

ANNUAL FINANCIAL REPORT 2025

based on German Associations Law

of VRI-Verband der Reibbelagindustrie e.V.

Köln, Robert-Perthel-Str. 49

**issued by
Tax Attorney Dr. Winfried Eggers
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I. REPORT

1. AUDIT ASSIGNMENT

The board of

VRI-Verband der Reibbelagindustrie e.V. (VRI), Cologne,

entrusted me with the verification of the accountancy of the association for the year 2025, and mandated me to issue the association's annual financial report 2025 as well as the statement of assets and liabilities as per 31.12.2025.

I conducted the examination in June 2026 in my chancellery and in the office of VRI.

During the audit I was unhesitatingly supported by the accounting person responsible, Mr. Franz-Josef Krämer. The requested information was provided and the needed accounts, bills and receipts, contracts and other documents were presented.

In a completeness statement the Managing Director of VRI assured, that all relevant transactions are recorded in accounting. Risks of particular importance were not given according to this declaration.

The association's annual financial report 2025 and the statement of assets and liabilities as per 31.12.2025 of VRI are in the following summarized at 5. and 6..

For order processing and my responsibility towards third parties, the „General Conditions of Contract for Auditors” are considered as agreed.

2. LEGAL STATUS OF THE VRI

The association is a legal association of civil law. It was established on 1 December 1982, registered domicile in Düsseldorf. By resolution of the General Meeting of 22 June 1984, it was moved to Cologne and was registered on 22 November 1984 under the number 8892 in the register of the local court of Cologne. The current statutes of the VRI are dated 7 June 2013. The membership fees are regulated in the contribution rules of 7 June 2013, effective from 2013.

2.1 Members of the VRI

Members of the association in the year of report were as follows:

1. ALSTOM FLERTEX SAS, Gennevilliers (France)
2. Bremskerl-Reibbelagwerke Emmerling GmbH & CO. KG, Estorf (Germany)
3. EREN BALATACILIK SAN VE TİC. AŞ., Kemalpaşa-Izmir (Turkey)
4. Faiveley Becorit GmbH, Recklinghausen (Germany)
5. FRIMA Friction Material Reibbelag GmbH, Meinerzhagen (Germany)
6. ICER Brakes S.A., Pamplona (Spain)
7. ITT Italia S.R.L., Barge (Italy)
8. Knorr-Bremse Pamplona, S.L.U., Pamplona (Spain)
9. Lumag, Budzyn (Poland)
10. Metelli S.p.A., Cologne (BS) (Italy)
11. Otto Zimmermann GmbH, Sinsheim (Germany)
12. MAT/Roulunds Braking Holdings ApS, Odense (Denmark)
13. Schaeffler Friction Products GmbH, Morbach (Germany)
14. STS Friction GmbH, Moers (Germany)
15. TENNECO – Federal Mogul Friction Products GmbH, Bad Camberg (Germany)
16. TMD Friction Group GmbH, Leverkusen (Germany)
17. ZF Aftermarket Ibérica, Mutilva Baja (Spain)
18. ZF Slovakia a.s., Trnava (Slovak Republic)

2.2 Object of the Association

The object of the association is to the exclusion of any commercial pursuit:

1. to safeguard and promote the general and immaterial interests of the friction materials industry,
2. to promote technical and commercial cooperation among the manufacturers of friction materials on an international level and to assure the quality standard of friction materials as an essential contribution to the road safety of vehicles in cooperation with national and international legislative and supervisory bodies,
3. to participate in the development of standards for the protection of the environment and the employees at the working places in the competent committees as far as the friction material industry is involved, and to support the friction material industry in the fulfilment of the relevant legal requirements.

Organs of the association are according to § 5 of the statutes:

1. General Meeting
2. Board of Directors
3. Managing Director

2.4 Board of Directors

The Board of Directors in the year under review was formed by Messrs:

| | |
|--------------------------------|---|
| Horst Bruhnke, Nienburg | (Chairman) until 23 May 2025 |
| Stefan Purbs, Dallgow-Döberitz | since 23 May 2025 |
| Dr. Dirk Meyer, Cologne | (Vice-Chairman) until, Chairman since 23 May 2025 |
| Christian Stolz, Leverkusen | |
| Holger Schaus, Bad Camberg | until 23 May 2025 |
| Andreas Weidenschlager, Madrid | (Vice-Chairman), since 23 May 2025 |

2.5 Managing Director

Managing Director in the year under review was

Andreas Jandl

3. FISCAL STRUCTURE OF THE VRI

The VRI is registered under the tax number 217/5963/1039 at the tax office Köln-Nord. The VRI has been recognized by notice of exemption from the tax office Köln-Nord as a professional association under the terms of § 5 paragraph 1 No. 5 Corporation Tax Act.

As a tax-exempted professional association, the VRI is in principle not subject to taxation of income. However, it is subject to a partial income tax, in cases where the VRI operates a commercial business under the terms of § 14 of the tax code (AO). As far as the VRI gets income from interests, royalties, leasing or tenancy the VRI is in principle also not subject to income taxation (§ 14 sentence 3 AO). Payments received in remuneration of delivery of goods or services are subject to VAT according to general VAT rules.

4. ACCOUNTING SYSTEM OF THE VRI

The VRI has done his accounting by systematically bookkeeping in the rooms of the association. It is carried out by Mr. Franz-Josef Krämer by means of the DATEV accounting software. According to the result of my review the bills and receipts are carefully preserved. The bookkeeping is consecutive, complete, correct and conclusive.

An association's statutory financial report and statement of assets are appropriate for the financial report of the VRI, from which the association's legal income and wealth can be read with sufficient clarity. The net result of the VRI is therefore based on German associations law in the form of an annual account and with an additional statement of net assets in accordance with §§ 259/260 BGB (German Civil Code). As part of these statements, the real incoming and outgoing payments in 2025 are recorded and compared calculational (cash basis accounting). A separate form of provisions or reserves is not necessary. Acquisition costs are fully deducted in the year of payment, leaving depreciations are also obsolete. The issue of the report on actual receipts and payments (compared to a balance sheet), may occasionally cause result displacements between two consecutive years, but are offset intertemporally on a medium-term basis. As the association's results are strictly accounted on a cash basis, there is no need for booking reserves or accruals. The assets of the association will be represented at year-end based on the fair value of individual assets, the state of the financial accounts and the receivables and liabilities existing at the key date.

5. ECONOMIC SITUATION IN THE CALENDAR YEAR 2025 AND ANNUAL FINANCIAL REPORT

The development of income and expenses in the reporting year was as follows (in comparison with the values of the 2025 budget):

| | Actual 2025 € | Budget 2025 € | Difference € |
|--------------------------------|-------------------|-------------------|------------------|
| INCOME: | | | |
| Admission fees | 0,00 | 7.000,00 | -7.000,00 |
| Membership fees | 82.500,00 | 87.700,00 | -5.200,00 |
| Licence fees | 145.800,00 | 135.951,00 | 9.849,00 |
| Other income (interests etc.) | 9.131,38 | 2.455,00 | 6.676,38 |
| Charging of costs of the FEMFM | 195.229,25 | 186.701,00 | 8.528,25 |
| Total of income: | 432.660,63 | 419.807,00 | 12.853,63 |
| EXPENDITURE: | | | |
| Personnel costs | 283.884,68 | 275.855,00 | 8.29,68 |
| General expenses | 135.942,70 | 135.967,00 | -24,30 |
| Machinery and equipment | 15.729,87 | 7.985,00 | -7.744,87 |
| Total of expenditure: | 435.557,25 | 419.807,00 | 15.750,25 |
| ANNUAL RESULT 2025: | -2.896,62 | 0,00 | -2.896,62 |

The result in the year 2025 shows an accounting surplus of expenditure over income in the amount of **2.896,62 €**.

6. ASSETS OF THE ASSOCIATION

The commercial and tax law is not applicable on the valuation of property and liability items within the law of associations. Neither the precautionary principle nor the principle of individual valuation is directly applicable. There is also no rule, obligating the associations to make depreciations on property income. Decisive for the form of list of assets is its legal purpose according to § 260 BGB (German Civil Code): the members of the association are entitled to gain information on the actual value of the association's assets at year end.

Basis of calculating the value of assets is the market value (= market value of the individual assets). It is therefore reasonable to make adjustments to the actual market value, if necessary. Exceptions may apply to those assets assigned to economic business activities (§ 14 AO). For those assets commercial and tax law is applicable. However, the VRI has no such assets. For reasons of simplification, the statement of assets is generated on estimates, generally based on the current accountancy and on a conservative estimate of a current market value of 5.000,00 € for computer software and 10.000 € for office equipment. This results in the following association's assets as per 31.12.2025:

ASSETS:

| | | |
|--------------------------|--------------|--------------|
| Computer software | € 5.000,00 | |
| Office equipment | € 10.000,00 | |
| Cash and deposit in bank | € 211.977,49 | € 226.977,49 |

DEBITS: € 0,00

ASSOCIATION'S ASSETS per 31.12.2025: € 226.977,49

7. CONCLUSION AND AUDITOR'S STATEMENT

The presented annual report meets the requirements of the German Law of Associations.

Based on my review I certify the presented annual financial report for the year and the association's assets per 31.12.2025 as follows:

According to my expert review, the accountancy, the association's annual financial report and the statement of assets comply with the principles of a correct handling of associations law and accounting.

Köln, 10.06.2026



II. EXPLANATION ON THE REPORT

1. ANNUAL ACCOUNT

a. INCOME

ADMISSION FEES € 0,00

(Preceding year: 0,00)

CONTRIBUTIONS OF MEMBERS € 82.500,00

(Preceding year: 87.700,00)

These are contributions of the ordinary members (# 8200)

LICENCE FEES WVA € 145.800,00

(Preceding year: 132.400,00)

Containing the sum of:

| | |
|--------------------------------------|-------------|
| # 8201 Licence fees non-EU-countries | € 73.650,00 |
| # 8301 Licence fees domestic | € 38.650,00 |
| # 8336 Licence fees EU-countries | € 38.700,00 |

OTHER INCOME € 9.131,38

(Preceding year: 2.396,91)

Containing the sum of:

| | |
|----------------------------|------------|
| # 2650 Interest income | € 3.329,80 |
| # 8403 Payments by VRI-PMA | € 5.801,58 |

Remark: The following allowances in kind were accounted for tax purposes only and do not influence VRI's income:

| | |
|---------------------------------|------------|
| # 8610 Income in kind (other) | € 1.800,00 |
| # 8611 Income in kind (vehicle) | € 8.952,72 |

CHARGINGS TO FEMFM**€ 195.229,25***(Preceding year: 189.729,80)*

These are chargings for the work done for the purpose of the FEMFM according to the Service Agreement dated 29.11.2012.

8400 Monthly statements € 195.229,25

b. EXPENSES**PERSONNEL COSTS****€ 283.884,66***(Preceding year: 269.493,98)*

Containing the sum of:

| | |
|--|--------------|
| # 2749 Refund | € -192,74 |
| # 4120 Salaries and wages | € 238.704,96 |
| # 4130 Social security contributions | € 31.855,56 |
| # 4138 Contributions Berufsgenossensch. | € 491,89 |
| # 4144 Temporary jobs social sec. contrib. | € 1.966,20 |
| # 4149 Tax | € 45,48 |
| # 4151 Temporary jobs salaries in kind | € 600,00 |
| # 4152 Personal salaries in kind | € 5.832,00 |
| # 4169 Social expenditures | € 451,85 |
| # 4170 Personnel benefits (VWL) | € 240,00 |
| # 4175 Refund travel costs | € 694,80 |
| # 4194 Tax on temporary jobs | € 133,44 |
| # 4195 Temporary jobs salaries | € 6.672,00 |
| # 4198 Tax | € 21,53 |
| # 4946 Social expenditures | € 7.120,43 |
| # 8610 Compensation salaries in kind | € -1.800,00 |
| # 8611 Compensation income in kind (vehicle) | € -8.952,72 |

GENERAL EXPENSES € 135.942,70

(Preceding year: 154.898,03)

Containing the sum of the following accounts:

VEHICLE COSTS € 14.128,56

(Preceding year: 14.209,83)

Containing the sum of:

| | | |
|-----------------------------|---|-----------|
| # 4520 Vehicle insurance | € | 1.842,26 |
| # 4530 Current expenditures | € | 1.055,49 |
| # 4540 Repairs | € | 121,03 |
| # 4570 Leasing of vehicle | € | 10.399,08 |
| # 4580 Other vehicle costs | € | 697,84 |
| # 4595 Taxi | € | 12,86 |

OFFICE RENT INCLUDING CHARGES € 18.321,05

(Preceding year: 18.328,62)

Containing the sum of:

| | | |
|--------------------------------|---|-----------|
| # 4210 Office rent | € | 13.800,00 |
| # 4240 Gas, water, electricity | € | 1.171,01 |
| # 4250 Office cleaning | € | 3.350,04 |

CONSULTATION FEE € 10.959,52

(Preceding year: 6.748,18)

Containing the sum of:

| | | |
|-------------------------|---|----------|
| # 4950 Consultation fee | € | 2.392,67 |
| # 4957 Audit fee | € | 8.566,85 |

PATENT COSTS € 32.503,14

(Preceding year: 42.015,64)

| | |
|--------------------------|-------------|
| # 4381 Contributions PMA | € 32.256,83 |
| # 4964 Royalties | € 246,31 |

TELEPHONE € 1.582,13

(Preceding year: 1.565,38)

| | |
|------------------|------------|
| # 4920 Telephone | € 1.582,13 |
|------------------|------------|

**REPRESENTATION, MEETINGS, TRAVEL,
GENERAL MEETING** € 26.587,17

(Preceding year: 29.889,05)

Containing the sum of:

| | |
|-------------------------------------|-------------|
| # 4610 Meetings | € 15.730,07 |
| # 4631 Gifts (deductible) | € 16,80 |
| # 4632 Tax | € 6,40 |
| # 4650 Hospitality | € 174,15 |
| # 4653 Gifts (Aufmerksamkeiten) | € 554,16 |
| # 4654 Hospitality (non-deductible) | € 74,63 |
| # 4655 Non-deductible costs | € 895,49 |
| # 4660 Travel expenses | € 57,98 |
| # 4663 Travel expenses | € 4.534,46 |
| # 4664 Travel expenses | € 808,17 |
| # 4666 Travel expenses | € 3.734,86 |

OFFICE SUPPLIES € 811,10

(Preceding year: 1.414,45)

Containing the sum of:

| | |
|------------------------|----------|
| # 4930 Office supplies | € 76,37 |
| # 4940 Literature | € 734,73 |

ACCOUNTING COSTS € 4.769,20

(Preceding year: 5.950,10)

| | |
|------------------------|------------|
| # 4955 Accounting fees | € 4.769,20 |
|------------------------|------------|

REIMBURSEMENT € 0,00

(Preceding year: 16.806,72)

4952 Reimbursement € 0,00

RENT AND MAINTENANCE OF MACHINERY € 15.729,87

(Preceding year: 7.322,32)

Containing the sum of:

4806 Maintenance hard-/software € 13.749,87

4965 Leasing costs € 1.980,00

INTERNET PRESENCE € 1.534,00

(Preceding year: 714,00)

4926 Webhosting/Domain € 1.534,00

CONTRIBUTIONS € 8.150,00

(Preceding year: 8.500,00)

4380 Contributions € 8.150,00

POSTAGE € 5,00

(Preceding year: 0,00)

4910 Postage € 5,00

FINANCIAL CHARGES € 1.604,83

(Preceding year: 1.272,31)

4970 Bank fees € 1.604,83

INSURANCES € 3.244,64

(Preceding year: 3.450,32)

4360 Insurances € 3.244,64

OTHER EXPENSES

€ 4.027,45

(Preceding year: 8.186,65)

Containing the sum of:

| | | |
|--------------------------------|---|----------|
| # 2150 Currency exchange costs | € | 495,83 |
| # 2286 Capital gains tax | € | 878,21 |
| # 4900 Other expenses | € | 2.288,74 |
| # 4945 Training costs | € | 168,07 |
| # 4980 Other office equipments | € | 46,60 |

TAXES

€ 4.616,25

(Preceding year: -11.475,54)

Containing the sum of:

| | | |
|-------------------------------------|---|------------|
| # 1571 Input VAT 7% | € | 113,99 |
| # 1576 Input VAT 19% | € | 11.542,90 |
| # 1577 Input VAT § 13b 19% | € | 86,42 |
| # 1741 Salaries tax | € | 22,25 |
| # 1771 VAT 7% | € | -2.705,50 |
| # 1776 VAT 19% | € | -39.896,73 |
| # 1780 Prepaid VAT | € | 28.268,80 |
| # 1781 Prepaid VAT, 1/11 | € | 2.644,00 |
| # 1787 VAT § 13b 19% | € | -86,42 |
| # 1789 VAT current year | € | -2.401,33 |
| # 1790 VAT preceding year | € | 4.501,16 |
| # 2287 Tax refund preceding year | € | 0,00 |
| # 4301 Input VAT non deductible 7% | € | 53,15 |
| # 4306 Input VAT non deductible 19% | € | 2.473,56 |

OFFICE EQUIPMENT

€ 3.098,66

(Preceding year: 0,00)

| | | |
|-------------------------|---|----------|
| # 0027 Software | € | 1.558,82 |
| # 0490 Office equipment | € | 1.539,84 |

2. STATEMENT OF ASSETS

a. ASSETS

SOFTWARE AND OFFICE EQUIPMENT € 15.000,00

Software and office equipment values are estimated at a fair market value as per 31.12.2025 as follows:

| | |
|------------------|-------------|
| Software | € 5.000,00 |
| Office equipment | € 10.000,00 |

CASH AND BANK ACCOUNT € 211.977,49

Reflecting the verified various account balances per 31.12.2025 as follows:

| | |
|----------------------------------|--------------|
| # 1000 Cash | € 59,50 |
| # 1200 Deutsche Bank 496 638 800 | € 34.659,49 |
| # 1205 Mastercard | € -2.138,67 |
| # 1210 Deutsche Bank 496 638 810 | € 71.597,49 |
| # 1220 Deutsche Bank 496 638 861 | € 347,43 |
| # 1230 Deutsche Bank 496 638 862 | € 107.452,25 |

RECEIVABLES € 0,00

Total assets: € 226.977,49

b. LIABILITIES

LIABILITIES € 0,00

ASSOCIATIONS'S ASSETS per 31.12.2025: € 226.977,49