

SASSE GROUP STRATEGY



PREAMBLE

Facilities Management (FM) has evolved into an essential service for significant portions of the economy. Enhanced awareness among our customers regarding responsible resource management and the preservation and development of assets has contributed to this. More significantly, the comprehensiveness in offerings and the continuously elevated quality levels our industry provides are crucial. Sasse Group positions itself as an active team player in this environment. Our corporate strategy is geared towards enduring in this landscape and being recognised and accepted as a reliable, competent, and constructive partner.

THIS IS OUR CORE BUSINESS

Our core business is defined in two ways: through industries and processes. While both can be realised independently, the influence of one sector is invariably connected with the other. We focus on high-growth industries such as semiconductor production, electrical engineering, mechanical engineering, and aviation. These are pivotal sectors that, due to technological advancement, provide a reliable business foundation regardless of economic cycles. Simultaneously, we see promising long-term prospects in the mobility sector (long-distance travel, public transport, smart cities, automotive industry). This is fueled by the growing need for FM arising from the general increase in mobility and the shift towards sustainable transportation.

On the other hand, we showcase our presence in markets where we have accumulated substantial experience and established intensive knowledge sharing with clients. This forms the basis for efficient integrated FM where we can significantly contribute our flexibility and value-added partnership. We consider companies with holistic process orientation and technological openness as valuable partners for long-term collaboration.

We align ourselves with the strategies and service requirements of international companies. We adapt to their progress and demonstrate ourselves as constructive and efficiency-oriented partners on an equal footing. We complement their efforts towards comprehensive ESG (Environmental, Social, Governance) and CSR (Corporate Social Responsibility) strategies through consistently implemented sustainability. We accompany them as competent partners for all FM aspects at their locations. We actively contribute to risk management, future provision, and the protection or retention of investments.

OUR COMPANY IS MOVED BY PEOPLE: OUR EMPLOYEES

Human work is a value in itself. We aim to recognise, protect, and develop this value. The "People Business" of Facility Management is characterised by this value. Therefore, people are at the center of our entrepreneurial thinking and actions. It is their talent, enthusiasm, and commitment that empower our teams and contribute to the success of our company. They are the ones who take on and complete tasks.

For us, HR is not defined by control and administration but by taking responsibility for each of our employees' work environments. We shape the framework so that they can enthusiastically contribute their skills and abilities. This environment fosters creativity and innovation, leading to individual successes. In doing so, we strengthen qualities that we all value: the identification and connection of our employees with our family-run company.

We create space for successful experiences through responsibility. This is an indispensable component on the path to growth, capability development, and competitive advantages for Sasse Group. Ultimately, it is from this space that the impulses arise that promote the development of our leaders and provide us with ideas and energy for organisational growth. With this foundation, we see "motivation" as a continuous force to keep our company "in motion."

In unusual tasks, challenging situations, and crisis scenarios, the lived "strength from diversity" is more valuable than any technical tool. Because each individual's personal performance serves as motivation and an example for everyone. It is also an expression of mutual respect and the foundation for credible leadership quality. The promise of "you never walk alone" is a reliable aspect in our daily operations. In regular open dialogue between the owner family and employees, we gather ideas, constructive criticism and improvement suggestions, providing transparency about life within and alongside our company.

WE ARE FAMILY. BUT FOR US, FAMILY IS NOT WHAT MOST PEOPLE UNDERSTAND – BECAUSE WE ARE ALL SASSE

Our ongoing pursuit of talents that invigorate and animate our structures and teams aligns with leadership in self-responsibility. We respect and encourage individual abilities, encouraging leadership and responsibility. This creates a meaningful work environment. We consider everyone's career needs and desires for additional qualifications, further education, and the pursuit of new tasks, ensuring that all developmental steps align with personal and family values. The desire of everyone to excel and reach beyond the horizon is a significant task for personal development. We measure our leadership quality by this standard.

We pave the way for communication, innovation, creativity and change. Credible contributions to sustainability and climate protection are essential, as is a collaborative use of automation and digitalisation. This enables us to design the organisation and processes so that at any time, all of us are prepared for progress, change and growth.

THESE ARE THE GROWTH MARKETS WE TARGET

The transformation of the working world, the new structure of urban areas, the altered demographics and increasing digitalisation have fundamentally changed several of our previous fields of activity. Certain traditional areas of responsibility have become less significant, whilst others have rapidly gained importance. The shift in transportation in industrialised nations, digitalisation in administration and production, as well as the reorganisation in the design and use of real estate, lead to sustained growth in our core business. Here, we aim to support our existing customers in their changes and advancements while acquiring new customers with our extensive knowledge.

Our task lies in alleviating our customers in their core businesses. For this purpose, we deliver integrated FM from a one-stop-shop, encompassing all necessary expertise. This does not only involve personnel, but also seeking opportunities in increasingly complex and labor-intensive laws and regulations. The tasks arising from taxonomy, for instance, will be addressed more and more by companies with the support of proficient and expert service providers, offering substantial contributions to the ecological balance and accountability.

WHAT FORM OF GROWTH SUITS US?

Our quality standards demand structural and organic growth. We follow market developments where we and our customers operate. As trailblazers, we expand our capabilities in line with our customers' needs, refraining from solely acquisition-oriented approaches. An enduring driver of our growth strategy is the applied intelligence within our organisation. We can utilise economies of scale to benefit our own profitability as well as that of our customers. The deeper our knowledge, the better we are equipped to conceptualise, plan and execute holistic solutions for our clients. These solutions sustainably contribute to our growth.

HOW DO WE ASSESS OPPORTUNITIES FROM ACQUISITIONS?

Both the form and content of our services are the result of continuous change and innovation. We aim to actively shape what leads our customers and our own market into the future. Mere adaptation would render us interchangeable and diminish the partnership aspect of our work. That is why we focus on acquisition. Wherever we can build on existing experiences and connect to successful collaborations, we take deliberate steps to expand our spectrum. An example of this is the highly demanding field of aviation security, which extends far beyond the usual levels of our industry in security and individual qualification. Similar potential exists in comparable fields such as operating critical infrastructure or data centers.

We are open and creative in dealing with new ideas and complementary concepts. We highly focus on start-ups whose ideas and capabilities broaden our horizons and strengthen our service portfolio. Beta versions, for example, do not deter us; they make us curious and prompt us to think. The same goes for niche products, often enriching or complementing existing concepts. Especially concerning our company's future viability, we have always seen our stance in this regard confirmed.

WHY DO WE WANT TO BE COMPANIONS?

More than ever, international business relationships are in flux. Further internationalisation competes with a strong counter-movement against globalisation and foreseeable extended protectionism. Our customers and the industries and regions we have defined as core markets are directly affected by this. The high volatility of developments and the significantly increased number of foreseeable and unexpected influencing factors, therefore, require adaptability. Here, we move at the same pace and with the same stride as the market. We embrace ongoing change - be it due to the required raw materials, options for energy sourcing or generation, regulatory restrictions, or political influence - as fuel for innovation, a driver for progress and a vehicle for new services. Consequently, we accompany listed customers as well as high-performing medium-sized companies to new production sites and markets.

EVALUATING OUR COMPETITIVE SITUATION

We are a large medium-sized company in a market dominated by a few very large multi-service providers. The majority of market participants are SMEs with a strongly segmented offering. In this context, we recognise the limits of what is achievable and simultaneously see the opportunity to position ourselves as a complete service provider for customers who appreciate the values and structures of family-owned companies. We strive to consciously bring our strengths into play as a family business in this environment. Our intensive and direct communication within a very flat hierarchy significantly contributes to this. We have proven our flexibility and responsiveness as a reliable partner for our customers in past crises. We aim to ensure this for the future as well.

The personal trust in individual skills and dedication, directed towards the people involved, is an integral part of the family name under which we operate. Furthermore, independence from external shareholders gives us the flexibility to act according to the needs of our customers. In a highly volatile market environment, we see this as a positive factor in terms of stability and sustainability. The family's lived responsibility is an impulse for all employees in their perception and practice of "entrepreneurship" , "trust" and "leadership." Based on this, understanding and willingness to address the entrepreneurial goals of our customers thrive, along with the ability to find and develop solutions. These qualities, aligned with the model of the "honorable merchant," form the pillars of our competitiveness.

LEVERAGING THESE STRENGTHS

Flat hierarchies within our group, along with the direct connections between different operational and organisational areas, accelerate knowledge transfer at all levels. A well-thought-out digital system for process control, data provision and analysis substantially supports this principle. Transparency is the central element of our actions. This is true in the relationship between leaders and employees, as well as in our interactions with customers. This approach makes our unwavering commitment to compliance credible but also creates the conditions for necessary and desired changes between contract periods. Crucial to our performance is how we make our customers successful by optimally accessing and applying our knowledge and skills at all times.

In a classic "people's business", individual competencies play a central role. We actively foster these through a comprehensive qualification and training program. This also supports our extensive activities for inclusion and integration. Motivated teams, convinced of the value of their work, are the daily ambassadors of our service quality deeply embedded in our customers' structures. Through our "Sasse Service Excellence" concept, we empower the entire organisation to confidently and efficiently provide services that go the extra mile, tailored to the customer's needs. We are vigilant and close to the lives of people in the properties entrusted to us. We combine the strengths of responsible leadership with a distinctly decentralised work structure. Thus, we make a compelling contribution to the independent "well-being in the workplace" at each location or property. This positively impacts employer attractiveness, a sense of security and the productivity of our customers. Much of this work happens behind the scenes, yet it significantly contributes to the general, often taken-for-granted, appreciation. The spectrum ranges from reliably and adequately operating building systems to dialogue-oriented care for third parties.

WE'RE A ONE STOP SHOP

The pronounced individuality of our clients is reflected in their often highly diverse workloads. Accordingly, our service depth is equally pronounced. Knowing what is important is the key factor for consistently high-quality levels. We must and want to employ our expertise in a way that benefits our clients and the people associated with them. We have managed to make a name for us at this level. We're a one stop shop for our clients. Therefore, we are respected as a value-added partner who takes care of the well-being of our customers.

THE ROLE OF TECHNOLOGY

Many of the companies whose success we contribute to are deeply involved in the world of high-tech and future technologies. Their thinking and actions inspire us to deal openly with technological progress. However, we see ourselves as self-critical guides. In adopting proven and verified tools, we see an honest chance to optimally support both our work and the demands of our customers. By avoiding the experimental role of the "first user," we engage in active risk management. Simultaneously, we give new technologies a genuine and open opportunity during ongoing operations. We work closely with our customers and suppliers. From the exchange of experiences aimed at achieving goals and quality, we contribute to continuous improvement in manufacturing and application. This partnership role significantly contributes to the sustainability and performance of our business relationships. Where we real time data into our processes through state-of-the-art technology, both we and our customers gain transparency, precision, and efficiency. The specific analysis of data we gather from regular operations allows us - on behalf of our customers - to provide substantial information leading to improved resource consumption performance and increased investment security. As a result of this strategy, we provide and utilise an intelligent app for managing, verifying, and documenting values.

A significant part of our procedural progress involves process automation and robotics. Here, we see both a contribution to permanent quality improvement and security against skills shortages. Jobs equipped with high-tech tools are attractive and provide employees with more room to contribute their expertise and take responsibility. In particular, the use of intelligent sensors enables us to improve processes and supports the flexibility of our operations. We will continue to intensively test the opportunities available and integrate them into our structures and processes as appropriate. Our particular focus is on the challenges arising from a responsible handling of data and its protection. Simultaneously, we actively work on harmonising the impact and effects of digital change in collaboration with social partners.

WE ARE A FAMILY-RUN COMPANY

The decisions and responsibility for everything Sasse Group does lie with the family. With their name, they stand for the dedication, value and the willingness to engage in dialogue for every individual task. Simultaneously, they provide a strong foundation for financial security and stability in the company, even in times of crisis.

Therefore, the profitability of our work is an essential part of our understanding of sustainability. With sufficient internal resources, we can both withstand temporary market disruptions and undertake necessary steps into the future. The extensive digitalisation of our organisation was thus quickly, promptly and uncompromisingly implemented. With a decent margin, we create a foundation for secure and adequately remunerated jobs. Simultaneously, we strengthen our capital to be prepared for impending change and to support our customers in moving to new markets without hesitation.

With the transition from the first to the second generation in company management, we've proven that in Sasse Group, "FM" stands for both Facilities Management and Family Motion. The connection between well-trained successors and access to the founder's experience, now in the role of a supervisory board member, continues the evolution from the family. The continuity essential in our "people business" is ensured long-term by a family member. The responsibility, competence, and developmental enthusiasm of a strong management guarantee the company's well-being. Integrating an experienced, longtime executive into the board reflects the understanding of "family" that characterises our company.

INTERNAL CONTROL SYSTEM

Our corporate strategy operates within an open market while simultaneously adhering to self-defined coordinates. We pay close attention to our own actions, yet also continuously consider external influences. Therefore, we rely on an internal control system that serves the implementation of the corporate strategy and long-term financial goals alike. Our control metrics make profitable growth, efficient capital deployment, and climate objectives measurable.

Given that our industry and customers demand swift and flexible adaptation, we consistently operate in the tension between growth and investments, liquidity and profitability. Every thought, every goal of our strategy depends on our ability to finance them confidently and soundly. By wisely utilising our financial resources, we have the power to be efficient. The foundation of our financial strategy is a well-thought-out and consistent controlling system. Continuous examination of our performance metrics, measured against key indicators, assists us in implementing timely corrections or precisely developing initiated measures. The combination of long-term planning, quarterly forecasts and monthly reports on the one hand, and short-term information from daily operations on the other, provides the controlling system with reliable information on which managers can base their actions. Digital tools play a crucial role in enabling us to make decisions without delay. The instruments of the internal control system are indispensable for our ability to practice corporate governance and compliance.

CONTROL INDICATORS

To assess how successfully Sasse Group is implementing its strategy, we evaluate three key control indicators:

- Branch or division results,
- Free cash flow from continuing activities
- Return on capital employed (RoCE).

The branch/division results indicate whether we are succeeding in shaping the operational business successfully. It serves as the basis for continuing or changing a chosen course – and is essential for a dynamic culture of learning from mistakes. It allows for an immediate comparison of how consistently we are implementing our strategy. Leaders in charge receive reliable decision-making foundations for their division.

The branch/division results are calculated as follows:

Branch/ division result (EBIT)
+/- Extraordinary expenses and income
+ Acquisition-related depreciations and other expenses
+/- Equity investment results
= Operating branch/division result

For efficiency and performance in ongoing operations, it is crucial that sufficient funds flow from our own business to finance investments. This is where the Free Cash Flow comes into play, ensuring constant availability of financial flexibility. This applies to current needs as well as the proactive development of future capabilities. The internal control system provides us with information on how we can and must act sustainably in terms of performance, competitiveness, and efficiency.

The Free Cash Flow is calculated as follows:

Cash flow from operating activities incl. interest and investment income
+/- Cashflow from investing activities
= Free Cash Flow

Preservation and appreciation of the value of our assets constitute a commitment to the customers of our services. We operate in our own interest in the same manner. Our tool for this purpose is the "Return on Capital Employed (RoCE)." It indicates how effectively we utilise our resources and the means at our disposal to ensure profitability for today and tomorrow. In other words, it secures the leeway we have for our own asset preservation and value appreciation.

The Return on Capital Employed is calculated as follows:

$$\frac{\text{EBIT}}{\text{Invested capital}} = \text{RoCE}$$

Operating and financial fixed assets
+ Inventories
+ Receivables
+ Other assets
- Short-term liabilities
= Invested capital

SUPPLEMENTARY PERFORMANCE INDICATORS

In addition to our key performance indicators, we measure the following supplementary performance indicators. Through growth and profitability metrics, we analyse operational profitability in detail. This includes a focus on the results and cost blocks preceding the operating income, namely personnel expenses, material expenses, other operating expenses, and their relation to revenues. These metrics are analysed at both the corporate and operational levels.

"Contract Maturity" is a further crucial indicator. This refers to our secured contracts for 1 to 5 years.

Liquidity planning ensures an adequate provision of liquid assets and optimisation of the capital structure. Liquidity is managed at both branch and corporate levels to maintain the desired capital structure.

NON-FINANCIAL INDICATORS

Non-financial indicators include ESG metrics such as CO2 neutrality and diversity. Sasse Group has committed to achieving carbon neutrality by 2035. We aim too accomplish this for Scope 1 and 2 by 2030.