	individual	134/-	10/-	11	-
Organisational core projects	individual	-/0	-/5	-	0
ESG	individual	-/100	-/10	-	12
ESG	individual	100/-	5/-	4	-
Total			100	50	64

2.3.2.2 Long-term variable remuneration (LTI)
Purpose and calculation of the LTI
Our long-term incentive (LTI) program comprises a performance share plan with a three-year performance period and a one-year vesting period. Our long-term variable remuneration is equity-based and follows the share price of Hoenle stock. Like the STI plan, it also depends on the level of target achievement of the financial and non-financial performance criteria. The LTI plan is geared toward driving sustainable development and incentivising long-term, sustainable increases in enterprise value by rewarding internal and external performance over a period of several years.

When establishing the financial and non-financial performance criteria relevant for setting the LTI target amount (the “LTI Target Amount”), the Supervisory Board selects from the criteria specified for the STI in section 2.3.2.1 of this Remuneration Report. Therefore, please refer to section 2.3.2.1 for information on the types of performance criteria that can be considered. The Supervisory Board is tasked with ensuring that different criteria apply to the LTI and the STI.

Weighting financial and non-financial targets in the LTI, target corridor
When establishing the LTI Target Amount, financial performance criteria are weighted at 60% and non-financial performance criteria at 40%. The Supervisory Board selects at least three intermediate targets and a target bonus amount for 100% target achievement. Those targets too must be specific, measurable, achievable, appropriate and time-bound. If specific non-financial performance criteria cannot be measured, or can only be measured with difficulty, it may be sufficient for target achievement to be verifiable. The information provided on the STI in section 2.3.2.1 applies accordingly. Target achievement, especially the achievement of financial targets is determined on the basis of the figures presented in the Company's consolidated financial statements.

The targets are set individually for the Management Board by the Supervisory Board prior to the start of the performance period. Targets that are partially or fully identical may be set for the Management Board at the due discretion of the Management Board. As with the STI, the LTI applies within a target corridor of 80% to 150%, i.e. the level achieved must fall within a corridor of 80% to 150% of the target level to be considered. Within that corridor, the level of target achievement is calculated on a straight-line basis (see section 2.3.2.1 for more information).

Performance shares
After setting the targets and the target bonus amount for the LTI, the target bonus amount is converted into performance shares using the weighted average price of Hoenle shares for the 30 trading days prior to the beginning of the financial year in which the relevant three-year performance period began. The calculation is based on the share price in Xetra trading, i.e. Deutsche Börse AG's electronic trading platform. Performance shares are purely theoretical and are allocated on a prorated basis at the end of the three-year performance period depending on the level of target achievement. The shares are allocated one month after approval of the consolidated financial statements. Four years after the start of the performance period – i.e. taking into account the three-year performance period and a one-year vesting period – the performance shares allocated are converted into cash. The conversion rate is based on the weighted average price of Hoenle shares for the 30 trading days prior to the end of the vesting period.

Payout of the LTI
The tranches issued each year have a total term of four years, consisting of a three-year performance period and a one-year vesting period. Each term commences on the first day of the respective financial year. When calculating the payout, the maximum remuneration amount should be taken into consideration. The LTI is paid out in cash one month after approval of the Company's consolidated financial statements, after expiry of the vesting period.

The Long-Term Incentive (LTI) entitlement is linked to the company's share price and represents a cash-settled, share-based compensation. The provision for the LTI is measured at the fair value of the obligation using the Black-Scholes model. Adjustments to the provision directly affect the LTI expense in the income statement.

The provision at fair value determined as of the balance sheet date amounts to T€ 88. The expense in the reporting year corresponds to the provision for the LTI recognized as of the balance sheet date. The early termination of the contract with Management Board member Markus Arendt meant that he was no longer entitled to the LTI payment. The following valuation parameters were used as the basis for calculating the LTI as of the balance sheet date:

Valuation parameters for the 2024/25 financial year	30.09.2025
Current share price	8.12 €
Strike price of options	8.12 €
(Remaining) Duration	3 years
Expected volatility	78.17%
Risk-free interest rate	3.28%
Dividend yield taken into account	0%

2.4 Special bonus payment

In exceptional cases, the Supervisory Board may decide at its due discretion to award a member of the Management Board a bonus for special achievements in the interests of the Company, provided the award of a bonus would benefit the Company's business strategy and its long-term performance. The special bonus is a one-off award that does not establish any rights in the future. Any such special bonus is capped at 10% of the Management Board member's base remuneration and may only be awarded as a cash payment. The decision to award such a special bonus for the financial year in which the Management Board member's achievement predominantly occurred is made at the time the level of STI target achievement is determined for that same financial year. Should the Supervisory Board grant a special bonus, the special bonus will be payable at the same time as the STI bonus.

2.5 Ongoing review and adjustment of performance criteria

Each year, the Supervisory Board reviews the appropriateness of the total remuneration granted, which includes the fixed remuneration and the variable remuneration components. The review focuses in particular on the intended incentive effects, especially if the financial and non-financial performance criteria still suitably and appropriately reflect current corporate objectives and have the incentivising effect intended by the Supervisory Board. If the Supervisory Board is of the opinion that this is not the case, it is entitled to make appropriate adjustments to the financial and non-financial performance criteria and to the ratios used to determine achievement of variable remuneration components for future financial years, provided the resulting remuneration does not fall below the total target remuneration amount.

2.6 Adjustments in the event of extraordinary developments

In the event of extraordinary developments, the Supervisory Board is entitled to adjust the amounts of individual remuneration components, including the total target remuneration, the relative share of the remuneration components in the total remuneration, the criteria for target achievement and the respective payout amounts as well as the payout dates, even after the start of the respective performance period. Extraordinary developments are said to apply if a situation has occurred, or is more likely than not to occur, that could not have been foreseen when the targets for the variable remuneration components were set and that have a significant impact on the total remuneration paid out to Management Board members. Extraordinary developments include significant acquisitions, disposal of significant portions of the company, substantial changes in the underlying accounting standards or tax regulations, natural disasters, pandemics or comparable events, unusually far-reaching changes in the economic environment (e.g. due to a severe economic or financial crisis) or disruptive market decisions by customers, insofar as these or their specific effects could not have been foreseen. Generally unfavourable market developments are not considered "extraordinary developments" in the aforementioned sense.

In the event of extraordinary developments where making adjustments to existing remuneration components would not suffice to restore the incentivising effect for Management Board members, the Supervisory Board is also entitled to temporarily grant additional remuneration components under the same conditions.

2.7 Malus/clawback

The Supervisory Board reserves the right to respond to extraordinary developments in a suitable manner. In the event of compliance violations, unethical behaviour or serious breaches of statutory or contractual obligations by a member of the Management Board, the Supervisory Board is entitled to withhold or reduce any STI or LTI amounts not yet paid out (malus) or to reclaim any variable remuneration components already paid out (clawback) at its due discretion.

The malus and clawback provisions do not affect any liability to the Company for damages on the part of the Management Board member.

If variable remuneration components are calculated or paid out on the basis of incorrect data, such as incorrect consolidated financial statements, the Supervisory Board may rectify the calculation and reclaim any remuneration components that have already been paid out.

2.8 Sideline activities, crediting remuneration from company mandates and sideline activities

If Management Board members receive remuneration from mandates that they hold in the interests of the Company, they must either transfer such remuneration to the Company or have it offset against the remuneration owed by the Company, unless the Supervisory Board decides against offsetting it at its due discretion.

If Management Board members receive remuneration or benefits from a company in which Hoenle AG or a Hoenle Group company holds an equity interest, such remuneration or benefits must be offset against the remuneration owed by Hoenle AG.

Prior approval from the Supervisory Board is required to hold Supervisory Board mandates or positions of a comparable nature with companies outside the Group as well as to work with associations and or other bodies. The Supervisory Board may, at its due discretion, make its approval subject to the condition that any remuneration received in return for exercising such a mandate be offset against the remuneration owed by the Company.

2.9 Contract duration, termination options, remuneration upon cessation of a Management Board position

2.9.1 Contract duration and termination options

On first appointment, Management Board members are appointed for a term of no longer than three years. Reappointments are generally also for a term of three years. In exceptional cases, the Supervisory Board may approve a longer reappointment term of up to five years. The term of Management Board contracts is limited to the duration of the current appointment. Management Board contracts may include a renewal clause according to which the contract will renew automatically for the period of the Management Board member’s reappointment. When a new member joins the Management Board, the Supervisory Board decides at its due discretion whether and to what extent the new Management Board member will be granted additional remuneration.

Management Board contracts cease at the end of the month in which the Management Board member reaches the age of 65. The Supervisory Board may deviate from that expiration date or from the standard retirement age stipulated in Management Board contracts at its due discretion.

Management Board contracts do not contain any provisions for ordinary termination. This does not impact the right of either party to terminate the contract for good cause.

2.9.2 Remuneration and severance payment in the event of premature cessation of a Management Board position

If a Management Board member is dismissed by the Supervisory Board before the end of their contract term without good cause, a severance payment may be granted. However, the amount of the severance payment will be limited to one year's total remuneration, and the payment may not exceed the remuneration due for the remaining term of the Management Board contract. Thus the total annual remuneration comprises the fixed remuneration, the STI entitlement – pro-rated until the date on which the Management Board member leaves the Management Board – as well as the LTI, insofar as performance shares have been allocated. If any performance shares granted are included in the severance payment, they will be awarded at the end of the respective vesting period in accordance with the normal cycle.

If a Management Board contract is terminated early for good cause by the Company, or if the Management Board contract is terminated at the request of the Management Board member, no severance payment will be granted. In such case, the Supervisory Board may decide at its due discretion whether to pay a pro-rated STI. The Supervisory Board may also decide at its due discretion whether to award performance shares already allocated after the end of vesting period. Any unallocated performance shares will be forfeited.

A change of control does not establish an extraordinary right to termination on the part of either the Management Board or the Company.

2.10 Post-contractual non-compete clause

A non-compete clause may be stipulated for the period after cessation of the Management Board contract. Appropriate compensation of up to 75% of the most recent contractual benefits received by the Management Board member may be granted annually during the non-compete period. When calculating the compensation, variable remuneration components are included on the basis of the averages for the last three full financial years in accordance with the remuneration system. The compensation is paid in monthly instalments. The Company may waive the post-contractual non-compete clause prior to or upon termination of the Management Board contract with effect from receipt of the corresponding declaration.

Payments made due to premature termination of a Management Board member's contract in accordance with section 2.9.2 of this Remuneration Report will be offset against any non-compete compensation payments.

2.11 Temporary deviations

The Supervisory Board may temporarily deviate from certain components of the remuneration system where necessary in the interest of the Company's long-term well-being. This applies in particular to situations in which deviation from the remuneration system is necessary to support the long-term interests and sustainability of the Company as a whole or to ensure its profitability. Such situations may be based on exceptional circumstances involving either the general economy or the Company. Deviations are permitted in particular in economic crises, during which the remuneration deemed appropriate for Management Board members on the basis of the remuneration system and the resulting incentive structure may not appear to be sufficient to support the Company's interests.

The Supervisory Board may also temporarily suspend granting any variable remuneration at all if, after due assessment, the Supervisory Board comes to the conclusion that granting variable remuneration is not in the long-term interest of the Company in view of the extraordinary situation.

In addition, statutory provisions stipulate that the Supervisory Board may reduce the remuneration extended to Management Board members to an appropriate amount after the fact if a company's situation deteriorates to such an extent that it would be unfair for the company to continue to pay the remuneration.

2.12 Procedure for determining, implementing and reviewing the remuneration system

The Supervisory Board decides on a clear and understandable remuneration system for the members of the Management Board. At present, the Hoenle AG Supervisory Board consists of five members. Since there is no personnel committee, the review of the remuneration system is prepared and carried out by the full Supervisory Board. The Supervisory Board carries out the review of the remuneration system at its due discretion, at least, however, every four years. The Supervisory Board may involve external consultants to this end.

The Supervisory Board submits the compensation system to the Annual General Meeting for approval whenever there is a significant change, but at least every four years. If the Annual General Meeting does not approve the submitted remuneration system, the Supervisory Board shall submit a reviewed remuneration system to the Annual General Meeting for approval at the next ordinary Annual General Meeting at the latest. The Supervisory Board uses suitable measures to ensure that possible conflicts of interest concerning the Supervisory Board members involved in the consultations and decisions regarding the remuneration system are avoided or resolved. The Supervisory Board members are obliged to inform the Supervisory Board Chairman about any potential conflicts of interest. The Supervisory Board Chairman shall inform the Vice Chairman of any conflicts of interests. The Supervisory Board decides on how to deal with an existing conflict of interest on a case-by-case basis. This would apply in particular, if a Supervisory Board member affected by a conflict of interest fails to attend a meeting or take part in individual consultations and decisions to be taken by the Supervisory Board.

Approval of the reviewed remuneration report

On March 20, 2024, the Annual General Meeting approved the compensation system presented by the Supervisory Board for the first time. The remuneration system has remained unchanged since then.
The remuneration report for the 2023/24 financial year was approved by the Annual General Meeting on 25.03.2025 with a majority of 99.08%.

Remuneration granted and owed to the members of the Executive Board in the financial year 2024/25

Fixed and variable remuneration components and their relative share

				Markus Arendt since 01.05.2024	Rainer Pumpe till 31.12.2023	Franz Richter till 30.04.2024	Robert Stark since 01.10.2024
performance-independent renumeration	fixed fee	2024/25	in T€	300	0	0	200
			in %	80	0	0	60
		2023/24	in T€	215	58	210	0
			in %	98	91	98	0
	fringe benefit	2024/25	in T€	9	0	0	15
			in %	2	0	0	4
		2023/24	in T€	4	6	4	0
			in %	2	9	2	0
	retirement benefits	2024/25	in T€	0	0	0	0
			in %	0	0	0	0
		2023/24	in T€	0	0	0	0
			in %	0	0	0	0
	total	2024/25	in T€	309	0	0	215
			in %	83	0	0	64
		2023/24	in T€	219	63	214	0
			in %	100	100	100	0
performance-dependent renumeration	short-term incentive (STI)	2024/25	in T€	64	0	0	50
			in %	17	0	0	15
		2023/24	in T€	0	0	0	0
			in %	0	0	0	0
	long-term incentive (LTI)	2024/25	in T€	0	0	0	72
			in %	0	0	0	21
		2023/24	in T€	0	0	0	0
			in %	0	0	0	0
	total	2024/25	in T€	64	0	0	122
			in %	17	0	0	36
		2023/24	in T€	0	0	0	0
			in %	0	0	0	0
total		2024/25	in T€	373	0	0	336
			in %	100	0	0	100
		2023/24	in T€	219	63	214	0
			in %	100	100	100	0

Remuneration granted and owed to former members of the Management Board in the 2024/25 financial year

			Norbert Haimerl till 30.04.2023	Heiko Runge till 15.05.2022	Rainer Pumpe till 31.12.2023
benefits from termination of employment	2024/25	in T€	0	0	0
		in %	0	0	0
	2023/24	in T€	0	0	0
		in %	0	0	0
allocation to retirement benefits according to IAS 19	2024/25	in T€	0	0	0
		in %	0	0	0
	2023/24	in T€	0	0	0
		in %	0	0	0
retirement benefits	2024/25	in T€	24	16	0
		in %	100	100	0
	2023/24	in T€	17	0	0
		in %	100	0	0
performance-independent renumeration	2024/25	in T€	0	0	0
		in %	0	0	0
	2023/24	in T€	0	0	58
		in %	0	0	91
fringe benefits	2024/25	in T€	0	0	0
		in %	0	0	0
	2023/24	in T€	0	0	6
		in %	0	0	9
total	2024/25	in T€	24	16	0
		in %	100	100	0
	2023/24	in T€	17	0	63
		in %	100	0	100

Compensation of Supervisory Board Members

In accordance with Section 113 (1) sentence 2 of the German Stock Corporation Act (AktG), the remuneration of the members of the Supervisory Board is determined by stipulation in the Articles of Association or approval by the Annual General Meeting. In accordance with Section 113 (1) sentence 3 of the German Stock Corporation Act (AktG), the remuneration should be proportionate to the duties of the members of the Supervisory Board and the position of the company.
The underlying remuneration system for the members of the Supervisory Board of Hoenle AG is described below.

Remuneration review procedure

The Supervisory Board examines the appropriateness of the structure and amount of its remuneration. To this end, the Supervisory Board evaluates the remuneration of other comparable companies and compares it with the remuneration of the Company's Supervisory Board. On the basis of this analysis, the Supervisory Board reviews the appropriateness of its remuneration.

The German Stock Corporation Act provides for regular approval of the remuneration system by the Annual General Meeting at least every four years. In preparation for these resolutions, the Supervisory Board, for its part, also carries out an analysis of its remuneration in this regard at least every four years. If there is reason to change the remuneration system for the Supervisory Board, the Management Board and the Supervisory Board will submit a corresponding proposal for a resolution to the Annual General Meeting in this context.

Confirmation of Supervisory Board Compensation

On March 25, 2025, the Annual General Meeting of Hoenle AG confirmed the system adopted by the Annual General Meeting on March 23, 2021 and the resulting regulation on the remuneration of Supervisory Board members in Section 14 of the Articles of Association of Hoenle AG with an approval rate of 99.97%.

Concrete design of the remuneration system

The remuneration consists exclusively of fixed remuneration that is based on the duties and responsibilities of the members of the Supervisory Board. In addition, no further remuneration is granted, for example for consulting or brokerage services. The remuneration of the Supervisory Board is set out in Article 14 of the Company's Articles of Association. The remuneration regulation is as follows:

The members of the Company's Supervisory Board are each granted annual remuneration of €30,000. The chairman of the supervisory board receives twice the amount of a simple supervisory board member, i.e. €60,000, his deputy one and a half times the amount of a simple supervisory board member, i.e. €45,000. The remuneration is due for payment to the members of the Supervisory Board four weeks after the end of the relevant financial year. The remuneration in accordance with the above rates will be paid to the members of the Supervisory Board for the first time from the beginning of the financial year that has been running since October 1, 2018.

Supervisory Board members who have not been in office for the entire financial year receive one-twelfth of the remuneration for each month or part thereof of their tenure.

The members of the Supervisory Board shall also be reimbursed for the expenses incurred in the performance of their duties. The value added tax invoiced by a member of the Supervisory Board or shown in a credit note replacing the invoice shall be paid additionally at the respective statutory rate.

Remuneration granted and owed by the Supervisory Board

in T€	**2024/25**	2023/24
Niklas Friedrichsen	**30**	48
Bernhard Gimple, Deputy Chairman	**45**	38
Günther Henrich (until 20.03.2024)		22
Imke Libon	**30**	30
Melanie Ott (since 20.03.2024)	**30**	15
Franz Richter, Chairman (01.05.2024 – 30.09.2025)	**60**	25
Total	**195**	178

Comparative presentation

Comparative presentation of the annual change in the remuneration of the members of the Management Board and Supervisory Board, the company's earnings development and the average remuneration of employees over the last five financial years. For better readability, the absolute values of the remuneration and not only its change were given for the first time in previous years.

	2024/25		2023/24		2022/23		2021/22		2020/21
	in T€	+/- in %	in T€	+/- in %	in T€	+/- in %	in T€	+/- in %	in T€
Management Board									
Markus Arendt (05/2024 - 09/2025)	372	70	219						
Rainer Pumpe (01/2021 - 12/2023)			63	-76	260	0	259	1	257
Franz Richter (05/2023 - 04/2024)			214	37	156				
Robert Stark (since 10/2024)	336								
Supervisory Board									
Niklas Friedrichsen (since 04/2022)	30	-37	48	10	43	139	18		
Bernhard Gimple (since 03/2015)	45	20	38	25	30	0	30	0	30
Günther Henrich (till 03/2024)			23	-50	45	0	45	0	45
Imke Libon (since 03/2021)	30	0	30	0	30	0	30	67	18
Melanie Ott (since 03/2024)	30	100	15						
Franz Richter (since 03/2023)	60	140	25	400	5				
Employee									
average Compensation Hoenle AG	63	-2	64	1	63	18	53	0	51
Earnings Performance									
Consolidated Net Profit/Loss	-3.137	76	-13.000	-19	-10.928	17	-13.198	-172	-4.860
Net Profit/Loss Hoenle AG	-4.032	27	-5.538	20	-6.930	68	-21.364	-18	-18.161

The average remuneration of the employees of Hoenle AG is based on full-time equivalents, i.e. a pro-rata calculation of part-time employees without board members, trainees and temporary workers.

Dr. Franz Richter
Chairman of the Board of Management

Niklas Friedrichsen
Chairman of the Supervisory Board

Report of the independent auditor on the audit of the remuneration report pursuant to Section 162 (3) of the German Stock Corporation Act (AktG)
To Hoenle AG (formerly: Dr. Hönle Aktiengesellschaft), Gilching

Opinion
We have formally reviewed the remuneration report of Hoenle AG (formerly: Dr. Hönle Aktiengesellschaft), Gilching, for the financial year from 1 October 2024 to 30 September 2025 to determine whether the disclosures pursuant to section 162 (1) and (2) of the German Stock Corporation Act (AktG) have been disclosed in the remuneration report. In accordance with Section 162 (3) of the German Stock Corporation Act (AktG), we did not audit the content of the compensation report.
In our opinion, the enclosed remuneration report contains the disclosures in accordance with Section 162 (1) and (2) of the German Stock Corporation Act (AktG) in all material respects. Our audit opinion does not extend to the content of the remuneration report.

Basis for the opinion
We conducted our audit of the remuneration report in accordance with Section 162 (3) of the German Stock Corporation Act (AktG) in compliance with the IDW auditing standard: The audit of the remuneration report in accordance with Section 162 (3) of the German Stock Corporation Act (IDW PS 870 (09.2023)). Our responsibilities under this regulation and standard are described in more detail in the "Auditor's Responsibility" section of our note. As an auditing practice, we have applied the requirements of the IDW Quality Management Standard: Requirements for Quality Management in Auditing Practice (IDW QMS 1 (09.2022)). We have complied with the professional obligations in accordance with the Auditors' Regulations and the Professional Statutes for Auditors / Sworn Accountants, including the requirements for independence.

Responsibility of the Management Board and the Supervisory Board
The Executive Board and the Supervisory Board are responsible for preparing the compensation report, including the associated information, which meets the requirements of Section 162 of the German Stock Corporation Act. They are also responsible for the internal controls they deem necessary to enable the preparation of a remuneration report, including related disclosures, that is free from material misrepresentation due to fraudulent acts (i.e. accounting manipulation and financial losses) or errors.

Responsibility of the auditor
Our objective is to obtain sufficient certainty as to whether the disclosures pursuant to Section 162 (1) and (2) of the German Stock Corporation Act have been disclosed in all material respects in the remuneration report and to issue an audit opinion on this in a report.
We have planned and carried out our audit in such a way that we can determine the formal completeness of the remuneration report by comparing the information provided in the remuneration report with the information required by section 162 (1) and (2) of the German Stock Corporation Act (AktG). In accordance with Section 162 (3) of the German Stock Corporation Act (AktG), we have not checked the accuracy of the content of the disclosures, the completeness of the content of the individual disclosures or the appropriate presentation of the remuneration report.

Dealing with any misleading representations
In connection with our audit, we have the responsibility to read the remuneration report taking into account the knowledge gained from the audit of the financial statements and to remain vigilant for indications as to whether the remuneration report contains misleading representations with regard to the accuracy of the content, the completeness of the content of the individual disclosures or the appropriate presentation of the remuneration report.
If, on the basis of the work we have carried out, we conclude that such a misleading representation exists, we are obliged to report this fact. We have nothing to report in this context.

Berlin, 20 January 2026

RSM Ebner Stolz GmbH & Co. KG
Auditing Firm Tax Consultancy

Fuat Kalkan
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Max Waiz
Auditor

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