Presentation by Dr Stadelmann – General Meeting of Shareholders 2025

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Dear Shareholders,

It is great to see so many of you again and to welcome all of you here. These days, nothing can be taken for granted.

I would like to talk about a number of current topics that are important to your company. As always, Mr Walter will then present the figures for the 2024 fiscal year and the first quarter of 2025 in detail.

North America, and especially the United States, is the most important market for our growth in at least the next ten years. Because that is where there are the most kitchens that still do not use combi-steamers, but need them.

Slide: Tim Hortons store

We estimate that only around 13% of kitchens in the United States use combi-steamers, like this one at our customer Tim Hortons. All the other kitchens still use conventional cooking appliances: hot-air ovens, steamers, all types of stoves, deep-fat fryers, tippers (huge frying pans) or kettles (huge boiling pans).

The United States accounted for 20% of our total sales revenues in 2024. That figure was just 10% ten years ago. All of our markets have grown, albeit at different rates. This has led to a shift in the share of sales revenues by region, with Europe and DACH declining and North and South America increasing. A contributory factor is that price levels are higher in North America than in Europe, and especially Germany. That means 100 appliances in the United States generate more revenue than 100 in Germany.

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That is why we are keeping a very close eye on the state of play regarding the tariffs initiated by President Trump. As many of you know, we follow Professor Mewes' bottleneck-driven strategy. It says that a company should focus on its customers' most pressing problem, not on several problems. This focus leads to specialisation, which in turn delivers many advantages for customers and therefore also for the specialising company. It simply becomes better faster.
However, this specialisation only works if there is trade. When customers can purchase other goods they additionally need from other companies.

The bottleneck-driven strategy also prevails in trade between countries. Around 1820, the English economist Ricardo postulated the theory of comparative advantage between countries. To illustrate it, he used two major trading nations of his time: England and Portugal. England was better at manufacturing cotton cloth, while Portugal was better at making port wine.

According to Ricardo, it is better for both countries to concentrate on their own goods and exchange them by trading with each other.

Free trade is therefore nothing more than the bottleneck-driven strategy at the level of the national economy. Trade barriers are detrimental to the economy as a whole. If the high tariffs remain in place, it will hit prosperity, first for Americans and then for everyone else as well.

To return to our products: Like most companies in Europe, we currently pay a 10% tariff on the cooking systems we import into the United States from Landsberg and Wittenheim. We would need to mark our products up by around 7% in the United States in order to achieve the same absolute result.

We have deliberately not yet decided what to do about these extra costs. As all of us can see, the situation keeps on changing, sometimes by the day, and negotiations between the United States and the EU are still ongoing.

We are also waiting to see how our competitors respond. We will make a decision once we have sufficient clarity.

One silver lining is that just about all combi-steamer producers are based in Europe. This means that the high demand cannot be satisfied overnight by local providers. Moreover, local producers have to pay tariffs on the stainless steel or components they import. As a result, all manufacturers are equally disadvantaged initially and their competitiveness relative to each other remains unchanged.

We are also not worried about there being greater demand for the conventional appliances our combi-steamers replace, because they will also become more expensive due to the tariffs.

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Another hotly discussed topic in the public debate is China. The tariff disputes has put the Taiwan question on the back burner.

We have operated in China since 2000. And in 2006 we established a sales subsidiary in Shanghai.

<u>Slide: Citi canteen</u>

China has a population of over 1.4 billion. Here too, only just under 10% of kitchens have a combi-steamer. And here too, the other 90% could really use one. This appliance is gaining in acceptance, as we can see from the growing number of local competitors. The potential is enormous – and so is the task! It will take decades before we achieve the high level of penetration we have in Germany.

Since 2023, we have been constructing a plant west of Shanghai to manufacture a combi-steamer that is even better tailored to the Chinese market and will be cheaper. We procure the components in China. We produce in China for China.

Many companies that currently have problems with China make products there for the global market. We differ from them.

It would be wrong to give up this huge market because of political tensions. The risk we are taking with the local plant is limited – and one we can shoulder.

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The good thing about RATIONAL is that our products satisfy a basic human need. That gives us greater security. With our products, we assuage this basic need better than anyone else. That is our mission. It means there is enormous potential for many, many years to come. However, we must never rest on our laurels.

Proof of this is the world first we unveiled at the beginning of last year. The iHexagon – the first professional cooking appliance that uses three energy sources: convection, steam and microwave. The first customers are enthusiastic. They could hardly believe how quickly food could be prepared so deliciously.

We have brought along a film from the football stadium in Ipswich, north-east of London.

See for yourself:

Ipswich Town film

Reference video RATIONAL iHexagon – Ipswich Town Football Club | RATIONAL

The iHexagon serves as an oven, grill, pizza oven, deep-fat fryer and much more ...

A lamb chop only needs 6.5 minutes instead of 15 – twice as fast.

We began showcasing the iHexagon at trade fairs this year. And visitors were fascinated by its speed and cooking quality.

Slide: ConnectedCooking

We achieved another milestone this spring: over 100,000 appliances connected via the Internet. More and more customers now enjoy the advantages of being able to manage and control their appliances digitally.

Here you can see what customers say about the benefits of ConnectedCooking:

- They save time and money because any wasting of energy is reported.
- They can simplify their work processes, meaning untrained staff can cook quality meals.
- Or, like Nando's, they appreciate the fact that they have everything under control.

I mentioned the enormous potential in North America and China. There are still untapped markets in Europe, too. We keep on investing so as to leverage this potential.

Slide: Wittenheim

We are currently in the final construction stages at Wittenheim, where we have erected a completely new plant with office buildings and a cutting-edge customer centre with several demonstration kitchens. The total investment over the past three years has been around 35 million euros.

Slide: Road to China

I have already reported on our project in China. We will commence series production of the new combi-steamer at the end of 2025. This investment amounts to around 10 million euros. Here you can see the plant from the outside and the still empty assembly hall.

Slide: Service parts at Landsberg

And then we are investing in our Landsberg location, where we are building a new, state-of-the-art, automated warehouse for our service parts, which we ship all over the world.
Service parts – from door seals to pumps, from complete displays to door handles – are needed to maintain and repair our appliances. We supply them from Landsberg to more than 3,000 RATIONAL service partners around the world, who then call on customers and service or repair the combi-steamer or iVario.
The new appliance generation, which was launched in 2020 and was completely developed from scratch, means that the number of service parts we need for it and previous generations has soared. In 2014, we stored, picked and shipped around 8,000 different items – ten years later, that figure has risen to over 15,000.
In 2024, we dispatched almost 90,000 such deliveries containing over 2.6 million items. That is over 50% more than ten years

ago, because our sales volume is increasing by 8% to 9% annually in the long term and the service life of the appliances is growing, meaning the number of them in use worldwide is also rising.

RATIONAL will invest over 60 million euros in constructing the new building and its automation. The ground-breaking ceremony was in January 2025.

It has an area of 7,600 square metres. The new building will boast an automated high-bay warehouse with 9,600 spaces for pallets and a shuttle warehouse with 34,300 spaces for boxes.

It will be the workplace for over 70 U.i.U.s.

It is scheduled to begin operating in October 2026.

The building sets standards in terms of sustainability. It is designed in accordance with the DGNB (German Sustainable Building Council) Gold standard and features timber construction for the roof and office floors, a photovoltaic system and a geothermal heat pump.

Slide: We want to be a company ...

I would like to say a few more words about sustainability. Our sustainability strategy states that we want to be a company that people want to exist.

With each of our products, we make a huge contribution to ensuring that commercial kitchens

- use less water
- use less energy
- offer safe and better working conditions for kitchen staff
- cook better and healthier food
- waste less food.

We have been sustainable since the days of our first combi-steamer. And we have always emphasised that in our advertising.

Slide: CD 101

Here is an example from the late 1970s, one of the first combi-steamers: Even back then, “energy-saving” was one of the first features highlighted.

Compared to conventional kitchen technology, today’s RATIONAL customers can cut their energy consumption by up to 30% and water consumption by up to 50% and reduce space requirements by up to 30%.

Our sustainability strategy demonstrates that we can and want to do even more.

One element of this is environmental and climate protection. At the beginning of 2025, we published our carbon footprint for 2023 and 2024 for the first time.
We intend to become greenhouse gas neutral by 2050.
Our carbon footprint in 2024 was 3.6 million tCO2e. You can see that here.

Slide: Carbon footprint

The carbon footprint is divided into three areas, referred to as Scopes 1 to 3.
Scopes 1 & 2 relate to carbon emissions caused by RATIONAL's own operations, in other words, our heating systems, machinery, power consumption, business trips and travel to and from work. They account for barely 0.2% of the total.
Scope 3 comprises all other emissions in our value chain, in other words, from our suppliers to our end customers. They account for 99.8% of the total.
The largest chunk by far, at 87.9%, is Scope 3.11: emissions produced by end customers in using our products.
Cooking appliances heat food, which is why they use a lot of energy. This energy consumption means our Scope 3.11 emissions are very large.

Our customers improve their carbon footprint by switching from conventional cooking appliances to our cooking systems and using them efficiently. If they use green electricity, they reduce their carbon footprint even further.
The second largest area is Scope 3.1, which includes CO_2 emissions produced by all the goods and services we purchase. They account for around 10.8%. In this regard, we are working more and more closely with our suppliers to reduce carbon emissions.

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Social aspects are also part of sustainability. Here too, I believe that RATIONAL need not fear comparison. As you know, we hold our U.i.U.s in high esteem.
They are the ones who keep our customers satisfied day in, day out. And who ensure that over 180 million meals a day are cooked reliably and in flawless quality in our appliances.
At the end of 2024, we had 2,736 employees worldwide, an increase of 7%.
For reasons of prudence, we will grow slightly less this year and next. We will continue to put more people on the ground and hire more sales staff to achieve that. However, we will increase our efficiency in administration, stay fit and cut some jobs. We

will do so not by layoffs, but through natural fluctuation: employees who retire, take parental leave or leave the company will not be automatically replaced.
Many of our hard-working colleagues have been with us for many years, even decades. It goes without saying that we pay homage to people who have worked for RATIONAL for a long time. We stage great celebrations for them. Staff celebrating long-service anniversaries are honoured and receive wonderful gifts and we celebrate together at an exclusive dinner – prepared by our chefs using our appliances.
We also occasionally use short films to introduce them. I have brought along a small and thoroughly entertaining excerpt from one today.

Film on staff celebrating long-service anniversaries (not publicly available)

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Yes, that is how they are, the people at RATIONAL. We have something very precious and rare here. You can feel it when you are at our company. We are all very proud of that.
We do a lot to keep things that way, and I hope that continues for a long time to come.

I would therefore like to conclude by thanking all U.i.U.s worldwide for their commitment, achievements and contribution to helping us remain a truly extraordinary company.
I would also like to thank our customers for their trust and business, and finally, you, our shareholders.

Slide: **Facts and figures**

Ladies and Gentlemen,

Dear Shareholders,

Before I move on to the numbers, let me start by saying a few words about the economic environment in fiscal year 2024 against the backdrop of the current turbulence in the global economy.

The global economy grew by 3.2% last year, following the usual pattern: industrialised countries by slightly less (1.7%) and emerging markets by more (4.2%). Overall, this was slightly above the average for the last ten years.

We are a company that is highly product-focused, one that operates globally because we want to reach customers all over the world and let them enjoy the benefits we offer. This gives us growth opportunities worldwide and is also an important element of our risk management.

The last two years in particular, where Germany has stagnated and with the impact that has had on hospitality and thus also on the catering and food service sector, have highlighted how important this global orientation is. Because, globally speaking, the catering and food service sector also performed well last year.

As a result, we are once again able to present good figures and new records. And that clearly illustrates once again that our business model as a whole is resilient to economic fluctuations in the regions of the world.

We published our business figures at the balance sheet press conference on 27 March. Let us now take a look at last year's numbers together:

Slide: Strong sales revenue performance in 2024

Let us start with sales revenues. Here you can see how they have developed from 2019 to 2024. Despite the challenging economic situation in individual regions of the world and among individual customer groups, all in all we continued on our growth trajectory last year.

Sales revenues from our first-class products and services totalled 1.194 billion euros, another new record and +6% or almost 70 million euros up on the previous year.

We are thus within the range we forecast at the beginning of last year, meaning that overall our business went much as planned.

The good business performance was driven by growth in unit sales of our appliances and, as in previous years, by above-average growth in non-appliance business, in other words, accessories, cleaners and service products. The share of sales revenues generated by non-appliance business increased to 31% last year, thereby contributing overall to the stabilisation of our revenue structure.

Unlike in the years where we were hit by the supply crisis, price increases for our appliances did not play a significant role last year.

Slide: North America and Europe as growth drivers

Let us look at the business performance by region.

Europe (excluding Germany) and North America are our two largest sales regions. They account for a combined total of 65% of our sales revenues. And these two regions each increased sales revenues by 7% and thus had a substantial impact on the Group's sales revenue performance.

Growth in Europe was underpinned by a fine performance in the major markets of the UK and France. However, the Eastern European markets of Poland, the Czech Republic and Hungary, as well as Turkey, also posted double-digit growth. These markets also offer good growth opportunities for the future due to the low level of penetration.

North America has been our number one growth driver in recent years and has achieved good double-digit growth rates every year thanks to the huge untapped market potential. Last year, growth was lower at +7%. However, a look at our American competitors shows that we also held our ground well in the United States last year: They mostly reported stagnating or, in some cases, declining numbers for the last fiscal year.

Despite the difficult economic environment, sales revenues in Germany remained stable at 124 million euros, a slight increase of 2%.

We saw a decline in sales revenues of −2% in Asia for the first time in many years. This reflects two effects: On the one hand, there was a dynamic business performance in Japan, Korea and Asian partner markets, each with growth rates exceeding 15%. On the other hand, our sales revenues in China fell. Here, we shipped a special order to a Chinese chain customer from the second half of 2023 to the first quarter of 2024. This special order negatively impacts any comparison of sales revenues between the two years.

The smallest regions also contributed to growth, albeit at a lower absolute level. Sales revenues rose by 17% in Latin America and by 15% in the “Rest of the world” region.

In summary, last year we had a somewhat atypical picture with a decline in sales revenues in Asia and comparatively low growth in North America. However, we can also see that we still have good growth opportunities in established markets in Europe, which will enable us to compensate for such regional downturns.

Slide: iVario back on growth path

Let us look at the performance of our product groups.

After we reported a decline in sales revenues in the previous year due to the upheavals caused by the supply crisis, the iVario returned to its buoyant growth path, posting a 16% increase in sales revenues. Business in the overseas regions of Latin America, Asia and the rest of the world was particularly encouraging, with growth rates of around 50% in each of them.

The Group's sales revenue performance is largely impacted by the iCombi product group due to its size. We recorded growth of +5% here. Our regional performance was in line with that of the Group as previously presented.

Slide: EBIT grows faster than sales revenues

As with sales revenues, earnings before interest and taxes (EBIT) reached a new all-time high of 314 million euros last year. We were able to increase EBIT by +13% and thus faster than our sales revenues. As a result, the EBIT margin rose to 26.3%, reaching its pre-coronavirus level earlier than we had originally expected.

In addition to sales revenue growth, a significantly better gross margin of 59.2% was the key driver of the fine earnings performance. The gross margin increased by +2.5 percentage points year-on-year. The main reasons are lower purchase prices, particularly for chemical products, and less inbound freight.

Operating costs rose by +7% to 385 million euros and so slightly faster than sales revenues. We recorded the highest increase in research and development expenses – we increased them by +25% and thus continued to invest in RATIONAL's future.

Overall, we – the Executive Board and the Supervisory Board – are very satisfied with the new EBIT record and the quicker return of the EBIT margin to its pre-coronavirus level.

<u>Slide:</u> Investments

We made the usual level of investments in the future of RATIONAL last year. The investment volume was 32 million euros, which was slightly below our expectations due to delays in some investment projects.

A large part of the investments – 29 million euros – related purely to property, plant and equipment. A further 3 million euros was attributable to capitalised development costs, among other things for the iHexagon.

In his speech, Dr Stadelmann already provided information on our important investment projects – the construction work at Wittenheim and Suzhou. Further projects involved the expansion of our branch offices in Japan, Spain and Poland so as to strengthen our international sales footprint.

Slide: Solid balance sheet ensures security and flexibility

Let us turn to the balance sheet. We were able to further strengthen our solid balance sheet structure last year.

Total assets grew by +12% to 1.106 billion euros, exceeding the 1 billion euro mark for the first time.

That is due to the almost 100 million euro rise in equity capital as a result of last year's good earnings situation and a lower dividend payment in comparison.

On the assets side, this is reflected in cash and cash equivalents (bank balances and short-term deposits combined) totalling over 500 million euros.

With an equity ratio of 77% and a liquidity ratio of 45%, we are in a very robust position.

Slide: 25 years on the stock exchange

Dear Shareholders,

Following the company's 50th anniversary two years ago, we celebrated another milestone two months ago:

25 years of RATIONAL on the stock exchange!

Back in 2000 – 27 years after the company was founded – RATIONAL generated sales revenues of 150 million euros with around 600 employees and was already highly profitable with an EBIT of 30 million euros and an EBIT margin of 20%.

The stock exchange newcomer RATIONAL thus stood out from the many IPOs during the stock market hype on the Neuer Markt at the time. There were more than 400 IPOs in Germany from 1998 to 2000. Many of them consisted of visions and a lot of fantasy and, unlike RATIONAL, had little history and rarely any real results to show for themselves.

However, real results counted for little in those days, and so a well-known German newspaper reported on RATIONAL's IPO with the headline

"Rational – as sexy as a hotpot."

Today, 25 years on, only a few of the stock market stars of that time remain. Yet RATIONAL was able to continue its success on the basis of the strategy that it had already adopted back then and that has remained unchanged since:

1) consistent focus on customer benefit
2) focus on and specialisation in the preparation of hot food in the commercial sector
3) and with a corporate culture based on the performance and self-motivation of our employees, whom we refer to as "entrepreneurs in the company" (U.i.U.s)

As a consequence, we can boast impressive financial results:

The issue price back then was set at 23 euros. Our share was initially listed at 35 euros on 3 March 2000 on Deutsche Börse's Prime Standard.

At the end of 2000, its price had surged by over 300% in a short space of time to touch 72 euros.

And the success story has continued – today, our sales revenues have increased eightfold and our earnings tenfold, while our share is 33 times higher than the issue price.

Shareholders who invested in the company right from the start have recouped their initial stake solely from the dividends paid out in the last two fiscal years. Together with the proposed dividend for 2024, we have paid out a combined sum of 150 euros a share, which equates to a total distribution volume of 1.7 billion euros.

We would also like to show you, our shareholders, the passion with which we pursue our business purpose and the quality of our products at our General Meetings.

We cook the food here with our chefs and our appliances, and where other listed companies merely provide a simple meal at their General Meetings, we use this opportunity to offer you a variety of complete menus.

I would like to take this opportunity to thank all employees who have contributed to the success of this and previous General Meetings of Shareholders with their great passion and dedication.

<u>Slide:</u> **RATIONAL shares**

That was the long-term look at our history on the stock exchange.

Let us now come to the performance of RATIONAL's shares last fiscal year.

This long-running success story continued in the last stock market year, as you can see from the chart showing the performance of our shares compared to the DAX and MDAX.

The shares started the fiscal year at a price of just under 700 euros and stood at 824 euros at the end of the year, an increase of +18%. Our share trended in line with the DAX and outperformed the MDAX by an impressive 24 percentage points.

However, the share has not yet been able to maintain its success on the stock market in 2024 in the current year 2025. Following the publication of the figures at the balance sheet press conference at the end of March and, in particular, due to the turbulence on global stock markets in the wake of America's tariff policy, the share price is down 8% from the beginning of the year. On a positive note, its price has now recovered by +12% from its low for the year of 679 euros on 7 April.

<u>Slide:</u> **Dividend for 2024**

Our dividend policy envisages distributing around 70% of earnings per share over the long term.

We distributed 13.50 euros a share last year, which equates to a payout ratio of 72%.

For the fiscal year 2024, we propose to the General Meeting of Shareholders that a dividend of 15.00 euros a share be distributed. That would mean a payout ratio of 68% and an increase of +11% over the previous year.

And, of course – as we saw earlier with the balance sheet – the company will still have sufficient liquidity after the payout to be able to respond to economically challenging times while continuing to invest in the future.

We would be delighted if you, our shareholders, were to endorse this proposal.

To conclude the subject of dividends, I wish to point out something to holders of physical shares. There are changes regarding future dividend distributions. If you still have physical share certificates from RATIONAL AG, please therefore go to the request-to-speak desk or contact our Investor Relations team afterwards. Thank you!

<u>Slide:</u> **Successful start to 2025**

Let us now turn to the current fiscal year 2025. We published our Q1 results last Tuesday. We have got off to a good start in fiscal year 2025. Our sales revenues of 295 million euros exceeded the high figure of the previous year by 3%. The iVario achieved a slightly higher growth rate with a 10% increase in sales revenues.

Once again, North America (+11%) and Europe (+7%) performed well with above-average growth. Both regions were able to offset the 20% decline in sales revenues in Asia. Here too, the special order from the Chinese chain customer is making itself felt compared with the previous year.

On the earnings side, we posted a figure of 72 million euros in the first quarter, an increase of 1% compared to the previous year.

The slower increase in earnings is attributable to higher operating costs in connection with expansion of our sales organisation, future investments in research and development, and the “Road to China” project.

The EBIT margin is 24.4% and thus within our expectations.

<u>Slide:</u> **Sales revenues and profit forecast confirmed for 2025**

This brings me to our current forecast for 2025.
Overall, we expect 2025 to be another year of growth for us.

We anticipate that our long-term trend of growth in the mid to high single-digit percentage range will continue. Due to recent developments in the global economy, we consider sales revenue growth in the mid-single-digit percentage range to be realistic for 2025.

Commodity and logistics costs stabilised last year. Current indications suggest that prices will remain at their present level. At the same time, we have reduced the selling prices for many of our care products with effect from 1 January 2025. We consequently expect a slightly lower gross margin for 2025.

We will deliberately increase some of our operating expenses again this year. We are planning targeted measures in sales to enhance our customer proximity. We will also continue to expand production in China and invest further in research and development. However, we will keep all other costs stable and have launched an efficiency enhancement programme to this end. All in all, we anticipate that operating expenses will rise slightly faster than sales revenues.

Based on all of the above, we expect an EBIT margin of around 26% for 2025.

Ladies and Gentlemen,

That brings me to the end of my presentation.

The long-standing trend towards more out-of-home catering amid worldwide population growth remains unbroken.

We see the current challenges – buzzwords include the shortage of skilled labour, high energy costs, rising food prices and the need for sustainable cooking – as opportunities that bolster our business prospects.

With our consistent focus on customer benefit and our technologically leading products, our highly qualified and motivated U.i.U.s and our global market presence, we are very well positioned in this attractive market.

We therefore look to the future with optimism and would be delighted to be able to shape that future together with you, dear shareholders.

I would like to thank you for your attention and hand the floor back to the chair of the meeting, Mr Baumgärtner.