

PROACTIVE FROM WITHIN

ANNUAL REPORT 2025

We engineer and manufacture complex metal parts and systems with a climate-friendly lightweight construction.

Thanks to our powertrain agnostic and sustainable business model, we are a preferred partner of the global mobility industry. We are able to devote all our resources to shaping the future.

At a glance – facts and figures

Key performance indicators of the PWO Group

		Forecast for 2026	Actual results in 2025
Revenue	EUR million	About 500	524.7
EBIT before currency effects	EUR million	13 – 17	26.1
Capital expenditure	EUR million	About 40	41.3
Free cash flow after interest paid and received and after taxes paid	EUR million	Positive in the single-digit EURm range	9.9
Equity ratio	%	About 37	37.5
Net leverage ratio	Years	About 2.5 years	1.8
Lifetime volume of new business	EUR million	550 – 600	About 760
Scope 1 & 2 greenhouse gas emissions	t	About 6,000	5,088
Training rate for e-learning courses	%	100	100
Supplier audits	%	100	100
Work accidents	LTIR	0	6.53

10-year history of earnings and dividend per share



● Earnings per share (EUR) ● Dividend per share (EUR)

¹ 2018: Dividend of EUR 1.10 and also an anniversary dividend of EUR 0.25 per share.

² 2025: Proposed dividend.

Revenue 2025

524.7
EUR million

EBIT before currency effects 2025

26.1
EUR million

Employees worldwide as of Dec. 31, 2025

3,262

PROACTIVE FROM WITHIN



Content Magazine

With our new product ideas, we are driving the green shift in transportation **from within**. In these uncertain times, we act on our own initiative, even beyond customer orders. **We act, we don't react.** On a global scale. This allowed us to make significant progress also in 2025.

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People. Planet. Progress.

Shaping the future at the limits of technical feasibility



We shape the future of mobility through our extensive technical skills, in-depth knowledge of materials, and modern joining methods.



Nicolai Schindler

Business Line

Motor housings & Airbags

Pre-development

Methods/Concepts/Simulation

Tool Cost Calculator

Scalability and flexibility

— We are large enough to successfully implement complex projects on a global scale, yet lean enough to respond flexibly to individual customer needs at any time. With our 11 sites across 3 continents, we help our customers to implement their global platform strategies efficiently and consistently. Our flat hierarchies, short decision channels and strong entrepreneurial spirit ensure we are always available and solution-oriented, always prioritizing long-term success.

Expertise and new ideas

— Our skill in metal forming rests on decades of work, clear expertise and a strong grasp of the needs of the mobility industry. New ideas are at our core, driving us to push boundaries. We plan 1 step ahead in metal forming. The outcome: tailored solutions that exceed expectations and pave the way for the future of mobility.

It all starts with sheet steel.

We process over 120k tons of steel and more than 5k tons of aluminum

into new parts and systems – all with precision, efficiency and with the highest quality standards.

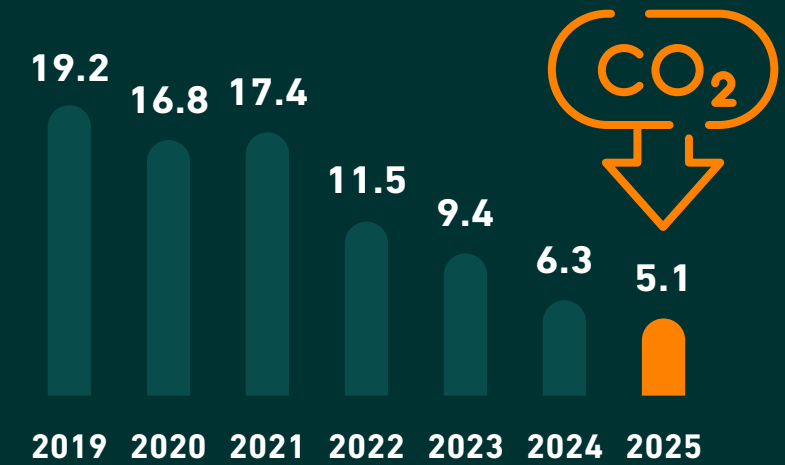
Collaboration and digitalization

As a development partner to our customers, we approach innovation with passion, precision and vision. We use 3 parameters to design our solutions: the necessary functions of a part, its target weight and the available space. By using virtual production models, extensive simulations and flexible prototype production, we shorten development cycles and bring new ideas to market faster. Close and timely collaboration with our customers enables us to develop solutions that meet needs and set new standards.

Sustainability and regionality

We always recognize the protection of our planet's resources when creating new lightweight concepts, integrating digital shop floor processing and implementing innovative strategies. Our strong local connections at all our sites keep us close to the people and areas that matter to us. With our "local-for-local" approach, we manage the entire value chain – from procurement to sales – efficiently and carefully on site. This means shorter distances, lower emissions, greater flexibility and the best possible resilience for the Group, as well as clear added value for our customers worldwide.

We want to reach net zero Scope 1, 2 & 3 emissions by 2045



Our Scope 1 & 2 CO₂ emissions in 1,000t



IloT as a global driver of transformation – PWO's path to fully networked production

Milan Vucetic, where does PWO stand today in terms of IloT networking?

PWO has made great strides toward networked production in recent years. Today, we digitally link the most important systems at our global sites, which send structured, real-time data. By the end of 2026 this system will cover almost all relevant machine types.

We are also increasingly integrating data from nearby systems – this includes, for example, data from production planning, material control and production preparation. This creates more clarity, which helps us manage processes in an even more active and stable way.

What is particularly important to me is the joint effort: more than 50 team members worldwide are actively working on architecture, application scenarios and global scaling. IloT is a true team effort – and that is exactly what makes our development so dynamic.

What exactly is your team currently working on? What digital production approaches are you jointly promoting?

The team is currently working on several key projects that will help us improve the quality, efficiency and transparency of our production processes. One area of focus is prescient quality control: by analyzing process and image data, we build models that detect possible deviations early on. This reduces waste, stabilizes processes and enables on-site teams to respond quickly.

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Dr. Milan Vucetic
Vice President Group IT,
Advance Development
& Corporate Ventures



Another area of focus is improving our press lines. By smartly linking machine data, tool states and energy use, we gain useful insights into how to cut downtime and increase total revenue.

In addition, we are constantly working to predict tool and plant conditions, clarify energy use and establish comparable performance indicators across sites. These efforts are creating an increasingly interconnected production ecosystem that meaningfully combines data from different areas.

How is PWO organized to advance IIoT worldwide?

We follow a platform-based approach that establishes clear responsibilities and accelerates progress. The tech team builds the architecture in Advance Development, while local IIoT teams at all plants implement the solutions in their daily work. Common rules for data quality, security and software ensure consistent practices worldwide.

IT is also key. With stable and specially secured plant networks, it provides the basis for machines and systems to effectively communicate with each other. The link of IT and production is becoming increasingly important in industry – especially in the mobility sector – and we set the right course early on.

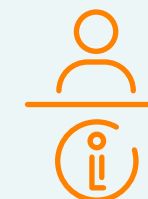
What strategic role does IIoT play for PWO – and how will things develop in the coming years?

For us, IIoT is more than a mere technical project. It is a core skill that is changing the world of production forever, and thus forms the backbone of our Industry 4.0 strategy.

It creates clarity, improves decision-making and speeds up our response to ever-changing requirements. This makes our plants more efficient, stable and flexible.

This is especially evident in 3 areas: we enhance process stability through data-driven decisions, improve quality with AI-powered models and bolster sustainability by optimizing energy and resource usage.

In the coming years, we will continue to expand our network of plants, enhance existing digital apps and gradually extend integration into related areas such as planning, logistics and the supply chain. This will allow us to develop a production landscape that is not only efficient but also remains customer-oriented and adaptable – and thus optimally prepared for the changing requirements of the mobility industry. ■■■



What does “IIoT” actually mean?

The **Industrial Internet of Things (IIoT)** refers to the digital networking of machines, systems and processes in industry. Sensors continuously collect data – for example, on quality, utilization and energy consumption – and make it available in real time.

anticipate next steps, identify faults and pinpoint areas for improvement early on.

In short, IIoT links the physical world of machines with the digital world of data, setting the foundation for modern, flexible and smart factories.

This data helps companies operate more efficiently and consistently in a leaner manner. Staff can thus

Our tech highlights

Acoustic management → p. 11

As the number of electric cars grows, the noise of combustion engines is becoming a thing of the past. This quiet revolution now requires the effective minimization of noise in the vehicle interior – from air conditioning systems to electric motors that control comfort features such as seat and steering wheel adjustments, to systems that power key driver assistance systems.

Thermal management → p. 14

Software controls an increasing number of vehicle functions. Previously distributed across numerous control units, they are now combined in central control units. These require far greater computing power and therefore generate significantly more heat that needs to be dissipated. Effective thermal management for modern vehicle architectures is therefore becoming increasingly important.

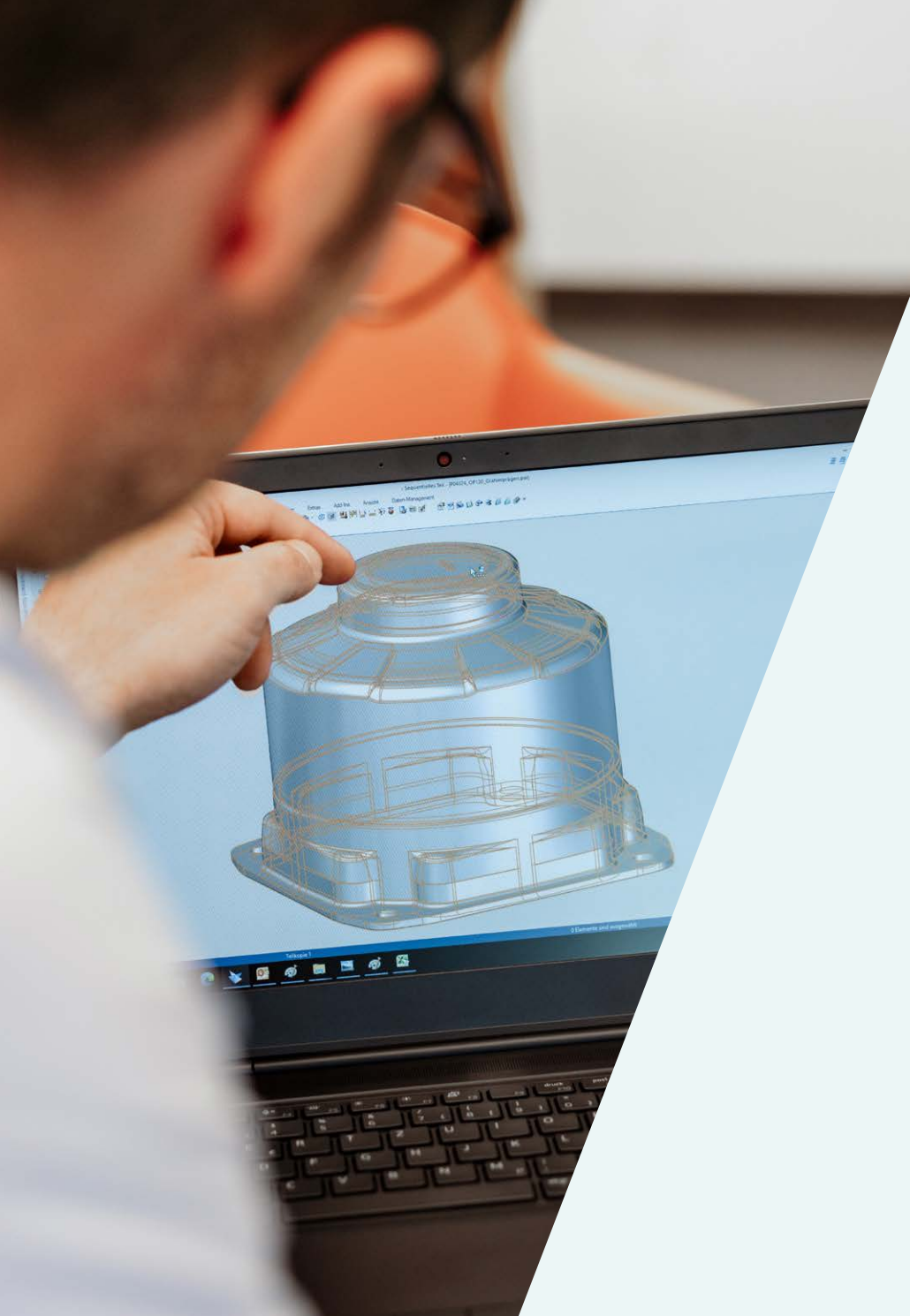
Lightweight design → p. 18

Lightweight design is driving progress in the mobility industry. The aim is to cut car mass – reducing the use of combustion engines and increasing the range of electric cars. With extensive knowledge of materials and forming processes, as well as a comprehensive design perspective, the ideal balance of safety, comfort, mass, cost and green attributes can be achieved.

Quieter driving, more precise manufacturing: How we are redefining acoustics and quality in electric mobility

The passenger area of modern electric vehicles is much quieter than that of comparable combustion engine vehicles. However, this also means that noises previously drowned out by the engine suddenly become a comfort issue. With our new solutions, we ensure the best possible noise reduction in the interior.





Quiet electric mobility reveals sources of acoustic disturbance

It's clear why this topic is gaining newfound relevance: in classic vehicles with combustion engines, engine noise is the main sound people hear. Electric vehicles, on the other hand, are much quieter. This means that whirring seat adjustments, high-pitched whistling from steering actuators, and humming from vacuum pumps can suddenly be heard very clearly.

Additionally, the number and range of small motors in modern vehicles is constantly increasing due to advancements in driver assistance systems and self-driving functions. These motors are not only installed in the interior, but also on the bulkhead and bodywork, meaning that they can be heard inside the vehicle.

Natural frequencies: The key to acoustic optimization

Our solutions adhere to a fundamental sound principle: each part has its own resonant frequency. We design advanced housing shapes that alter the natural frequency of the rotor housing, ensuring it remains outside the engine's operating range. This reduces noise by 30 – 50% – without the need for other costly active solutions such as adaptive noise cancellation.

Silence begins with structure



For effective sound control, we rely on innovative structure design and optimal material choice. This allows us to reduce noise in the passenger area, eliminate vibration transfer and provide fine-tuned sound quality inside the vehicle.

Double-walled housings: Innovation through forming tech

— We have designed a tech solution based on a double-walled housing. The idea is simple: instead of a single, thick sheet metal housing, two thin steel sheets are placed on top of each other and formed together.

The air gap between the 2 sheets acts as an acoustic insulator. The sheets touch each other at some points, and can also move independently, providing additional energy damping. Of course all size and functional requirements for the components are met.

Another advantage: The double-wall design allows for magnetically optimal wall thickness that does not interfere with the magnetic flux through the rotor and stator housing.

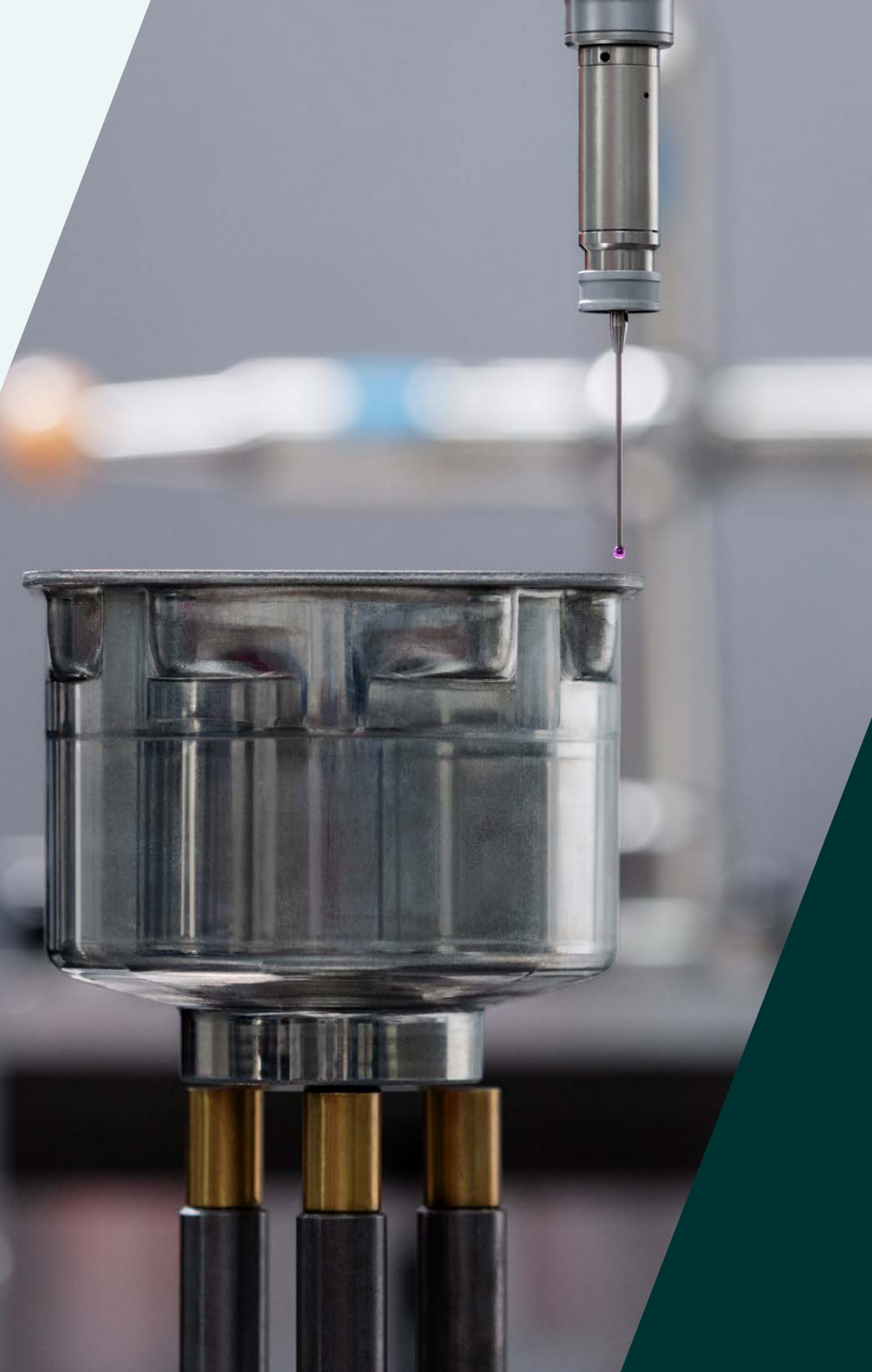
Precision as a side effect: Tolerances in the micrometer range

— The need for precision manufacturing in this field is often underestimated. Rotor cases typically have 3 critical diameters: an upper diameter for the main bearing seat,

a middle diameter for the rotor or stator seat (with direct magnetic flux effect) and a lower diameter for the counter bearing. These diameters must align with each other on 1 axis (coaxial) with very tight tolerances – in the range of 30 – 40 µm.

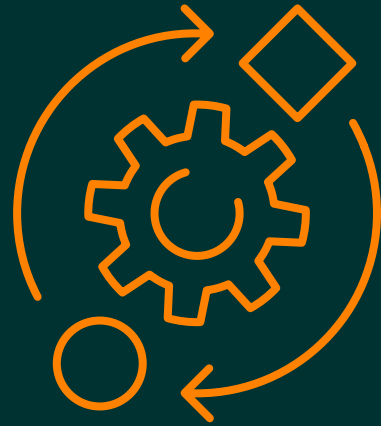
This level of accuracy is also essential for sound. Even minor coax errors can cause imbalance in the running motor, resulting in noise, vibration and reduced application efficiency.

We use modern coordinate measuring machines to measure these parts with an accuracy of 1.7 – 3 µm. We use digital measuring methods. Instead of single points, we record up to 3,000 points per housing, allowing us to perform precise 3D shape checks. This ensures that the requirements are not only met mathematically, but also functionally – i.e., during later assembly at the customer's site. — — —



Well-tempered on the road: How we ensure efficient thermal management of control units

Just a light push on the accelerator pedal and the modern electric car glides forward with power. The fine mix of complex parts that make up modern electromobility is fascinating. Without well-tempered power electronics, nothing works. To ensure that they always run within the right temperature range, we have developed smart solutions for housing cooling.



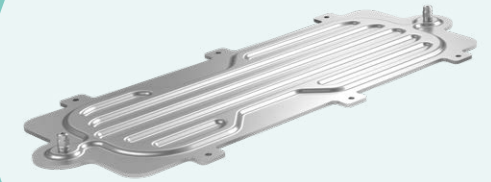
Key tech for future mobility: Thermal management

It's not just electric mobility; the growing digitalization of vehicle platforms also poses new challenges for vehicle developers. Electronic control units, used for safety and comfort functions, are becoming more and more powerful, compact and numerous. High-priced premium vehicles contain up to 150 of these units. With installation spaces becoming ever-smaller, there is a growing need for new thermal management solutions to reliably prevent overheating, performance loss and failure. Going forward, the trend will shift toward central control units with particularly high computing power. These units generate significantly more heat than their predecessors. Classic cooling concepts – such as die-cast housings – quickly reach their limits when it comes to precise tolerances, high integration density and cost-effectiveness for large quantities.

From prototype to series production: We leverage the benefits of forming technology

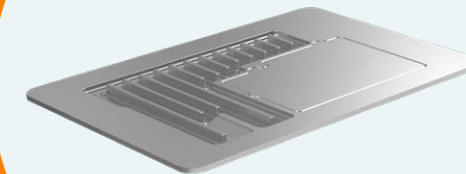
At PWO AG we use advanced stamping and forming technology that not only enables the mass production of complex aluminum cooling structures but also offers numerous functional advantages. Cooling fins are formed in a single operation with pressing forces of up to 1,300 tons. In addition, this technology allows for particularly tight tolerances, which are essential for the safe assembly of printed circuit boards and other sensitive components. We have a comprehensive process monitoring system in place for this purpose. Critical dimensions are automatically checked in the press tool, thus ensuring consistently high quality.

PWO's thermal management solutions



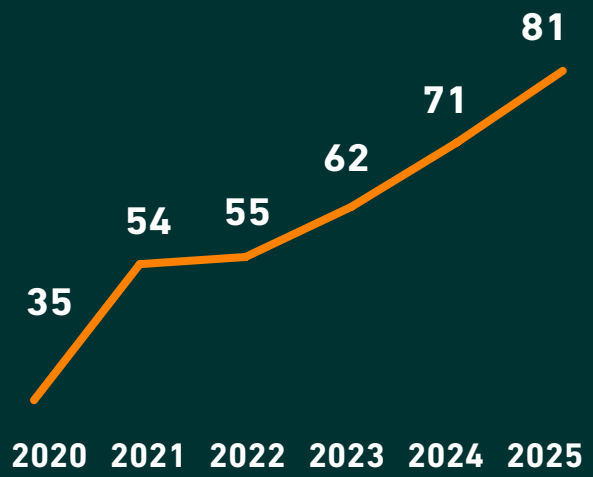
Active thermal management

Our precisely manufactured components feature channeled cooling structures that facilitate efficient heat dissipation. These structures ensure stable operating temperatures, reduce thermal stress and improve the reliability of high-performance systems.



Passive thermal management

Our thermally conductive precision components optimize heat transfer. Careful material selection and a functional structural design with cooling fins ensure even temperature distribution, reduced hot spots and high system stability for continuous-duty applications.



Our EcoVadis scorecard



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Our score \geq 97%
of all companies
assessed by EcoVadis

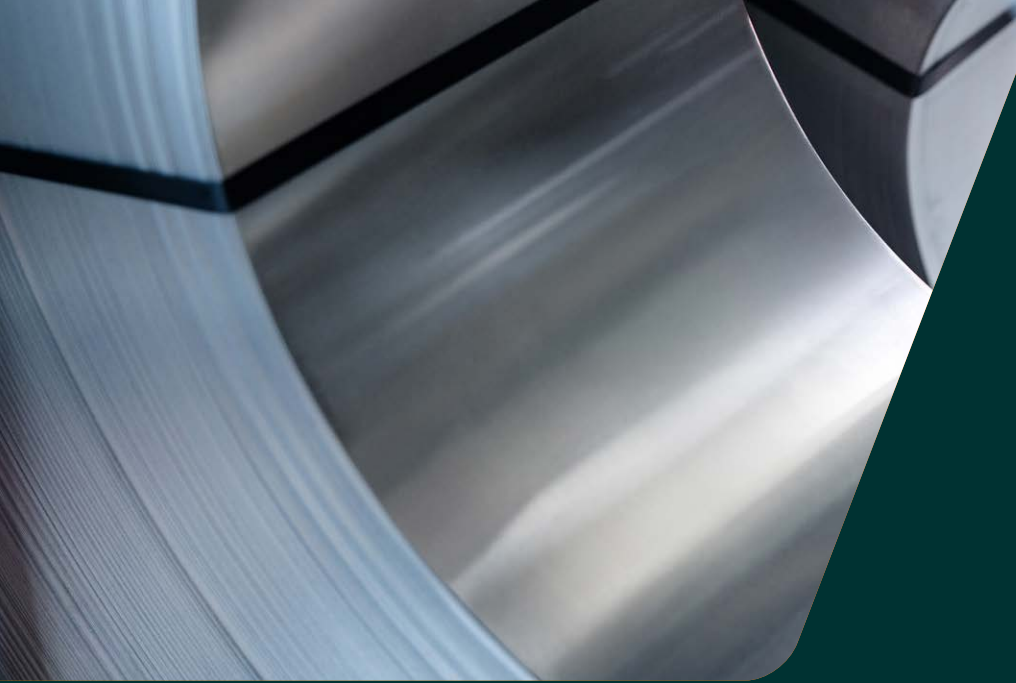
Practical example: Cooling fins for central control units

— A current example of effective thermal management is a cover with built-in cooling fins for the central control unit of modern electric vehicles. Result: Molded fins remove heat without the need for additional assembly or machining steps. The process involves mounting bolts in one step and cleaning the part in-house in a second step. This is vital for achieving the necessary particle cleanliness for sensitive electronics.

Focus on sustainability and cost-effectiveness

— Ecological and economic factors are also key. Compared with traditional die casting, forming uses fewer resources, reduces material usage, eliminates energy-intensive finishing processes, and is compatible with recyclable metals such as steel and aluminum. We help our customers to achieve not only their technical but also their environmental targets. ■■■





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Steel wins in lightweight design: Why we trust steel and how it fuels our success

In the race for lightweight automotive construction, materials such as aluminum, magnesium and fiber-reinforced plastics have been in the spotlight for years. Ultimately, however, it is often a classic material that comes out on top: steel.



Steel offers the best mix: lightweight, inexpensive and environmentally friendly.

Holistic lightweight design: Weight reduction is just the beginning

Lightweight design has long been more than just a buzzword in the automotive industry. Manufacturers and suppliers are tasked with making cars lighter without compromising safety, comfort, cost or environmental targets. The mix of requirements is especially tricky for key components like the dash frame for which crash safety, NVH (noise, vibration, harshness) sources, weight, cost and environmental targets all need to be considered.

**Steel over other materials:
A conscious choice**

— We choose steel over seemingly lighter metals such as magnesium. “Light does not always mean stable” is our philosophy. Although light metals often have an advantage on paper, in practice they often require larger cross-sections to achieve the necessary stiffness and crash resistance, which almost fully negates the weight advantage. Steel is highly rated for its superior strength in compact spaces, flexibility in design and reliable availability worldwide – a key advantage for production spanning different locations.

Steel is also strong in terms of cost. The mix of modern high-strength grades and new forming technology now allows us to produce parts that weigh as little as classic lightweight materials – at a much lower cost. This makes steel our clear choice when we seek the best mix of lightweight, low cost and green properties.

Weight is key to efficiency



Our lightweight metal parts combine high rigidity with reduced weight through improvements in design and material use. They help lower vehicle mass, enhance energy efficiency and support the performance of next generation transportation.



Precision and efficiency in forming at the limits of technical feasibility

— The key to the competitiveness of our solutions is our high level of expertise in forming and joining technologies. We have mastered high-precision forming technologies that allow us to economically and reliably produce even the most demanding geometries and filigree structures. With the best tools and manufacturing processes, we can leverage the full potential of new steel grades and produce parts that meet the highest requirements not only in terms of weight, but also in terms of strength and application. With this technical expertise, we can match other light metals in terms of lightweight construction – without sacrificing the advantages of steel.

Recyclability is another key factor in green lightweight design

— One key benefit of steel is its nearly limitless global supply for recycling. Steel can be recycled repeatedly at low cost with minimal loss of quality, with a recycling rate of over 90%. Both we and our customers benefit from a closed-loop system that reduces the carbon footprint and ensures the safe, green flow of materials. This also allows us to move plants closer to customer sites, reducing travel distance and the emissions this generates. — — —



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What I particularly appreciate about my work in Human Resources at PWO Serbia is being close to the employees here, and experiencing the energy and development of a growing location.

A key highlight for me is building a strong local network and helping skilled individuals find opportunities and good prospects at our site – always in close dialog and collaboration with our team members from across the Group.”

Marija Minović

PWO SEE, HR Generalist

PROACTIVE FROM WITHIN



Content Financial report

Our innovative strength arises from our approach, which merges leadership and accountability. We develop solutions that accelerate change, driven by our motivation and global mindset, as well as our deep understanding of the interaction between technology and sustainability. We anticipate trends, shape the future of the mobility and drive progress. This is how we are laying the foundation for our continued international expansion, both today and in the future.

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LETTER FROM THE EXECUTIVE BOARD



Jochen Lischer
CFO

Carlo Lazzarini
Chairman/CEO

Dear Shareholders,

PROACTIVE FROM WITHIN – the motto of this year’s annual report sums up what shaped our Company in 2025: the resolve to drive change based on our own vision. In an environment increasingly dominated by geopolitical tensions and structural change, our commitment to shaping the future is becoming ever more important.

The Group’s strength comes from within: the skill and drive of our team, the clarity of our plan, and the steady improvement of our solutions and processes. By combining innovation, global reach and sustainability, we have once again provided significant impetus for the mobility of the future.

We are pleased to report that we have met the original forecasts we set at the start of the 2025 fiscal year. This success is particularly evident in 2 key figures:

Of the EUR 30m decline in revenue in 2025 compared to the previous year, EUR 18m was attributable to exchange rate and material price effects. Excluding these factors, revenue in 2025 declined by only EUR 12m or 2%, compared to 2024. Series start-ups and ramp-ups from strong new business in earlier years thus almost fully offset the current weakness, especially in the German automotive industry. Thus, PWO’s performance stays largely independent of short-term market swings.

This is set to remain the case in the future. That is why, in 2025, we once again did everything in our power to exceed our new business plans, and this proved successful. At around EUR 760m, the volume was well above the target range of EUR 500 – 600 million. On this basis, we will continue to pursue the international expansion of the PWO Group.

Our culture of innovation is now delivering clear benefits. By consciously diversifying our customer list and continuously expanding our range of solutions in recent years, we have become more agile and stronger than ever before. Our leading-edge solutions at the limits of technical feasibility give us a clear competitive edge on the market place. This not only helps us secure contracts for the extension of existing series productions, but also allows us to regularly increase PWO’s share of the supply. At the same time, our own solutions for new applications, for example in the passive and active cooling of metal parts, are attracting attention.

We are also deliberately expanding our network of sites. In summer 2025 we opened our new engineering and production site in Serbia, with production beginning on schedule at the end of the year. In addition, with our new U.S. site – the 11th in the

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Group – we have established a significant presence in another core market.

All these steps require capital expenditure, carefully accompanied by strict cost control and steady balance sheet management. As a result, we maintain a robust balance sheet and again generated positive free cash flow in 2025.

Our non-financial goals are equally as important as strong financial performance. Our ongoing decarbonization strategy deserves special mention here. In 2025, we once again exceeded our targets for reducing Scope 1 & 2 greenhouse gas emissions by a significant margin.

We thus remain fully focused on the future. Our international locations will be the drivers of expansion. Unfortunately, the German production site in Oberkirch is increasingly affected by Germany’s lack of competitiveness as an industrial hub. This is now having a visible impact: substantial job losses were recorded in German industry in 2025 – a consequence of the persistently difficult conditions that are forcing a high number of companies to relocate production abroad.

This will lead to further declines in output and revenue at the Oberkirch site in 2026 and will weigh on the Group’s revenue and EBIT before currency effects. Against this backdrop, the conclusion of a works deal with the Oberkirch works council in January 2026 to secure jobs was an important step. The temporary cut in working hours and pay agreed in 2026 will prevent layoffs for operational reasons this year, in the hope of radical reforms and, as a result, an early economic recovery in Germany.

We recognize the difficulties this brings for our staff in Oberkirch. Their efforts to offset the effects of political and structural failures in Germany are commendable. We thank them, as well as all staff at our global sites, who work hard to further strengthen the Group’s market position in their areas.

We also thank you, our shareholders, for your trust in us. Our goal remains to build long-term value for you in the long term and to allow you to share in the Group’s success on a regular basis.

The 2025 fiscal year was a good one, despite the difficult situation for Germany as an industrial location. The Executive Board and Supervisory Board therefore propose to the 2026 Annual General Meeting that the Company distribute a dividend of EUR 1.65 per share (p/y: EUR 1.75). This reflects both the expected earnings in 2026 and the capital required for future growth.

Carlo Lazzarini
Chairman/CEO

Jochen Lischer
CFO

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REPORT OF THE SUPERVISORY BOARD

The Supervisory Board of PWO AG (hereinafter also referred to as the “Company”) performed the duties incumbent upon it under the law, the Company’s Articles of Association and its Rules of Procedure during the 2025 fiscal year. To this end, the Supervisory Board and the Executive Board maintained continuous cooperation and close dialog. The Supervisory Board advised the Executive Board on a regular basis and monitored the legality, appropriateness and economic efficiency of the Company’s management.

The Supervisory Board and the Executive Board discussed all material issues regarding the strategic development of the Company and the Group (hereinafter also referred to as the “Group” or “PWO Group”) and coordinated these closely with one another. In particular, the Supervisory Board was always directly involved in Executive Board decisions of fundamental importance to the Company or the PWO Group.

Based on detailed written and verbal reports from the Executive Board, the Supervisory Board received prompt and comprehensive information about all material issues concerning the markets relevant to the Company and the Group, the current course of business and the net assets, financial position and results of operations of the Company and the Group, including sustainability topics.

The ongoing crises since the COVID-19 pandemic have placed a heavy strain on society, politics and businesses in Germany and Europe. Unlike many other countries, Germany has so far been unable to return to a growth trajectory. In 2025, price-adjusted gross domestic product was merely at the 2019 level.

In addition to structurally high energy prices, bureaucratic costs and a tax burden that is high by international standards, the increasing fragmentation of global trade resulting from changes in U.S. trade policy emerged as a further burden in 2025. This

had a noticeable impact on the export-oriented German economy – and thus, in particular, on the automotive industry. As a result, the long-forecast job cuts began in earnest last year.

In this environment, the PWO Group once again consistently focused on its strategic strengths. With our powertrain agnostic and sustainable business model, strong innovative capabilities and global presence, we are a sought-after partner in the international mobility industry.

This forms the basis for the Group’s international expansion, which was once again reflected in new business that exceeded projections during the reporting year. In doing so, we have once again succeeded in expanding our international customer portfolio. We are also pleased with the successful launch of the new engineering and production site in Serbia, as well as the opening of a location in the USA.

At the same time, we are working tirelessly to strengthen the competitiveness of our German location despite the challenging conditions. However, the ongoing shift of automotive production to countries with more competitive conditions will continue to lead to noticeable declines in production and revenue in Germany in 2026.

Against this backdrop, the conclusion of a works agreement with the works council in Oberkirch in January 2026 was of central importance. The temporary reduction in working hours and pay in 2026 is intended to help avoid redundancies for operational reasons during this period – in the hope of an early improvement in the economic conditions in Germany.

Against the backdrop of geostrategic challenges and the particular pressures facing the German location, the Supervisory Board examined the PWO Group’s current short- and long-term corporate strategy and planning, as well as the planned development projects, capital expenditure and financing strategy, in particular detail and discussed them with the Executive Board.



Karl M. Schmidhuber
Chairman of the Supervisory Board

Also, in 2025 the Executive Board provided timely and comprehensive information on current developments relevant to the course of business. The Executive Board explained potential deviations from targets and presented appropriate measures to address them; the Supervisory Board reviewed these measures and discussed them with the Executive Board.

Furthermore, the Executive Board reported to the Supervisory Board in writing on a monthly basis regarding the economic situation of the PWO Group and its subsidiaries, in particular their performance in terms of revenue, earnings, equity and personnel matters, as well as their net assets, financial position and results of operations.

In addition, the Executive Board informed the Supervisory Board about transactions that could be of significant importance to the profitability or liquidity of the Company and the Group, the risk situation of the Group and its divisions, corporate strategy and planning, the Group’s risk and compliance management systems, the internal control system, internal audit as well as IT security and data protection.

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The Supervisory Board critically reviewed all reports from the Executive Board for plausibility and assessed the adequacy and effectiveness of Internal Audit, risk management, the internal control system and the compliance management system in relation to the Group’s business activities and risk profile.

It determined that the subject matter and scope of the Executive Board’s reporting fully met the Supervisory Board’s requirements. The Supervisory Board approved the Executive Board’s reports and proposed resolutions, to the extent required by statutory and Articles of Association provisions or the Executive Board’s rules of procedure, following review and deliberation. Matters requiring approval were submitted by the Executive Board to the Supervisory Board in a timely manner for resolution.

In the 2025 fiscal year, the Chairman of the Supervisory Board maintained regular, close personal contact with the Executive Board – particularly with the CEO – even in the periods between Supervisory Board meetings, advising on strategy, planning, business and financial performance, the risk situation and risk management, as well as compliance, human resources and sustainability issues. The Chairman remained informed about the course of business and significant business transactions at all times. Even outside of meetings, he briefed the other members of the Supervisory Board and discussed current developments with them.

The Executive Board promptly and comprehensively informed the Chairman either verbally or through written reports about specific business transactions that were of material significance for the assessment of the Company’s situation and development as well as for the management of the Company or the Group.

The members of the Supervisory Board are responsible for undertaking the training and continuing education necessary for their duties, such as keeping up to date on any changes in the legal framework and on new pioneering technologies and sustainability/ESG.

The members regularly use online training resources and services provided by consultants and are supported in this by the Company. Internal informational sessions are offered as needed for targeted professional development. Training was provided to all members of the Supervisory Board on December 3, 2025, at PWO AG in Oberkirch on the future presentation of financial statement information in accordance with the new IFRS 18 standard.

Work of the full Supervisory Board

During the reporting year, the full Supervisory Board met a total of 6 times, with 2 meetings scheduled for 2 days each and 1 meeting for 3 days. The Supervisory Board regularly engaged in in-depth discussions regarding corporate strategy, the current market and order situation as well as ongoing and planned development projects.

The situation and prospects of the individual locations of the PWO Group as well as the capital expenditure planned for each were also regularly discussed in depth. The refinancing of the PWO Group and its financing strategy as well as the respective situation and earnings reports from the Executive Board on the Group’s economic and operational situation were likewise addressed.

Based on the resolution of the Annual General Meeting of June 3, 2025, the Chairpersons of the Supervisory Board and the Audit Committee appointed the auditor, KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, Stuttgart branch, and agreed upon the auditor’s fee.

The following topics were included in the agendas for the 2025 fiscal year:

At the meeting on March 13, the Supervisory Board primarily dealt in detail with the Audit Committee’s report for the 2024 fiscal year, the corporate governance statement and the 2024 non-financial report. In addition, the Supervisory Board received a report from the Personnel Committee and discussed this at length.

On March 20, the Supervisory Board primarily addressed the financial statements for the 2024 fiscal year, the Audit Committee’s report and the auditor’s report, the remuneration report as well as the other required statements and reports for the 2024 fiscal year. Furthermore, the Supervisory Board approved the Executive Board’s proposal for the appropriation of profit. After its own thorough review, the Supervisory Board approved the 2024 annual financial statements and the 2024 consolidated financial statements; the annual financial statements were thus adopted. In addition, the agenda for the 102nd Annual General Meeting on June 3, 2025, was adopted.

In addition to recurring topics, the status and prospects of the PWO Group’s expansion in its international markets were also discussed in detail.

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On June 3 – during the 2-day meeting held on June 3 and 4 – the Supervisory Board addressed in detail the topics and agenda of the Annual General Meeting to be held that afternoon. It also discussed at length the Audit Committee’s report on the results of the first quarter of 2025 and the first forecast for 2025.

On 4 June, the team conducted a detailed review of the previous day’s Annual General Meeting, its proceedings and the resolutions passed. In addition to recurring topics, the agenda included a detailed report by the Executive Board on how the various PWO Group locations are performing, and their respective capital expenditure, with a particular focus on the locations in China, Mexico, Serbia, the Czech Republic and a potential new location, which the Supervisory Board discussed in depth.

In addition, the Supervisory Board held extensive discussions on the findings to date regarding the development of the 2025 fiscal year and the first 2025 forecast presented by the Executive Board.

In keeping with long-standing tradition, the Company’s Supervisory Board meets once a year at one of the PWO Group’s international locations. In the reporting year, the Supervisory Board met for a 3-day meeting in Serbia from July 2 to 4, during which the Supervisory Board members attended the grand opening of the new engineering and production site in Čačak.

The Executive Board and responsible executives also presented detailed status reports on the PWO Group’s key strategic areas of focus, which the Supervisory Board discussed in detail. The areas of focus included the performance and prospects of the various PWO Group sites – in particular the Oberkirch production site, the sites in Mexico and Eastern Europe, as well as a potential new site – and the global sales strategy.

In addition to recurring topics, the Supervisory Board also addressed the strategy and outlook for PWO’s 3 business units, as well as technology projects within the framework of the

Industry 4.0 strategy. The agenda also included the further development of the Global Tooling strategy, the digitalization strategy and software-supported supplier management. Additional focal points included human resources, ESG and the PWO Group’s financing strategy.

During the 2-day meeting on September 24–25, the Supervisory Board received and discussed in detail the reports from the Audit Committee on the 2025 half-year financial statements and the second forecast, as well as the report from the Personnel Committee. In addition to recurring topics, the Supervisory Board also focused in particular on the prospects for the PWO Group’s international location portfolio. Furthermore, based on the second forecast presented by the Executive Board, it discussed the findings to date regarding the development of the 2025 fiscal year in depth.

Following a tour of the Oberkirch production plant, there was an in-depth discussion about its current capacity utilization, the progress of new projects and further measures to enhance its competitiveness. The agenda also included a presentation by the responsible executive on current digitalization concepts, which the Supervisory Board examined in detail.

In addition, the rules of procedure for the Executive Board, the Audit Committee and the Supervisory Board, and the requirements profile for the Supervisory Board, were updated to reflect developments in diversity, equity and inclusion (DEI) issues.

At the meeting on December 4, in addition to recurring topics, the Supervisory Board addressed corporate governance issues – in particular, the current Declaration of Conformity and the assessment of how effectively the Supervisory Board as a whole and its committees fulfill their duties. It also discussed sustainability topics in detail, including the implementation of the PWO Group’s ESG roadmap and the current status of CSRD reporting.

Furthermore, the Supervisory Board thoroughly reviewed the latest findings on performance in the 2025 fiscal year as well as the 3rd forecast for 2025 presented by the Executive Board. It also received a report from the Audit Committee, which it discussed in detail. The medium-term outlook for the PWO Group’s site portfolio was also on the agenda.

Furthermore, in the 2025 reporting year, the Supervisory Board passed resolutions by written ballot on various topics, specifically on February 11 regarding Executive Board matters and on July 29 regarding the future development of international locations.

Work of the committees

To efficiently perform its duties and in accordance with its rules of procedure, the Supervisory Board has established a Personnel Committee and an Audit Committee. It has delegated certain decision-making powers to these committees within the limits permitted by law. In addition, the committees prepare the topics relevant to them for discussion by the full Supervisory Board. The committee Chairs regularly report to the full Supervisory Board on the deliberations and resolutions of their respective committees.

The Chairman of the Supervisory Board heads the Personnel Committee. The Personnel Committee prepares the Supervisory Board’s personnel decisions and, on behalf of the Supervisory Board, decides on consent to ancillary and competing activities of a member of the Executive Board and on the granting of loans to members of the Executive Board or the Supervisory Board. In addition, it submits proposals to the Supervisory Board regarding the remuneration system for the Executive Board, and the targets and performance criteria for the short-term incentive and the target total remuneration for individual members of the Executive Board for the respective fiscal year.

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The Personnel Committee met twice during the reporting year, on January 31 and September 18. It dealt extensively with current issues related to Executive Board and Supervisory Board remuneration, the contract extension of CFO Jochen Lischer as well as the further development of the Executive Board remuneration system and the 2024 Remuneration Report.

Carsten Claus heads the Audit Committee and possesses special knowledge and experience in the field of audits. Dr. Georg Hengstberger contributes special knowledge and experience in the field of accounting to the Audit Committee. Accounting and audits also include non-financial reporting and sustainability reporting as well as the audit of such reports.

The Audit Committee is responsible to the Supervisory Board for the preliminary review of the annual and consolidated financial statements, the management and consolidated management reports and the auditor's report. It advises on the selection of the auditor, reviews the auditor's independence and assesses the additional services provided by the auditor.

In addition, it discusses with the external auditor the assessment of audit risk, the audit strategy and planning, and the audit results. The Chair of the Audit Committee regularly meets with the external auditor to discuss the progress of the audit and reports on this to the Committee.

The Audit Committee also prepares the Supervisory Board's report to be submitted in accordance with Section 171 of the German Stock Corporation Act.

In addition to overseeing financial reporting and the financial reporting process – including non-financial reporting and sustainability reporting and their audits – the Audit Committee also monitors the adequacy and effectiveness of the internal control system and the risk management system, internal audit, the audit of the financial statements and its quality, compliance and the compliance management system as well as data protection.

The Audit Committee also addresses the topic of related party transactions. In addition, the members of the Audit Committee – through the Committee Chair – obtain information as needed from the heads of the respective departments responsible for matters pertaining to the Audit Committee. The Chair informs the Executive Board of this immediately.

The Audit Committee met 5 times during the reporting year, specifically on February 13, March 13, May 7, July 23 and November 5. The main topics of its meetings were discussions of the financial statements for the 2024 fiscal year, as well as the interim financial report and quarterly reports for the 2025 fiscal year.

In addition, the Audit Committee dealt, among other things, with the preparation of the 2025 annual financial statements. Other key topics included new regulatory requirements – some to be implemented in the current period and others in the near future – relating to organizational, personnel and financial matters for the entire Group. A particular focus here was on non-financial reporting and sustainability reporting in accordance with European regulations.

Furthermore, the Committee engaged in intensive discussions regarding the economic performance of the Company and the Group. In this context, it reviewed reports from the Executive Board, particularly regarding the current development of the Company's and the Group's profitability. The Audit Committee regularly compared the current development of the Company and the Group with ongoing planning and assessed the need for action. In addition, the Committee discussed issues including compliance, risk management, internal audit and data protection.

During the reporting year, the committees were composed as follows:

PERSONNEL COMMITTEE

- // Karl M. Schmidhuber (Chair)
- // Dr. Georg Hengstberger
- // Dr. Jochen Ruetz

AUDIT COMMITTEE

- // Carsten Claus (Chair; financial expert in the field of auditing within the meaning of Section 100(5) AktG)
- // Dr. Georg Hengstberger (financial expert in the field of accounting within the meaning of Section 100(5) AktG)
- // Stefan Klemenz
- // Karl M. Schmidhuber

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Individualized disclosure of meeting attendance

The attendance of Supervisory Board members at meetings of the Supervisory Board and its committees is disclosed below on an individual basis.

The Supervisory Board and its committees hold their meetings in person whenever possible. The number of hybrid meetings – in person with the option of virtual participation – and

the number of meetings held by video conference are indicated in the table below. 2 Supervisory Board meetings each spanned 2 meeting days. 1 Supervisory Board meeting spanned 3 meeting days.

Carsten Claus attended both meetings of the Personnel Committee as a guest.

Attendance of Supervisory Board members at meetings held in 2025

Name	Member since	Attendance at full Supervisory Board meetings (of which virtual ¹)	Attendance at Personnel Committee meetings (of which virtual)	Attendance at Audit Committee meetings (of which virtual)	Total number of meetings (total attendance in %)
		6 meetings, of which 5 in person and 1 hybrid	2 meetings, of which 2 in person	5 meetings, of which 2 in person, 3 via video or hybrid	
Karl M. Schmidhuber (Chairman)	May 31, 2016	6/6 (0)	2/2	5/5 (2)	13/13 (100%)
Dr. Georg Hengstberger (Deputy Chairman)	May 22, 2013	6/6 (0)	2/2	5/5 (2)	13/13 (100%)
Carsten Claus	May 23, 2018	6/6 (0)	–	5/5 (2)	11/11 (100%)
Dr. Jochen Ruetz	May 23, 2018	6/6 (0)	2/2	–	8/8 (100%)
Andreas Bohnert (Employee representative)	May 20, 2021	6/6 (1)	–	–	6/6 (100%)
Stefan Klemenz (Employee representative)	May 20, 2021	6/6 (1)	–	5/5 (3)	11/11 (100%)

¹ Participation via video link for all meetings of the relevant committee.

Changes in the governing bodies

The composition of the Executive Board and the Supervisory Board remained unchanged during the reporting year.

Conflicts of interest

The Supervisory Board continuously monitored the existence of conflicts of interest during the reporting year. The Supervisory Board identified no conflicts of interest during the reporting year, nor did members of the Executive Board or the Supervisory Board bring any to its attention.

Audit of the annual and consolidated financial statements

The Executive Board prepared the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union as well as in accordance with the provisions applicable under Section 315e (1) of the German Commercial Code. The auditor KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, Stuttgart Branch, audited the accounting records, the annual financial statements, the consolidated financial statements and the combined management report for the Company and the Group, as well as the dependency report, and issued an unqualified auditor’s opinion.

The audit opinion of KPMG AG Wirtschaftsprüfungsgesellschaft on the dependency report reads: “Based on our audit and assessment in accordance with our professional obligations, we confirm that 1) the statements as to fact made in the report are accurate, 2) with respect to the legal transactions listed in the report the consideration paid by the Company was not unreasonably high.”

At its meeting on March 12, 2026, the Audit Committee reviewed the annual and consolidated financial statements, the combined management report for the Company and the Group, the related-party disclosure report and the audit reports prepared by the external auditor. The auditor was present at this meeting

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and reported on the key findings of the audit. At this meeting, the Audit Committee also reviewed the non-financial report for the 2025 fiscal year in detail.

Following this meeting of the Audit Committee, a meeting of the Supervisory Board took place on March 12, 2026. At this meeting, the Supervisory Board received the report of the Audit Committee.

It thoroughly reviewed the separate non-financial report for the Company and the Group and conducted its own examination of it. The Executive Board explained the separate non-financial report in detail. The examination did not result in any objections from the Supervisory Board. In addition, the Supervisory Board approved the corporate governance statement.

At its meeting on March 19, 2026, the Supervisory Board comprehensively reviewed the annual and consolidated financial statements for the 2025 fiscal year, including the combined management report for the Company and the Group, the Executive Board’s proposal for the appropriation of distributable profit and the Executive Board’s dependency report pursuant to Section 312 of the German Stock Corporation Act, the remuneration report and the audit reports prepared by the auditor.

The Company distributed the relevant documents to the members of the Supervisory Board in a timely manner prior to the meeting on March 19, 2026. The auditor was present at this meeting and reported on the key findings of his audit.

The Supervisory Board conducted its own review of the annual and consolidated financial statements, the combined management report for the Company and the Group and the Executive Board’s proposal for the appropriation of distributable profit and, upon the recommendation of the Audit Committee, approved the results of the audit conducted by the auditor. Based on the final results of the Supervisory Board’s review, no objections were raised.

The Supervisory Board approved the Group annual financial statements. The Supervisory Board thereby adopted the annual financial statements for the 2025 fiscal year.

The Supervisory Board also conducted its own review of the Dependency Report and approved the results of the audit conducted by the external auditor. Based on the final results of the Supervisory Board’s review, no objections were raised against the Executive Board’s statement at the conclusion of the Dependency Report.

At the same meeting, the Supervisory Board adopted and signed the remuneration report. The auditor present at the meeting certified the remuneration report.

The PWO Group performed well in fiscal year 2025 and fully met its forecasts. At the same time, no noticeable improvement in the economic conditions for Germany as an industrial location is yet apparent. This will also lead to noticeable declines in production and revenue at the Oberkirch site in 2026 and weigh on the earnings situation of PWO AG and the Group.

The Executive Board and Supervisory Board therefore propose to the 2026 Annual General Meeting the distribution of a dividend of EUR 1.65 (p/y: EUR 1.75) per share. We are convinced that this proposal strikes a balanced harmony between shareholders’ interest in a cash dividend, PWO’s current earnings performance and the capital requirements of its planned future development.

Acknowledgements

Following several already eventful years, a new geostrategic dimension emerged in 2025. Global shifts in power, which had previously been merely hinted at, became clearly visible. Nevertheless, the PWO Group succeeded in consistently implementing its strategy without deviation, further strengthening its market position and expanding its operational capabilities. The Company therefore achieved its forecasts for the 2025 fiscal year despite the new challenges. The high volume of new business

in recent years also lays the foundation for the Group’s course in the coming years.

We will continue to expand internationally in a targeted manner. At our headquarters in Oberkirch, the focus is on measures that will strengthen our competitiveness as much as possible given the current conditions of Germany as an industrial location.

The progress achieved in recent years creates a solid foundation for remaining successful even in the context of fundamental geostrategic change. The employees of the PWO Group act independently worldwide, pool their expertise and drive change forward with determination. This continuously creates new opportunities for sustainable and successful corporate development.

The Supervisory Board thanks all employees for their commitment and outstanding performance during the reporting year. We wish them and their families good health, confidence and peace.

The Supervisory Board thoroughly discussed and approved this report at its meeting on March 19, 2026.

Oberkirch, March 19, 2026



Karl M. Schmidhuber
(Chairman of the Supervisory Board)

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INVESTOR RELATIONS – OUR DIALOG WITH THE CAPITAL MARKET

We maintain active, open and continuous dialog with investors, analysts and representatives of the press. Our talks regularly focus on the Group's earnings, expanding its market position and its strategic direction in a changing market environment.

In recent years we have delivered good results, beating forecasts for key figures every year and improving our processes. This has enabled us to free up more resources, and has helped guide the Group through a difficult year in 2025 while allowing for future growth.

Steady growth in our global market position is key to PWO's future progress. Our sustained high level of new business – which again significantly exceeded our projections in 2025 – is a frequent topic of discussion with our stakeholders. It reflects the strength of our powertrain agnostic and sustainable business model, our high level of innovation and our ongoing decarbonization strategy.

We want to showcase our success and openly communicate this to the outside world. It is important for us to reach out to all our stakeholders equally – and therefore we communicate with the general public, private and institutional investors, and multipliers on the capital market.

Alongside the relaunch of our website, we commissioned a well-known research firm to study our stock in the reporting year. A key requirement in this choice was that the study be equally accessible to all our stakeholders. This not only boosts the visibility of PWO stock on the capital market but also helps create a solid and independent information base for all market participants.

The Group's strategy was once again well received by all parties with whom we maintain regular dialog. The analysts' current recommendations appear on our website → www.pwo-group.com under the heading Press & Investors. These pages also offer a wealth of information, including financial reports, capital market presentations, press releases and ad hoc announcements, and key dates for the current fiscal year.

Share price performance in 2025

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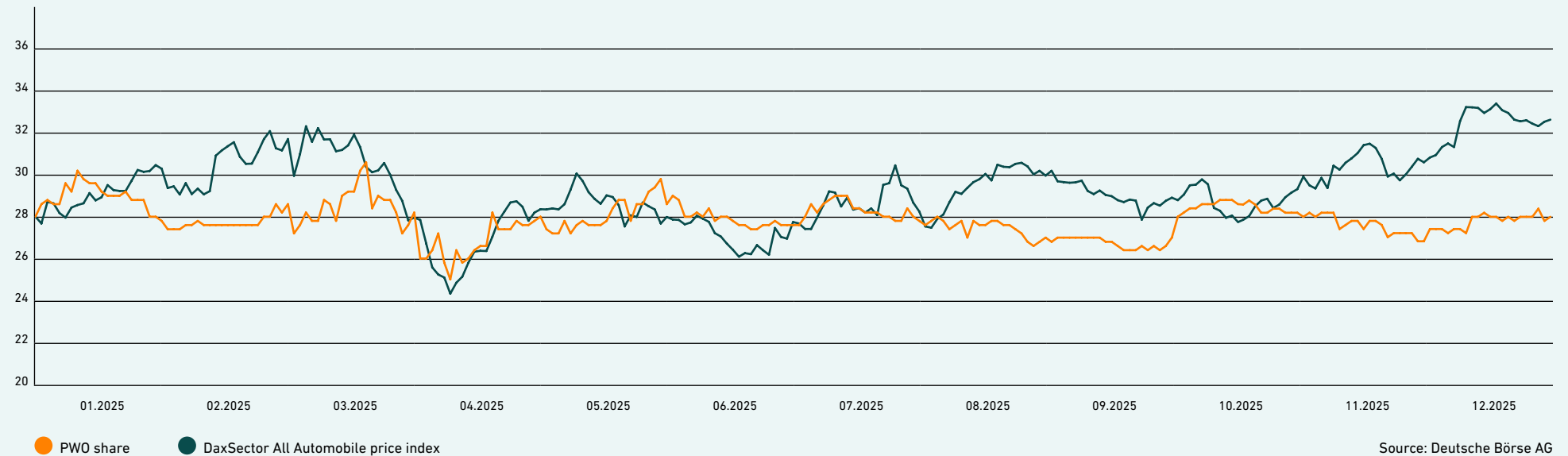
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Performance of PWO's shares in fiscal year 2025

(Figures in EUR; DAXsector All Automobile indexed to PWO share price at start of 2025)



PWO's share price traded sideways overall in the reporting year. Until October, it performed in line with the sector index, DAXsector All Automobile. Both were trading at almost the same level this month as at the beginning of the year. However, in the final weeks of the year, our share price was unable to keep pace with the subsequent upward trend in the industry index. Its XETRA closing price was EUR 29.20 on both the first and last trading days. In contrast, the price index for the German automotive industry closed the year 16% above its level at the beginning of the year.

At the start of the year, PWO AG, Oberkirch (the Company), shares first underperformed their sector index, which rose considerably up to the end of March, boosted by a positive mood on the German stock market. However, the rise slowed in March as uncertainty about the future direction of Donald Trump's U.S. administration grew. After "Liberation Day" on April 2 and the announcement of his new tariff policy, optimism waned. Although our share price and the industry index recovered from their yearly lows on April 9, 2025, the prices reached in March could not be matched for much of 2025.

As a strongly export-oriented industry, the German automotive industry has been hit hard by Donald Trump's new tariff policy and how other countries have reacted to it. Consequently, the performance of the industry index in 2025 saw significant volatility and nervousness. News about politically driven shifts in the economic environment regularly dominated Company-specific issues.

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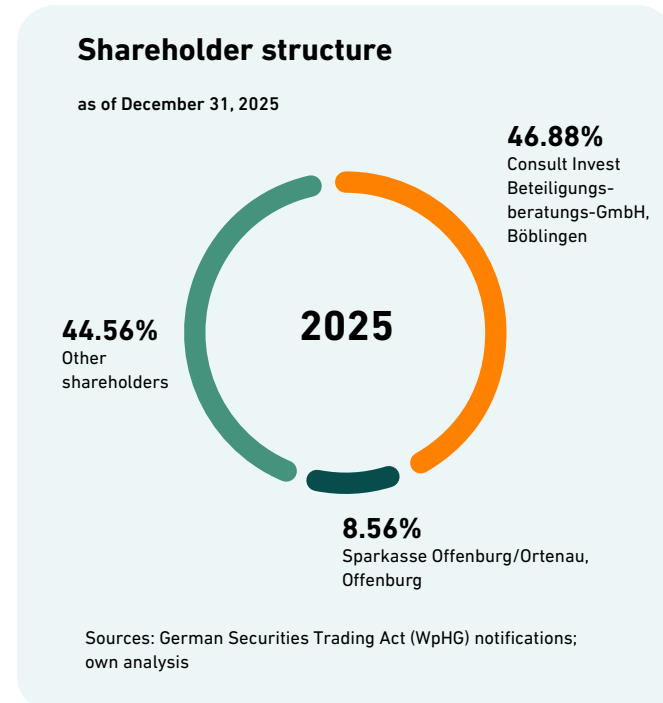
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From the second half of the year on, reports from companies about moves to shift production abroad and the resulting job cuts in Germany mounted. Reasons remain the unfavorable location conditions in Germany – particularly the excessive energy costs, cumbersome bureaucracy and the uncompetitive tax burden on the domestic economy.

Despite these location-specific challenges, the DAXsector All Automobile index rose significantly in the final weeks of 2025. This growth was fueled by overall positive stock market sentiment as a result of favorable inflation figures and the anticipation of interest rate reductions by the European Central Bank and the U.S. Federal Reserve.

Shareholder structure



The share of our long-standing major shareholder, Consult Invest Beteiligungsberatung-GmbH, Böblingen, in PWO AG's share capital amounted to 46.88% at the end of the reporting year. Sparkasse Offenburg/Ortenau is also a long-standing shareholder. It last informed us on December 31, 2020, that it held 8.56% of the shares outstanding. PWO AG is not aware of any other shareholders whose shareholdings exceed the reporting threshold of 3%.

Dividend policy

The PWO Group sees itself as a value investment with a steady growth component. We feel a special responsibility toward our shareholders as our main source of capital. The Executive Board and Supervisory Board consider PWO AG's ability to pay dividends, and thus the return on the capital provided by its shareholders, to be an important goal. We have therefore pursued a shareholder-friendly dividend policy for many years and, in line with our operational goals, are committed to steady and sustainable dividend growth. The annual distribution should be as stable as possible and increase whenever possible. In addition to the amount of PWO AG's distributable net retained earnings, key criteria in setting the dividend amount are the earnings performance of the PWO Group and the expected funds needed for the Group's ongoing growth.

The Group performed well in fiscal year 2025 and fully achieved its forecasts. However, there has been no noticeable improvement in Germany's economic conditions as an industrial hub. Across our sector, companies continue to shift production to countries with more favorable conditions. Key local clients at our Oberkirch plant in Germany have cut their call-off volumes again. This will result in lower output and revenue at the site in 2026, putting pressure on the earnings of PWO AG and the Group. The Executive Board and the Supervisory Board will therefore propose to the 2026 Annual General Meeting that the Company distribute a dividend of EUR 1.65 (p/y: EUR 1.75) per share. We believe this proposal balances shareholders' interest in a cash payout and the Company's current earnings as well as the capital needed for its future growth.

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Share capital structure and change

The amount and mix of share capital and authorized capital did not change in fiscal year 2025. The management report provides detailed information on this topic. The consolidated statement of changes in equity presents the change in equity in detail.

Key figures for PWO shares

		2025	2024	2023	2022	2021
Company key figures						
Revenue	EUR million	524.69	555.12	555.84	530.80	404.30
EBIT before currency effects	EUR million	26.10	30.04	28.23	27.50	22.10
EBIT including currency effects	EUR million	24.62	30.15	27.86	26.80	21.80
Net income/loss for the period	EUR million	8.00	12.54	16.22	15.20	14.70
Revenue per share	EUR	167.90	177.64	177.87	169.90	129.38
Earnings per share	EUR	2.56	4.01	5.19	4.87	4.72
Dividend per share	EUR	1.65 ¹	1.75	1.75	1.65	1.50
Book value per share	EUR	53.08	51.93	50.09	48.40	40.10
Valuation ratios (based on the XETRA year-end price)						
Year high share price	EUR	31.80	32.00	34.00	33.40	35.60
Year low share price	EUR	26.20	26.00	27.40	22.80	20.00
Year-end share price	EUR	29.20	29.00	30.00	31.20	31.80
Market capitalization	EUR million	91.25	90.63	93.75	97.50	99.38
Price/revenue		0.17	0.16	0.17	0.18	0.25
Price/earnings ratio		11.40	7.23	5.78	6.41	6.76
Price/book value		0.55	0.56	0.60	0.64	0.79
Dividend yield	%	5.65	6.03	5.83	5.29	4.72

¹ Proposed

Stock exchange data

		Data as of December 31, 2025
Share capital		EUR 9,375,000.00
Total number of shares outstanding		3,125,000
Treasury shares		0
WKN/ISIN		696800/DE0006968001
Ticker symbol		PWO
Trading segment		Regulated market (Prime Standard)
Sector/subsector		Automotive/Car parts & equipment
Trading venues		Stuttgart and Frankfurt Stock Exchanges, XETRA
Designated sponsor		Pareto Securities AS



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COMBINED MANAGEMENT REPORT FOR PWO AG

The combined management report for the fiscal year from January 1, 2025, to December 31, 2025, contains the report for PWO AG, Oberkirch, and for the PWO Group (hereinafter also referred to as “PWO”, the “PWO Group”, or the “Group”). The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (hereinafter also referred to as “IFRS”), as adopted in the European Union, and the supplementary provisions of commercial law. PWO AG prepares its financial statements in accordance with the provisions of the German Commercial Code (“HGB”) in its current version and the supplementary provisions of the German Stock Corporation Act (“AktG”).

The composition of the consolidated group is described in detail in the notes to the consolidated financial statements.

— PWO Group principles BUSINESS MODEL

Organizational structure of the Group

The Group manufactures lightweight components predominantly made of steel but also aluminum sheets for the international mobility sector.

PWO AG, based in Oberkirch, Germany, serves as the Group’s headquarters and, in addition to its role as an engineering and development site, also performs management tasks for the Group. PWO AG also has subsidiaries in 6 countries.

A 2-member Executive Board manages the Company. A 6-member Supervisory Board forms the supervisory body and has delegated some duties to committees. These tasks are described in detail in the report of the Supervisory Board.¹

Sales markets, locations and segments

The Group has a total of 11 locations worldwide – 2 in China, 1 each in Germany and Canada, and 2 each in Mexico, Serbia and the Czech Republic. A new location in the U.S. was also opened in the reporting year.

All Group companies manage their own business and operations within the framework of the overarching objectives. As they refinance through the Group rather than on their own, the Executive Board of PWO AG decides how to allocate the investments needed for their growth. The business segments – China, Germany, Canada, Mexico, Serbia, the Czech Republic and the USA – are defined in line with this internal organizational structure and comprise the sales markets in which PWO AG and its subsidiaries operate.

OUR “LOCAL-FOR-LOCAL” PHILOSOPHY

In recent years, governments have increasingly used tariffs and other trade barriers to assert their economic and political interests, thus restricting global free trade. Since Donald Trump took office as President of the United States of America on January 20, 2025, the use of these instruments has grown, accelerating this trend.

Our sites follow a “local-for-local” strategy. They buy, manufacture and ship goods in their local or regional markets where possible. The sites in China and Europe are thus hardly affected by duties and trade barriers between the 3 blocs of China, Europe and the USA.

Any sites in Canada and Mexico that still sourced purchasing volumes from the U.S. largely switched to local sourcing in the reporting year. As a rule, we conclude ex-factory contracts with our customers. This means we make our product solutions available for collection by the customer at our sites, and the customer bears all costs and risks for transport, loading and export customs duties. In the rare instances where we do take care of customs clearance for our solutions, we pass these costs on to our customers.

Our sites therefore remain largely shielded from customs duties and other trade barriers. However, their effects on the automotive sector and the global economy of course affects the PWO Group just as they do other industrial companies.

Positioning, expertise and processes

All our solutions are installed in vehicles with different types of drive. In addition, we are committed to the consistent decarbonization of our business processes. As such, we consider our business model to be powertrain agnostic and sustainable.

We manufacture tailor-made solutions for international automotive manufacturers and tier 1 suppliers for large series with unit volumes that sometimes stretch into the millions and mainly address the following 3 areas of mobility: electrification, safety and comfort.

¹ The report of the Supervisory Board is not covered by the audit of the financial statements.

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We make the parts by cold forming different kinds of steel and, to a lesser extent, aluminum. Above all, we provide lightweight design solutions, both in lightweight material design (replacing conventional deep drawing steel with modern high-strength and ultra-high-strength steel) and in lightweight structural design (minimizing the amount of material used in a component) as well as in lightweight system design (optimizing the use of materials and reducing the number of individual parts in a component group). Using various joining technologies, we assemble the individual manufactured components into systems.

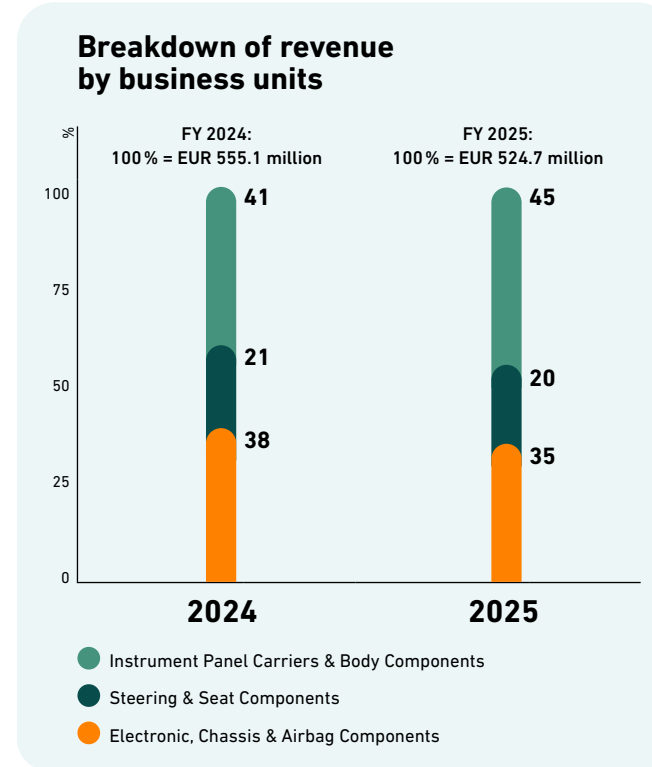
DIGITAL BUSINESS PROCESSES

We have always considered the ongoing digitalization of business processes based on the latest commercially available applications to be significant. In recent years, artificial intelligence (AI) – software tools that mimic human skills such as learning, logical thinking and problem solving – has brought a new phase of digitalization to daily life. AI-based solutions have spread quickly, especially in private use.

AI will not alter our manufacturing processes – the cold forming of sheet metal and the assembly of parts into systems – substantially, since the laws of physics still apply. However, we are already using AI-based approaches in selected areas to make operational and administrative processes more efficient.

OUR BUSINESS UNITS

To coordinate the different product areas, there are 3 business units in which projects involving our various product solutions are coordinated and harmonized. The shares of revenue attributable to these changed in the reporting year as shown in the following chart:



The Electronic, Chassis & Airbag Components business unit bundles a wide range of components for the electrification of vehicles, including components for fast chargers and electronic control units. It also includes electric engine housings for safety and comfort, for example for windshield wipers and window regulators, as well as for Anti-lock Braking System (ABS) and Electronic Stability Program (ESP) systems. PWO components for airbags and vehicle cooling also enhance the safety and comfort of passengers. Another product line comprises power-train components for electric vehicles, batteries and fuel cells. In addition, the Group develops and manufactures various

components for chassis and suspension systems, in particular pressure accumulators.

The Steering & Seat Components business unit develops and makes steering consoles, steering column pipes and metal structures for vehicle seats.

Within the Instrument Panel Carriers & Body Components business unit, instrument panel carriers are an important product line. The unit also develops and manufactures many different door components as well as reinforcements and supports for the vehicle body.

Development

PWO develops components and systems that essentially provide customized solutions to specific needs or requirements within the scope of customer projects, with the aim of subsequently receiving the orders to supply series volumes. Accordingly, the majority of expenditure on product and process development arises within the scope of customer projects. Internal work at the Group and third-party services for this purpose amounted to 2.5% of revenue in the reporting year (p/y: about 2%); in the reporting year, as in the prior year, the Group capitalized development costs of EUR 0.3m. The Group focuses on development rather than research.

External factors influencing operations

Key external factors that could influence PWO's business in the short term include changes in the overall economic and political environment and in the industry-specific economic situation. These are explained in more detail in the sections "Macroeconomic environment" and "The international automotive industry environment". Further details appear in the chapter "Results of operations" and in the report on risks and opportunities.

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These sections also describe additional external factors and their effects, including fluctuations in sales volumes and prices or supply chain risks.

MANAGEMENT SYSTEM

We want our growth to be profitable. At the same time, we want to maintain a high balance sheet quality, particularly in terms of net leverage ratio and equity ratio. We rely on a management system that includes various financial performance indicators. We consider these indicators in a balanced relationship with each other, without striving to improve each individual indicator every year.

The Group's key financial performance indicators are revenue, earnings before interest and taxes (EBIT) before currency effects, free cash flow, equity ratio, net leverage ratio and capital expenditure. Definitions of these indicators are presented in the sections "Results of operations", "Net assets" and "Financial position". For the management of the segments, we focus in particular on the respective external revenue and EBIT before currency effects.

We manage medium-term planning using additionally the financial indicator of new business. This comprises the expected lifetime volume over the entire term of newly acquired orders, which we determine on the basis of contractual parameters for all orders and our own assumptions regarding the development of sales volumes. New business is therefore also one of the most important financial indicators.

We gear our sales strategy toward winning sufficient new business volume at attractive EBIT margins each year so that it can replace series production that will expire in the future. Still, new business can vary considerably from year to year – partly because customers decide to place orders at different times and partly because large order volumes are not always awarded every year in our market segment.

Furthermore, in our business there is typically a time lag between the start of orders and phase-outs, which can lead to fluctuations in revenue. Smoothing out such fluctuations through extra orders is almost impossible and also economically not worthwhile. Furthermore, we cannot offset short-term fluctuations in revenue caused by market conditions or customer-specific developments, as the lead times for new orders often span 1 year or more.

We aim to generate positive free cash flow, raise our equity ratio and lower our net leverage ratio. But growth often requires upfront investments before series production starts, while revenue is realized over the full order period of 8 – 10 years.

In addition, the current transformation process in the mobility industry requires us to continuously review the positioning of our locations and, if necessary, allow for higher expenses or investments at short notice to secure future market success. Such upfront investments can have a temporary impact on EBIT before currency effects, free cash flow and balance sheet ratios.

We also include the following key indicators as the most significant non-financial indicators in our management system: Scope 1 & 2 greenhouse gas emissions, training rates for e-learning courses, supplier audits and work accidents.

With climate change progressing, reducing greenhouse gas (GHG) emissions is particularly important. We determine our absolute GHG emissions in accordance with the internationally recognized Greenhouse Gas Protocol. Compared to the emissions calculated for our base year 2019, we have already been able to continuously reduce scope 1 & 2 GHG emissions in recent years. We want to continue on this path and offer our customers completely CO₂-neutral products by 2039. By 2045, we aim to achieve net-zero emissions across the entire Group.

To this end, we generally purchase green electricity as defined by the criteria of Renewable Energy 100 (RE100) – wherever it is available on the market. At our Mexican and Chinese sites we use photovoltaic systems. Furthermore, we purchase certificates recognized by the SBTi.

We aim for 100% participation in the e-learning courses offered each year within the PWO Group. We are constantly expanding the content of the training, which covers subjects such as compliance, human rights, sustainability, IT security and data security.

Work accidents should be fully prevented. To this end, we regularly improve our technical and operational safety standards as well as our guidelines and work instructions for accident prevention, train our employees and encourage them to carefully implement what they have learned. We measure work accidents using the lost time injury rate (LTIR) – this refers to the number of work accidents with at least 1 day of lost time per 1 million productive working hours.

With regard to sustainable procurement, our audits of suppliers in accordance with the International Automotive Task Force (IATF) 16949 quality management standard include environmental, social & governance (ESG) criteria. These criteria are applied in all external audits within the Group.

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Economic report**MACROECONOMIC ENVIRONMENT**

In its World Economic Outlook (WEO) published in October 2025, the International Monetary Fund (IMF) states that the rules of the global economy are changing. Details of new policy steps are slowly becoming clear and are affecting growth prospects. After the United States introduced higher tariffs in February 2025, later deals and new reviews eased some of the extremes. However, uncertainty about the stability and growth of the global economy remains high. Meanwhile, the world's economies, institutions and markets have adjusted to an environment marked by more protectionism and division, with weak medium-term growth prospects and the need to adjust macro policy.

Overall, in October 2025, the IMF expected global growth to slow from 3.3% in 2024 to an estimated 3.2% in 2025. While this was an improvement over the July 2025 WEO update, it was cumulatively 0.2 percentage points below the forecasts made before the policy changes in the October 2024 WEO. The slowdown reflected the negative effects of uncertainty and protectionism, even though the tariff shock was less severe than originally feared.

In the USA, growth is expected to slow from 2.8% in 2024 to 2.0% in 2025. This forecast shows a sharp slowdown compared with 2024 and a total cut of 0.1% points compared with the October 2024 WEO and 0.7% points compared with the January 2025 WEO update. The main reasons for this are greater political uncertainty, higher trade barriers and slower growth in both the labor force and employment.

Growth in the euro area is expected to pick up slightly from 0.9% in 2024 to 1.2% in 2025. While this is an improvement over the April and July WEO, it represents a total cut of 0.4 percentage points from the October 2024 WEO. Higher uncertainty on many fronts and higher tariffs are the main causes of this.

After gross domestic product fell by 0.5% in 2024, Germany is set to add much to better growth in the euro area in 2025 with growth of 0.2%, driven mainly by loose fiscal policy in infrastructure and defense spending.

Because of large bilateral trade tensions between the USA and China, the IMF adjusted its forecasts for China several times during 2025, both substantially upward and downward. In its October projections, it ultimately expects a moderate slowdown in the growth rate from 5.0% in 2024 to 4.8% in 2025. Compared to the WEO forecast from October 2024, this corresponds to an increase of 0.3 percentage points.

In its January 2026 update, the IMF has raised its growth forecasts for key countries and regions. It states that trade tensions have continued to ease, but emphasizes that they could increase again from time to time and that the total momentum is uneven.

Global growth in 2025 is now expected to be 3.3%, with the USA growing by 2.1%, the euro area by 1.4%, Germany by 0.2% and China by 5.0%, the same growth rate as in 2024.

THE INTERNATIONAL AUTOMOTIVE INDUSTRY ENVIRONMENT

According to the assessment of the PWO Group's Executive Board, Germany has lost a lot of its competitiveness as an industrial location since the coronavirus pandemic. This is especially clear in the German automotive industry, where cost pressure and excessive bureaucracy are joined by weak domestic demand. Because of the ongoing global crises since 2019 and several years of weak growth in Germany, many consumers are delaying large purchases such as cars out of concern for their jobs and incomes. As a result, new registrations were again low in 2025.

In addition, new burdens arose in the reporting year due to international trade conflicts. The new U.S. tariff policy and corresponding countermeasures by other countries had a particularly severe impact on the highly networked international automotive industry. At the same time, in view of its own weak domestic consumption, China is increasingly focusing its production on exports – primarily to Europe, as the U.S. market is largely blocked by high tariffs. Although the market shares of Chinese makers are still small, their products are attractive and competitive.

The total effect of all these developments led to production in the entire German automotive industry being increasingly relocated to countries with more favorable conditions in 2025, which reduced capacity utilization at German plants accordingly.

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In its January 2026 status report on the development of international automotive markets, the German Association of the Automotive Industry (VDA) reports that the total number of new vehicles registered on the European passenger car market in 2025 was just under 13.3m – a good 2% increase compared to 2024. However, new registrations remained well below the level seen before the coronavirus pandemic (-16% compared to 2019). The 5 largest individual markets performed differently in 2025: Spain (+13%), the United Kingdom (+4%) and Germany (+1%) saw more new passenger cars registered than in the previous year. Italy (-2%) and France (-5%) recorded further declines in revenue.

In December, registrations of new cars in Europe reached 1.2m vehicles, up 8% from December 2024. The weak base in the previous year and steady growth in new electric car registrations drove the rise.

In the USA, light vehicle sales (passenger cars and light duty) rose to 16.2m light vehicles in 2025 – just under 2% more than in the previous year. In December, however, revenue fell compared to the same month last year – for the third month in a row. Most recently, just under 1.5m vehicles were newly registered. That was about 2% less than in the previous year. New registrations of electric light vehicles slumped significantly more than the overall market (-36%).

The Chinese passenger car market grew to 23.9m new registrations in 2025 – a good 4% more than in 2024. In December, however, it suffered a sharp fall for the second time in a row. Passenger car sales fell by double digits, down 13% to a volume of around 2.3m units. The gradual exhaustion of subsidies and generally reduced incentives in numerous Chinese provinces had an increasingly noticeable impact.

In its January 2026 update, the VDA reports that registrations in Germany totaled 2.86m new cars (+1%) in 2025. However, the German passenger car market remained well below the level of the last pre-coronavirus year of 2019. In 2025, around 749,700 fewer new vehicles were registered in Germany than in 2019, corresponding to a decline of 21%.

Domestic car output in 2025 was slightly above the previous year's level at 4.15m cars (+2%), but remained at roughly the same level for the third year in a row. It remained well below the pre-crisis level; output in the past year was 11% below the figure for the last pre-coronavirus year of 2019.

Exports of passenger cars reached 3.17m units in 2025, almost matching the level of the previous year. However, this was 9% below the pre-crisis level of 2019.

The pressures currently facing the German automotive industry are even more evident when looking at employment figures. On 20 November 2025, the Federal Statistical Office reported that the automotive industry had seen particularly significant job losses within German industry. At the end of the third quarter of 2025, there were 48,700 fewer employees working in the industry than a year earlier, a fall of 6.3%. The percentage fall was higher than in any other major industrial sector with more than 200,000 employees in Germany.

At 721,400 the number of employees in the automotive industry reached a low point. The last time fewer people were employed in this industry was at the end of the second quarter of 2011. Within the automotive industry, suppliers were hit by more job cuts than car makers. Suppliers of parts and accessories for motor vehicles saw an 11.1% drop, with just under 235,400 people working in this area.

New registrations/sales of passenger cars in units

Region	Full year 2025	Change vs. 2024 (%)
Europe (EU27 + EFTA + UK) ¹	13,271,300	2.4
Western Europe (EU14 + EFTA + UK) ¹	11,770,300	1.8
New EU states (EU13) ¹	1,501,000	6.8
Germany ²	2,857,591	1.4
China ³	23,864,000	4.5
USA (light vehicles) ⁴	16,233,400	2.4

¹ Source: ACEA, cited from VDA status report, Development of international automotive markets, January 2026.

² Federal Motor Transport Authority.

³ Source: CPCA, cited from VDA status report, Development of international automotive markets, January 2026.

⁴ Source: Omdia, ibid.

BUSINESS PERFORMANCE

Situation

OVERALL STATEMENT ON THE BUSINESS PERFORMANCE AND SITUATION OF THE GROUP

From the perspective of the Executive Board, the 2025 fiscal year was satisfactory for the Group. The development of revenue and EBIT before currency effects once again confirms the success of our international expansion strategy and the robustness and efficiency of our management processes, which we have consistently developed and optimized in recent years.

We are particularly pleased with the high level of new business we were able to secure in the past year, which significantly exceeded our expectations. Our customers appreciate our innovative strength, global delivery capability, and high-quality, reliable service, especially given the long-term nature of their series production runs.

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Based on these success factors, we intend to continue our global expansion strategy. With free cash flow expected to be positive again in 2025, a solid equity base and available credit lines, we believe we are well positioned to accomplish this.

At the same time, we are integrating ESG aspects more deeply into our organization and in all our key business processes. In the future, we will continue to actively pursue this commitment in order to combine economic success with environmental and social responsibility.

The market environment proved to be quite challenging in fiscal year 2025. This prompted us to refine our forecasts for revenue and EBIT before currency effects in our half-year financial report and in our announcements for the 3rd quarter and the 9-month period. However, at the end of the reporting year, we actually achieved the original forecasts with which we had started the 2025 fiscal year. A special effect in the Canada segment and the reversal of warranty provisions in the Germany segment also contributed to this.

We also met our forecasts for capital expenditure, free cash flow and balance sheet control figures.

New business significantly exceeded our expectations. In the strong fourth quarter alone, we landed orders with a total volume of around EUR 225m.

In terms of non-financial performance indicators, we fell significantly below budgeted GHG emissions as we continued our efforts to decarbonize our business. We achieved 100% of our targets for training rates and supplier audits.

The number of work accidents fell sharply compared with the previous year. We are continuing to work intensively to get as close as possible to our goal of completely eliminating work accidents every year.

Order situation

Our plan for profitable growth aims to secure new business that surpasses the volume of expiring series production. Our fully powertrain agnostic business model, our global revenue push and our strong development skills should help us achieve this.

Comparison of forecast to actual business performance

	Actual values 2025	Latest forecast 2025	Forecast 2025 according to the 2024 annual report	Actual figures according to the 2024 annual report
Financial performance indicators				
Revenue	EUR 524.7m	EUR 500 – 510m ¹	About EUR 530m	EUR 555.1m
EBIT before currency effects	EUR 26.1m	EUR 23 – 28m (we consider the upper half of the range to be ambitious) ²	EUR 23 – 28m	EUR 30.0m
Capital expenditure according to segment report	EUR 41.3m	–	About EUR 40m	EUR 46.2m
Free cash flow after interest paid and received and after taxes paid	EUR 9.9m	–	Positive in the low single-digit EURm range	EUR 33.3m
Equity ratio	37.5%	–	Flat	37.5%
Net leverage ratio (financial liabilities less cash and cash equivalents in relation to EBITDA – earnings before interest, taxes, depreciation and amortisation)	1.8 years	–	Less than 2.5 years	1.6 years
Lifetime volume of new business (series and tool orders)	About EUR 760m	–	EUR 550 – 600m	About EUR 630m
Non-financial performance indicators				
Scope 1 & 2 GHG emissions	5,088t	–	6,275 – 7,650t	6,287t
Training rate for e-learning courses	100%	–	100%	100%
Supplier audits including ESG criteria	100%	–	100%	100%
Work accidents (LTIR)	6.53	–	0	9.53

¹ Reported on August 8, 2025

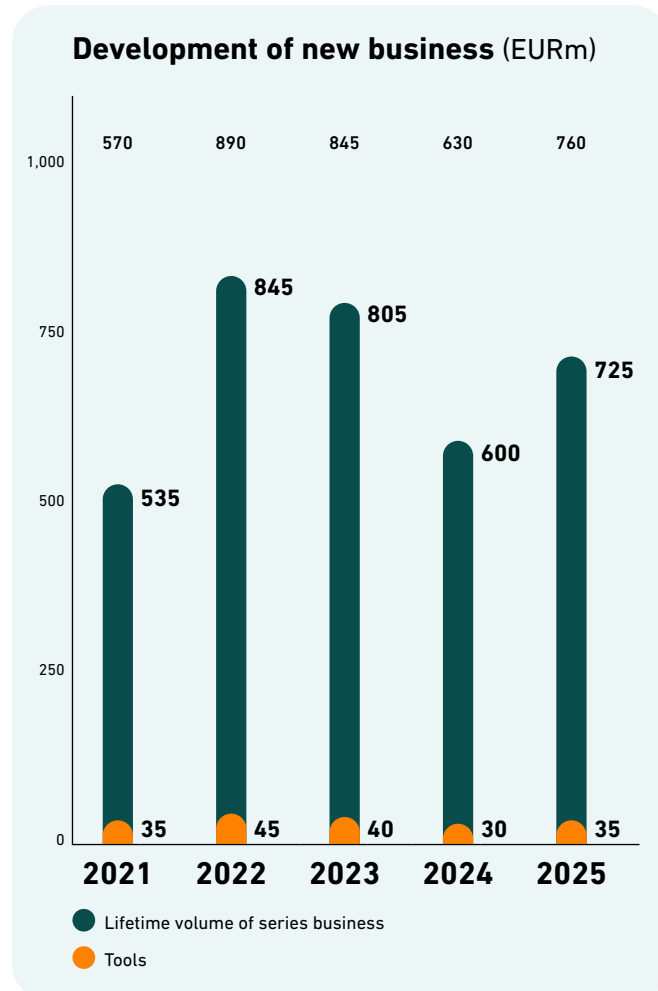
² Reported on November 13, 2025

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In addition to securing new series orders, we also raised our share of deliveries in ongoing series production in the reporting year. We are also increasingly known for our own solutions for special applications. Recent examples of this include metal parts for the active and passive cooling of electrical and electronic systems.



In fiscal year 2025, we achieved a lifetime volume of around EUR 760m, including tool orders related to series production of around EUR 35m. Once again, we are delighted to welcome the first projects from various new customers – both automotive manufacturers and suppliers – to our portfolio at several locations.

By region, a large order for side members in the Czech Republic segment was particularly notable. Side members are key components of the body that run along the long side of a car. They reduce impact forces and protect passengers in a side-impact collision by absorbing energy.

In our view, this order for the development and manufacture of highly complex parts showcases our high level of expertise in high-strength steels and sophisticated joining solutions.

Another key focus was new business at our sites in Mexico and Germany, where customers commissioned us to develop and manufacture a wide range of different product solutions.

We also secured promising volumes in the China and Canada segments, especially considering the size of those locations. In China, these include a new generation of housings for steering columns and seat adjustment, window regulators and headlights, and components for electrohydraulic brake boosters. In Canada, we secured larger volumes for air suspension and door parts.

With various projects for the engineering and production site in Serbia, we are also securing the further growth planned there.

On the product side, customers placed major orders for instrument panel carriers, air suspension, body parts and seat frames for a variety of vehicle types – for example, with a Chinese manufacturer for the production in China and Mexico.

Wherever opportunities arise beyond our traditional sales markets, we seize them with determination. In 2025, for example, we secured orders for the development and manufacture of components that will be installed in trucks and delivery vans.

We plan to start production of the new business booked in the reporting year mainly in fiscal years 2026 – 2027. However, some of these orders – mainly smaller ones – already added to revenue in 2025.

Much of our work involves supplying platforms on which numerous vehicle models with different start and end dates are manufactured. As a result, our orders typically run for 8 – 10 years. In fiscal year 2025, however, a comparatively larger share of those projects generate revenue in a shorter time than is normal for our business. This was due to volume increases for existing series products and to the acquisition of additional supply shares as well as extra volumes of newer vehicle models that use identical parts from existing platforms.

In addition, some larger series production runs at the sites in the Czech Republic are set to run for 13 years. These cover body and structural parts for a platform that in the past has already demonstrated long-term viability.

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Results of operations

Income statement

Selected information (EURk)	2025	in % of revenue	2024	in % of revenue
Revenue ^{1,2}	524,685	100.0	555,119	100.0
Total operating revenue	527,921	100.6	555,565	100.1
Other operating income	26,539	5.1	14,915	2.7
Cost of materials	-304,724	-58.1	-325,973	-58.7
Staff costs	-143,125	-27.3	-135,870	-24.5
Other operating expenses	-57,077	-10.9	-54,897	-9.9
EBITDA	49,534	9.4	53,740	9.7
Depreciation/amortization	-24,919	-4.8	-23,594	-4.3
EBIT before currency effects ¹	26,097	5.0	30,043	5.4
Currency effects according to the income statement	-1,482	-0.3	103	0.0
EBIT incl. currency effects	24,615	4.7	30,146	5.4
Net income/loss for the period ³	8,003	1.5	12,541	2.3
No. of employees on Dec. 31, incl. temporary employees	3,262	-	3,195	-

¹ Key performance indicator for the PWO Group

² Benchmark for percentages

³ The net income/loss for the period is attributable in full to the shareholders of PWO AG.

The Group has no sites in Russia or Ukraine and has no major direct customer or supplier relationships in those countries. Still, the Group is affected by the overall economic effects of the war in Ukraine. Yet no company-specific adjustments are needed. The armed conflicts in the Middle East – particularly in Iran – also affect PWO only indirectly through their overall economic and political impact. In particular, this could disrupt global supply chains. As a result, increases in purchase prices cannot be ruled out. However, based on current information, we do not anticipate any significant economic impact on the PWO Group as a result of this conflict.

One of PWO's key financial performance indicators is "EBIT before currency effects", which we use as the basis for the following notes. This figure is adjusted for currency effects from transactions. These effects affect other operating income and expenses and are reported in the notes to the consolidated financial statements. By contrast, translation effects arise when the foreign currency financial statements of our subsidiaries are translated into the Group currency, the euro, and are not included in EBIT before currency effects.

We continue to benefit from the strong new business of recent years and from the ongoing start-up and ramp-up of new series production. In addition, we billed a higher tool volume in the reporting year than in the previous year. Of the EUR 30.4m decrease in revenue in the reporting year compared with the previous year, EUR 9.3m was attributable to currency effects and EUR 8.4m to lower material prices. Excluding these factors, in 2025 revenue fell by only EUR 12.7m, or 2.4%, compared with 2024.

The cost of materials ratio, which had risen sharply in recent years, fell. The fall in raw material prices and a shift in the product mix helped. Energy costs also fell noticeably to EUR 6.3m (p/y: EUR 7.4m) as prices declined. However, measured in terms of revenue, energy costs are not a dominant cost factor in our business, accounting for just over 1% of revenue.

By contrast, the staff cost ratio increased significantly as wages and salaries do not correspond to revenue development, but rather tend to rise each year. This is due to union deals and shortages of skilled workers in many of the countries we work in. In addition, we hired new employees at our growing sites to train them for future series production and ramp-ups.

Depreciation/amortization rose due to our investment activities. We cut other operating costs, excluding currency costs, to EUR 46.0m (p/y: EUR 49.9m). Higher costs mainly for maintenance and corporate communications – including the relaunch of our website and company design – were offset by lower legal and consulting costs and falling costs for temporary workers, among other things.

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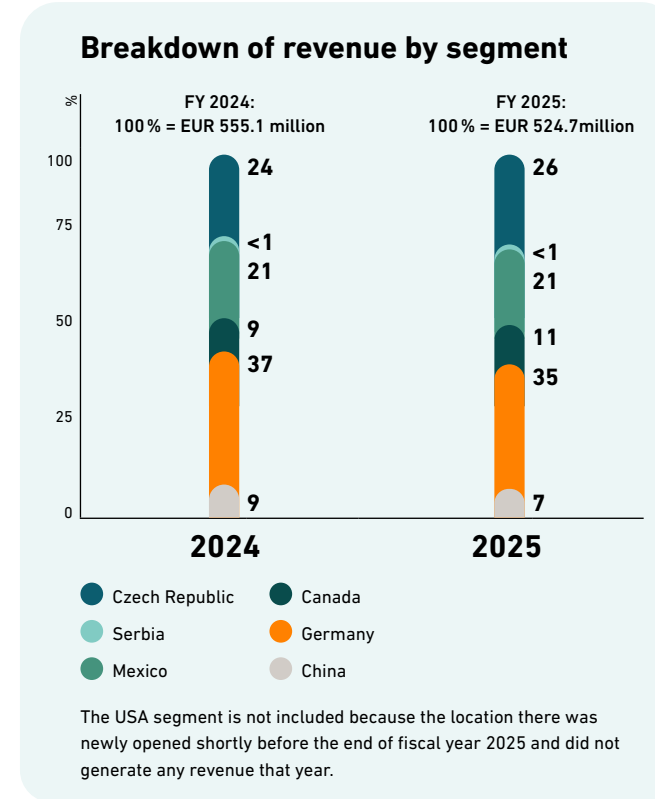
Overall, we generated EBIT before currency effects of EUR 26.1m (p/y: EUR 30.0m) and including currency effects of EUR 24.6m (p/y: EUR 30.1m) in the reporting year. EBIT including currency effects includes effects from the valuation of foreign currency receivables and liabilities as well as hedging transactions on the reporting date. In the reporting period, the reversal of warranty provisions amounting to EUR 2.4m in the Germany segment had a positive impact on the Group's earnings performance.

In addition, a positive special effect was recorded in the Canada segment. Customer adjustments to plans resulted in special payments and, at the same time, the devaluation of production facilities already purchased. Overall, the special effect was positive, amounting to EUR 8.2m. In the previous year, the special effect in the Canada segment amounted to EUR 0.8m. We define special effects as events that occur only once in the reporting period, are not recurring in nature and amount to at least 5% of EBIT before currency and special effects. Adjusted for special items, EBIT before currency effects in the reporting year would have been EUR 17.9m (p/y: EUR 29.2m), which is below the previous year's figure.

While the expense from the financial result was EUR 8.9m, down from EUR 9.7m in the previous year due to the fall in the variable interest rate (EURIBOR), the tax rate was much higher at 49.0% compared to the previous year's figure of 38.6%. The main drivers were charges from effects from previous years and from expected future tax rate reductions. In addition, the negative result of the subsidiary in Serbia does not reduce taxes at the Group level.

Total net income for the year was EUR 8.0m (p/y: EUR 12.5m).

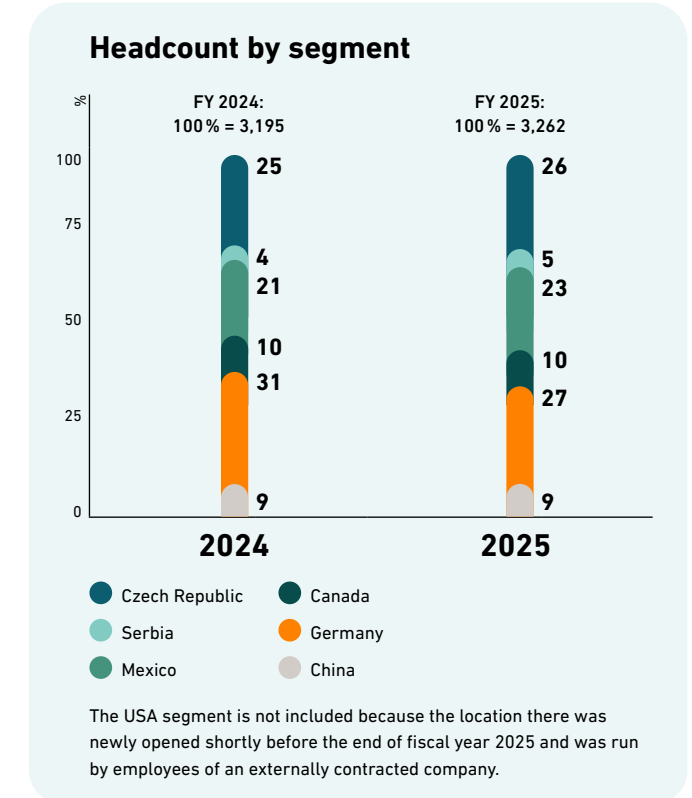
Segments



In line with the internal management of the Group, our sites form the basis for segment reporting. The segments are determined by the sites of the Group's assets. The Group's revenue is split in the same way. Internal revenue between the sites and segments mainly relates to deliveries of series parts and tools.

The tables below show the key data on the development of the segments. The figures that serve as benchmarks for the Group are highlighted. Consistent with the presentation of the results, the next section will focus on EBIT before currency effects.

We discuss developments that affected individual locations more strongly than the Group as a whole in the reporting year. However, we do not reiterate in detail the influencing factors explained in the "Results of operations" section.



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China segment

EURk	2025	in % of external revenue	2024	in % of external revenue
Total revenue	46,173	116.6	54,433	112.5
External revenue ^{1,2}	39,605	100.0	48,398	100.0
Total operating revenue	46,284	116.5	54,434	112.5
EBIT before currency effects ¹	5,499	13.9	6,296	13.0
EBIT incl. currency effects	5,621	14.2	6,325	13.1
No. of employees on Dec 31, incl. temporary employees	279	–	295	–

¹ Key performance indicator for the PWO Group and the segment
² Benchmark for percentages

Our sites in the China segment experienced strong market pressure that some existing customers in this market face, which led to a sharp fall in external revenue. However, the effect on profit was largely limited by steady cost control and strict efficiency measures.

Germany segment

EURk	2025	in % of external revenue	2024	in % of external revenue
Total revenue	194,616	106.6	223,905	108.4
External revenue ^{1,2}	182,646	100.0	206,538	100.0
Total operating revenue	196,455	107.6	224,250	108.6
EBIT before currency effects ¹	-2,073	-1.1	3,677	1.8
EBIT incl. currency effects	-2,910	-1.6	3,497	1.7
No. of employees on Dec 31, incl. temporary employees	882	–	979	–

¹ Key performance indicator for the PWO Group and the segment
² Benchmark for percentages

The home site of Oberkirch in the Germany segment remains under pressure due to the increasingly tough conditions for industry in Germany. As our customers increasingly shift production from Germany to Eastern Europe, it is also hard to keep the level of revenue at our German site. Accordingly, external revenue fell sharply again in the reporting year.

However, thanks to early action we kept staff costs roughly flat despite yearly wage hikes and cut other operating costs. This offset some of the fall in revenue on the cost side. Still, the Germany segment ended the year with negative EBIT before currency effects. The loss would have been even higher had it not been for the positive effect of the reversal of warranty provisions amounting to EUR 2.4m relating to other periods.

To offset the ongoing pressure on the Germany segment, we started talks with the PWO works council in the reporting year to reach a works deal. Shortly after the end of the reporting period, the parties agreed to a temporary cut in hours and pay. To avoid lay-offs for operational reasons and keep jobs at the main plant, the deal gives the company the option to cut hours by up to 7.63% until December 31, 2026, depending on workload, with a corresponding cut in pay.

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Canada segment

EURk	2025	in % of external revenue	2024	in % of external revenue
Total revenue	57,641	101.9	50,533	102.4
External revenue ^{1,2}	56,543	100.0	49,352	100.0
Total operating revenue	57,651	102.0	50,533	102.4
EBIT before currency effects ¹	11,931	21.1	2,107	4.3
EBIT incl. currency effects	11,866	21.0	2,272	4.6
No. of employees on Dec 31, incl. temporary employees	337	–	318	–

¹ Key performance indicator for the PWO Group and the segment
² Benchmark for percentages

External revenue in the Canada segment rose sharply. Higher capacity use and the successful end of customer negotiations drove this rise. This led to extra payments and, at the same time, a write-down of plants already bought – ultimately yielding a positive one-off effect of EUR 8.2m. Together with strict cost control, this lifted EBIT before currency effects compared with the prior year.

Mexico segment

EURk	2025	in % of external revenue	2024	in % of external revenue
Total revenue	110,263	100.0	116,350	100.3
External revenue ^{1,2}	110,222	100.0	115,961	100.0
Total operating revenue	111,334	101.0	116,450	100.4
EBIT before currency effects ¹	6,722	6.1	10,686	9.2
EBIT incl. currency effects	6,346	5.8	10,791	9.3
No. of employees on Dec 31, incl. temporary employees	756	–	685	–

¹ Key performance indicator for the PWO Group and the segment
² Benchmark for percentages

The development of the Mexico segment was significantly influenced by preparations for the start-up and ramp-up of new series production, while customer call-offs in ongoing series were down on the previous year due to market conditions. Among other things, tools and presses were run in and employees were trained for the new series production. Overall, various costs are reducing EBIT before currency effects, before significant revenue is generated from the series ramp-ups in the future. We consider this trend to be temporary. As the new series ramp up, this trend should reverse.

Serbia Segment

EURk	2025	in % of external revenue	2024	in % of external revenue
Total revenue	3,591	619.2	3,176	705.8
External revenue ^{1,2}	580	100.0	450	100.0
Total operating revenue	3,621	624.3	3,176	705.8
EBIT before currency effects ¹	-5,334	-919.6	-1,872	-416.0
EBIT incl. currency effects	-5,357	-923.6	-1,895	-421.1
No. of employees on Dec 31, incl. temporary employees	147	–	123	–

¹ Key performance indicator for the PWO Group and the segment
² Benchmark for percentages

In the reporting year, toolmaking work in the Serbia segment was slightly above the prior year's level. At the same time, we pressed ahead with the building of the new engineering and production site. Production there started on time at the end of 2025. However, the level of revenue generated was not yet enough to cover the costs linked to setting up the site.

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Czech Republic Segment

EURk	2025	in % of external revenue	2024	in % of external revenue
Total revenue	145,148	107.4	144,280	107.5
External revenue ^{1,2}	135,123	100.0	134,268	100.0
Total operating revenue	145,323	107.5	144,280	107.5
EBIT before currency effects ¹	9,714	7.2	8,972	6.7
EBIT incl. currency effects	9,411	7.0	8,980	6.7
No. of employees on Dec 31, incl. temporary employees	861	–	795	–

¹ Key performance indicator for the PWO Group and the segment

² Benchmark for percentages

The ramp-up of new series production and, in particular, higher tool revenue compensated for the current market weakness in Europe in the Czech Republic segment. As a result, external revenue exceeded the previous year's level. One-time costs at the start of the reporting year – especially in connection with 2 ongoing orders – first reduced earnings, but the team later more than offset them through focused efficiency steps. EBIT before currency effects therefore exceeded the previous year's figure in the reporting year.

Net assets

In fiscal year 2025, total equity and liabilities rose to EUR 442.2m (p/y: EUR 433.0m). Non-current assets remained on a similar level to the previous year at EUR 245.9m (p/y: EUR 245.2m). However, as we continued to expand, the value of our land and buildings increased significantly. Meanwhile, prepayments made and assets under construction decreased due to the capitalization of the building in Serbia. Overall, property, plant and equipment increased to EUR 202.8m (p/y: EUR 195.4m).

Large sums went to Serbia and Mexico, then Germany and the Czech Republic. Details on spending goals can be found in the "Financial Position" section.

Current assets rose to EUR 196.3m (p/y: EUR 187.9m). This was mainly due to higher inventories, which rose to EUR 48.8m (p/y: EUR 40.6m). In contrast, receivables and other assets fell to EUR 129.2m (p/y: EUR 135.5m). We keep working to lower the capital tied up in current assets. For example, in the reporting year, we signed new factoring deals at our international sites and raised the volumes of existing deals. At the same time, we are also continuously improving terms with our suppliers.

Cash and cash equivalents rose to EUR 18.3m (p/y: EUR 11.8m).

On the liabilities side of the balance sheet, non-current financial liabilities rose mainly because of the EUR 12.5m promissory note tranche placed in the fourth quarter, among other things to finance our construction measures at our locations. In return, we partially repaid current financial liabilities. Total short-term and non-current financial liabilities therefore just rose to EUR 108.0m (p/y: EUR 98.9m). Net debt remained stable.

In addition, non-current pension provisions fell sharply to EUR 41.3m (EUR 46.4m), driven mainly by the rise in the discount rate and a change to the pension trend. Trade payables also fell to EUR 63.2m (p/y: EUR 65.7m). The launch of a supply chain financing program with a EUR 10m line at PWO AG also helped. The related obligations are reported under other financial liabilities.

Financial liabilities generally bore interest at rates ranging from 3.00% to 7.13% (current) and from 1.35% to 5.95% (non-current). The higher interest rates mainly stem from subordinate, local financing of individual subsidiaries.

To secure liquidity and funding for the Group, we completed the following funding steps in 2025 in addition to the supply chain financing program: The Group secured a bilateral loan of USD 5m at PWO Mexico and placed a promissory note loan in 2 tranches of EUR 12.5m (value date 2025) and EUR 7.5m (value date 2026) through a private placement.

As of the reporting date, the total amount of undrawn lines, including cash and cash equivalents, amounted to EUR 108.2m (p/y: EUR 111.7m).

Development of the equity ratio and net leverage ratio

EURk	2025	2024
Equity	165,888	162,280
Total equity and liabilities	442,166	433,034
Equity ratio¹ = Equity % of total equity and liabilities	37.5	37.5
Non-current financial liabilities	88,605	52,097
Current debt	19,405	46,826
Cash and cash equivalents	18,304	11,777
Net debt	89,707	87,146
EBITDA	49,534	53,740
Net leverage ratio in years/EBITDA¹	1.8	1.6

¹ Key performance indicator for the Group

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Financial position

Cash flow from operating activities fell to EUR 48.9m (p/y: EUR 78.0m). In the previous year, this balance was very high due to the reporting date – mainly because of a big fall in current assets and a rise in current liabilities (excluding financial loans). The latter resulted mainly from higher trade payables. These effects were partly reversed in the reporting year. The change in current assets led to a cash outflow of EUR 1.9m in fiscal year 2025 (p/y: cash inflow of EUR 20.8m). The change in current liabilities (excluding financial liabilities) produced a cash inflow of EUR 5.9m (p/y: EUR 16.5m).

Other non-cash expenses/income moved in the opposite direction. They had a positive impact of EUR 0.7m on cash flow from operating activities in the reporting year (p/y: EUR -8.1m). This item comes mainly from the valuation of hedging instruments.

Cash flow from investing activities was EUR -32.3m (p/y: EUR -36.8m). We explain the capital expenditure in the reporting period below. Free cash flow after interest paid and received and after taxes paid was EUR 9.9m (p/y: EUR 33.3m).

Cash flow from financing activities amounted to EUR -2.2m (p/y: EUR -27.7m). This includes net borrowings and leasing liabilities of EUR 10.1m (p/y: net repayments of EUR 14.4m). The sum of these changes led to a net change in cash and cash equivalents of EUR 14.5m in the reporting year (p/y: EUR 13.5m).

Keeping enough cash for the Group is always the focus of our finance work. We keep a cash buffer above our current payment duties. At the same time we aim to use current credit lines as little as possible.

The Group’s solvency was ensured at all times during the reporting year. Against the backdrop of the promissory note loan placed in the fourth quarter and the undrawn credit lines described in the “Net assets” section, we are convinced that we have taken sufficient precautions to ensure solvency at all times in the forecast period. For more details on the rules and goals of cash management, see the notes to the accounts.

As shown in the segment report, EUR 41.3m (p/y: EUR 46.2m) was invested in the reporting year. The difference to the aforementioned cash flow from investing activities is due to the new lease financing agreements concluded in the reporting year. We are growing the Group and are putting money mainly into land and buildings, in the growth of our production capacity and in the digitalization of production steps. At the same time, we manage capital expenditure consciously, limit cash outflows and improve balance sheet quality.

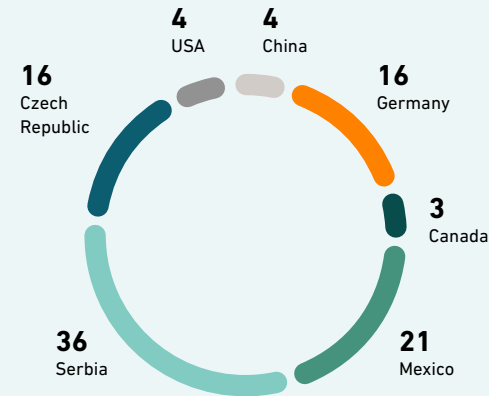
In the China segment, capital expenditure of EUR 1.7m (p/y: EUR 2.1m) went mainly to project-specific assembly lines and IT infrastructure. Additional funds went to a new trial press and the expansion of the tool shop.

The Germany segment recorded capital expenditure of EUR 6.8m (p/y: EUR 7.8m). This sum covered digital projects with a focus on finance and revenue. In addition, we invested in presses, welding cells and, in particular, the automation of assembly lines. We also further strengthened the performance of our tool shop with a new turning and milling machining center.

The volume realized in the Canada segment amounted to EUR 1.3m (p/y: EUR 6.0m). The site is expanding its press fleet in preparation for the start of new series production. Another investment focus was on assembly systems for new cross member projects and for further orders.

Capital expenditure by segment

FY 2025: 100% = EUR 41.3 million



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In the Mexico segment, the expansion of our locations is continuing at speed with capital expenditure of EUR 9.0m (p/y: EUR 8.4m). We substantially enlarged the press area in production and expanded our assembly and welding capacities. Among other things, we strengthened our leading position in air suspension components with a helium recovery system. A new forming press is also on the way. It is scheduled to go into operation in 2026. At the same time, we are further strengthening our toolmaking capabilities and, with a new precision cleaning system, ensuring that we will continue to fully meet our customers' increasing requirements for the technical cleanliness of components (for example, with regard to maximum particle size or number).

In the reporting year, we once again dedicated significant capital expenditure of EUR 15.3m (p/y: EUR 14.3m) to the development of our sites in the Serbia segment. The new engineering and production site opened on July 3 and production began in the fourth quarter. We procured 3 forming presses for this purpose. We also invested in a precision cleaning system, among other things. Furthermore, we are setting up state-of-the-art IT infrastructure.

In the Czech Republic segment, capital expenditure was EUR 6.8m in the reporting year (p/y: EUR 7.7m). In anticipation of further growth at the sites, we completed a new production and logistics hall. In addition to project-specific expansion investments, we are also setting up a new welding and assembly line there, improving the IT infrastructure and expanding the machine park in toolmaking.

The capital expenditure of EUR 1.6m in the USA segment, which we are reporting for the first time in the year under review, mainly comprised the lease costs for the operating facilities over the term of the agreement.

Consolidation effects mainly related to interest expenses for the financing of the new building in Serbia.

Non-financial management of the PWO Group

We made important decisions regarding non-financial performance indicators in the reporting year, especially for the further reduction of GHG emissions. In addition to our regular improvements in energy saving and increasing energy efficiency at all our sites, in 2025 we completely converted our sites in China to green electricity – a year earlier than originally planned. In addition to generating electricity via photovoltaics, we use other instruments recognized by the SBTi, such as green electricity certificates in accordance with the I-REC standard.

In the reporting year, we also improved, more clearly defined and fully documented the existing process for recording our energy use and related scope 1 & 2 GHG emissions as part of ESG reporting.

The process collects data each quarter and establishes the data flow and tasks for each step. We use the data to study reduction options at the main emission sources. We have firmly embedded the resulting continuous improvement process into our management system, which reflects experience from all sites and best practices. This approach fosters Group-wide sharing of knowledge and supports the review and roll-out of suitable measures.

We regularly train our staff via e-learning courses and focus on a risk-based approach. We audit suppliers based on ESG criteria. As part of our continuous improvement processes, we are expanding our accident prevention procedures. In the reporting year the number of work accidents fell sharply, especially at the Oberkirch site.

Report on risks and opportunities²

OBJECTIVES AND STRATEGY OF THE RISK MANAGEMENT SYSTEM AND THE INTERNAL CONTROL SYSTEM

The PWO Group is exposed to a variety of risks associated with the business activities of PWO AG and its subsidiaries. We ensure sustainable success and the achievement of corporate goals by identifying opportunities and risks in equal measure, assessing them appropriately and managing them effectively. Our standardized risk management system (RMS) and internal control system (ICS) contribute to securing our objectives and are therefore an indispensable part of corporate management.

All risk management activities are derived from the strategy and objectives. In this context, we pursue a uniform approach to dealing with opportunities and risks. In doing so, the Group is guided by the principles of value-oriented management and takes business risks when, in the opinion of the Executive Board, the associated earnings opportunities exceed the risks.

STRUCTURE OF THE RISK MANAGEMENT SYSTEM AND THE INTERNAL CONTROL SYSTEM

The Group's RMS and ICS are closely linked. PWO is guided by the 3-line model of the Institute of Internal Auditors (IIA) in order to ensure an appropriate, integrated control and monitoring system.

² The following changes have resulted from the restructuring of the report on risks and opportunities in the past fiscal year: Starting in fiscal year 2025, we no longer present opportunities and risks with predominantly short-term and predominantly medium- and long-term effects separately, but instead address opportunities and risks as a whole. The focus is on the reporting and forecast period of one year. In the section "Overall statement on the opportunity and risk situation" we also address topics that go beyond the reporting and forecast period.

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In accordance with the model, the RMS and the ICS are part of 3 lines designed to protect the PWO Group from significant risks. The tasks are clearly defined. The first line of the 3-line model

encompasses the operational units, the second line comprises Group Risk Management, and an independent internal audit function makes up the third line.

First line: Operating units, segments & ICS

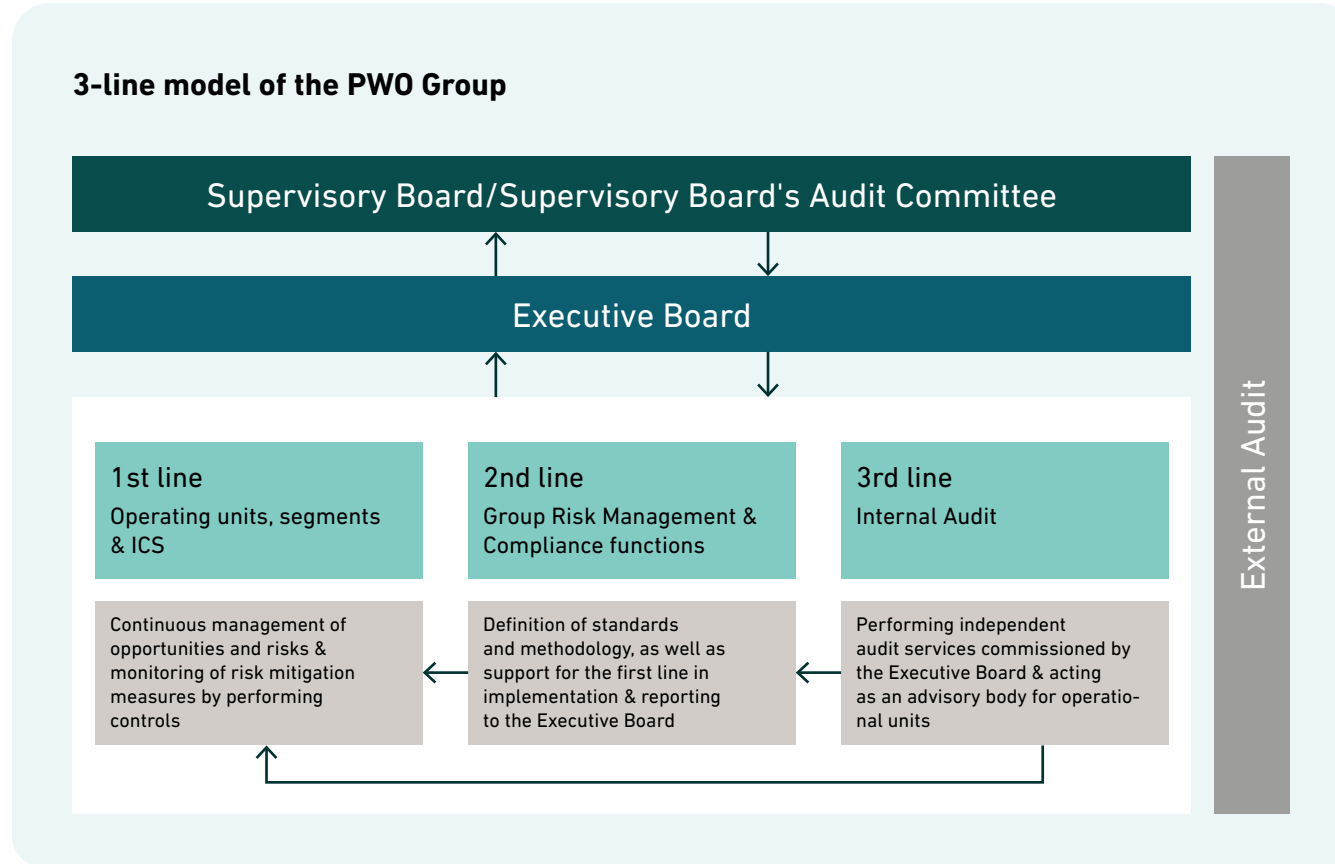
The first line comprises the operating units in the individual segments. Their task is to ensure internal and external requirements are met. In addition, they carry out controls as part of the ICS approach, steer operational risk management, and further develop business processes in their respective units.

Opportunities and risks are identified and assessed in a decentralized manner in the first line. These are systematically structured and reported to Group Risk Management as part of planning and projection cycles. This ensures that opportunities and risks are appropriately incorporated into planning. Potential opportunities and risks are primarily identified and assessed. In addition, risk management measures are controlled, monitored and updated.

Second line: Group Risk Management & Compliance

The second line comprises Group Risk Management & Compliance functions. They define minimum requirements, set standards, coordinate cooperation with the first line and monitor the processes to be applied. Their tasks also include reporting regularly to the Executive Board and the Supervisory Board.

Group Risk Management works closely with the first line. This ensures that significant opportunities and risks are identified and assessed as comprehensively as possible, taking into account the applicable standards. In addition, Group Risk Management provides support with data maintenance and regularly checks the validity of the assessment assumptions. Furthermore, Group Risk Management serves as the point of contact for ad hoc risks.



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As the higher authority for operational risk management, Group Risk Management is responsible for aggregating all opportunities and risks. The results of the risk aggregation are then incorporated into the risk-bearing capacity calculations, taking interdependencies into account. Here, various scenarios are simulated and compared with the risk coverage. Statements on whether individual or combined risks could jeopardize the company's existence are reported regularly to the Executive Board and the Supervisory Board.

During the fiscal year, certification of the compliance management system (CMS) was confirmed in the first surveillance audit in accordance with ISO 37301:2021, as was the certification of the anti-corruption management system in accordance with ISO 37001:2016. Recertification will take place in the fourth quarter of 2027 at the latest.

As part of the update of the compliance risk analysis, a qualitative risk questionnaire was conducted for the first time with approximately 80 managers using an online tool. This did not result in a change in the compliance risk assessment. In addition, both system and process audits were carried out as part of the internal compliance audit program.

For the expansion of the CMS to PWO SEE d.o.o. Čačak (Serbia), we have developed and rolled out Serbian-language e-learning courses for the annual mandatory training program. All employees have undergone a tried-and-tested training program on the PWO Code of Conduct, and are required to declare their commitment to it.

Third line: Internal Audit

In the third line, Internal Audit assesses whether business processes and governance functions are appropriate and effective through independent, risk-oriented audits. The overarching task of Internal Audit is to protect the organization and its assets. It also creates added value through targeted consulting services and helps to improve business processes.

Internal Audit supports the organization in achieving its goals by using a systematic approach to verify that the RMS and ICS are effective. In addition, it evaluates management and monitoring processes and helps to improve them. Internal audit assignments are selected based on risk-oriented annual planning. Information from the Executive Board, the Vice Presidents, the management of the international locations and Group Risk Management serve as the foundation of this planning. Resources are also taken into account for ad hoc audits during the year.

In the reporting year, process-oriented audits were carried out at the locations in Germany, Mexico and Canada. A newly introduced follow-up monitoring system was used to monitor the implementation of measures.

METHODOLOGY AND FURTHER DEVELOPMENT OF THE RISK MANAGEMENT SYSTEM AND INTERNAL CONTROL SYSTEM

Methodological approach within the framework of the risk management process and the internal control system

Opportunities and risks can be identified on the basis of corporate planning. Accordingly, opportunities and risks can lead to positive or negative deviations from the plan and are therefore defined as uncertain events. In addition, there are mixed risks, which can have both a negative and a positive impact on corporate planning (e.g., material price developments). All opportunities, risks and mixed risks are clearly assigned to individual owners. The owner evaluates the risks on a quantitative basis, taking into account the 3-point distribution (best, normal and worst case) with regard to expected damage (in relation to EBIT) and expected probability of occurrence. Risks are assessed on both gross and net basis, as the implemented risk management measures are an integral part of our defined approach.

We use Monte Carlo simulations to determine the total risk exposure. The distribution results form the basis for the risk-bearing capacity calculations. We use a Monte Carlo simulation to map interdependencies, defining causal links between our risks and

simulating them using a correlation matrix imported into our risk management system.

We simulate a wide variety of scenarios and perform defined stress tests with regard to our risk coverage. A summary of the results is reported regularly to the Executive Board and Supervisory Board, particularly during the planning and forecast cycles.

Once a year, the risk owners assess the strategic and ESG risks using a qualitative questionnaire. This approach has proven successful. No serious risks were identified in this regard during the reporting period.

The methodology of the RMS and the ICS is continuously being developed and refined. In the past fiscal year, we provided training courses to enhance the skills of employees who are actively involved in our RMS. We also established new responsibilities, particularly at our site in Serbia.

In fiscal year 2025, the PWO Group once again addressed the importance of climate risks and systematically continued the analysis begun in the previous year. A significant portion of these results has been incorporated into the updated materiality analysis.

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Our ICS is constantly being developed. In the reporting year, the risk control matrices were restructured with the aim of achieving a more efficient approach and utilization. We also developed a structured testing concept for the ICS, which will be implemented across the board at PWO AG in 2026.

Risk management and internal control system in the accounting process

The key operating units are involved in the control and risk management of the accounting process. All measures are based on established principles, procedures and regulations. Responsibilities are clearly defined and separated from one another by a clear distribution of tasks and the consistent application of the dual control principle in order to ensure quality and prevent errors or manipulation. In addition, the Internal Audit department monitors whether the specifications are being complied with and properly implemented as part of its risk-oriented audit plan. We pursue the following objectives with the safeguarding measures:

- ✓ Ensuring effectiveness and efficiency and protecting the Group's assets against loss, misuse or fraud.
- ✓ Ensuring the accuracy and reliability of internal and external accounting information.
- ✓ Complying with all applicable legal regulations, in particular the compliance of the consolidated financial statements and the Group management report with applicable standards and regulatory requirements.

The accounting-related internal control and risk management system also helps to identify, assess and prioritize risks at an early stage that could have a material impact on accounting or jeopardize the continued existence of the PWO Group. Identified risks are systematically monitored and appropriate counter-measures are continuously implemented.

At the consolidation level, we prepare the consolidated financial statements on a monthly basis in a structured, multi-stage process to ensure consistency, transparency and accuracy across all reporting entities. The Group Accounting Manual sets out binding accounting guidelines for all relevant processes and ensures that these are applied uniformly and that the requirements are met.

All business transactions are first recorded in the operating units using a group-wide, SAP-based accounting and billing system. This system ensures standardized processes, facilitates reconciliation and supports a high level of data integrity. Access rights within this system are clearly defined and monitored to protect sensitive financial data and ensure effective separation of duties.

As part of the consolidation process, local financial data is aggregated and adjusted at Group level to eliminate intra-Group business transactions and align reporting with IFRS requirements. Specific controls are integrated at all stages of this process, including plausibility checks, data validation and management reviews. The purpose of this is to ensure that the consolidated financial statements give a true and fair view of the assets, financial position and financial performance of the Group.

Adequacy and effectiveness of risk management and internal control systems³

The elements described above fulfill the requirements for an early risk detection system. We regularly assess the risk situation on the basis of a systematic process. All activities are secured and documented in accordance with the dual control principle. Independently of this, the auditor reviews the implemented procedures and processes on an annual basis. Within this framework, the documentation is checked on a random basis for plausibility and appropriateness. In general, the auditor assesses the functionality of the early risk detection and monitoring system integrated into the Group risk management system in accordance with Section 317 (4) of the German Commercial Code (HGB).

The Supervisory Board's Audit Committee is systematically involved in our risk management and ICS. In particular, it monitors accounting and the accounting process as well as the appropriateness, effectiveness and development of the ICS, risk management and internal audit system.

Internally, our RMS and ICS are regularly subject to audit activities by the Internal Audit department. The latter systematically checks whether these components are appropriate and effective. Internal audits include checks on internal controls.

As part of the ongoing development of the ICS, potential efficiency improvements were identified. These have been incorporated into the existing ICS roadmap and have already been implemented in some areas in the reporting year.

³ The information contained in this section of the combined management report that is not related to the management report on the appropriateness and effectiveness of the internal control system is not part of the audit. The audit covers only the accounting-related internal control system.

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At the time of reporting, the Executive Board had no indications in any material respect, taking into account the scope, business activities and risk situation, that the system as a whole is not appropriate and effective.

OVERALL STATEMENT ON THE OPPORTUNITY AND RISK SITUATION

Compared to the previous year, the overall operational risk situation of the PWO Group has deteriorated. We are observing an increase in risks, particularly at our site in Canada. The risk situation in the China, Mexico, Serbia and Czech Republic segments remains at a similar level. As part of our corporate planning, we identified planning uncertainties that are influenced by both external and internal factors. In addition, the continuing high cost pressure at our site in Germany is having a noticeable impact on the operational development of our business and is weighing on our earnings. As a result in Germany, too, risks increased in the reporting year compared with the previous year.

From a strategic perspective, we also anticipate various challenges that could have a significant impact on our business development. With the new production site in the USA, we are increasing our presence on the North American continent and thus strengthening our competitiveness. Our local-for-local approach also helps to reduce the risk of trade policy dependencies.

In addition, the PWO Group is exposed to various geopolitical risks that could have a significant impact on its business activities. Trade conflicts between the USA, China and the EU, particularly in the area of steel and automotive parts, could lead to further tariffs and export restrictions. We are not directly affected by this, but we are experiencing indirect negative effects due to developments in the automotive industry. In addition, there is a real risk of a chip crisis, which could be caused by further export restrictions

imposed by the Chinese government. PWO does not purchase semiconductors itself, but is dependent on customer demand, which can be affected by semiconductor shortages.

Industrial policy developments in Germany pose a significant challenge for our industry. The increasing need for reform in key areas has a direct impact on competitiveness. In particular, the current economic framework conditions, such as high energy prices and rising wage and labor costs, are affecting operating profitability and slowing down necessary progress.

The slowdown in global automotive demand, caused by macro-economic uncertainties and a slowing economy in key markets, could have a negative impact on production capacities and the order situation. Competition from Asia in particular, which is offering increasingly competitive and cost-effective solutions, is presenting our market environment with new challenges.

This may also have an indirect impact on the PWO Group, as reduced order volumes due to changed competitive conditions lead to fewer call-offs. Further challenges arise from project postponements during model launches, which can lead to planning uncertainties and potential delays in production. Taken together, these factors could increase pressure on efficiency and profitability in the coming years.

It is difficult to assess these market-related risks in detail. However, we consider them to be high and therefore reflect them in summary form in our corporate planning.

Estimates of future exchange rate developments are not part of our corporate forecasts. We enter into hedging transactions to avoid currency risks. The aim is to hedge the currency parities assumed when an order is received and thus the expected cash flows.

Long-term contracts form the foundation of our business. New orders sometimes require lead times of several years. Customers usually stay with the same supplier during the series lifetime. On the one hand, this characteristic of our business contributes to planning security, but on the other hand, it means that short-term opportunities are limited. With regard to operational planning for 2026, the risks therefore outweigh the opportunities in the following presentation. Furthermore, the opportunity and risk situation is based on the opportunities and risks presented in the following chapter.

Overall, the Executive Board is convinced that all necessary measures have been taken to continue to successfully manage the risks of the PWO Group. Accordingly, from the Executive Board's point of view, there are no identifiable risks which, alone or in combination with other risks, would indicate insufficient risk-bearing capacity or jeopardize the Group's continued existence in the reporting and forecast period.

OPPORTUNITIES AND RISKS

As part of our RMS, we consider all types of opportunities and risks over various time horizons. Below, we present the significant opportunities and risks relating to the reporting and forecast period of one year. We take risk-reducing measures (net classification) into account and, as in the previous year, divide them into the following risk categories: financial, performance, market, regulatory and other opportunities and risks. Those opportunities and risks that relate to our new location in Serbia and were reported separately in the "Other" category in the previous year have now been assigned to individual risks and are reported there.

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We first present the classifications in tabular form based on the summarized net expected values per category and then discuss the highest risks per category. If individual segments have a significant influence on the scope of a subsequent risk, we indicate this in the respective description. The presentation is in descending order according to the net expected value.

Definition of risk significance

Description	Net expected value 2025 risk category	Net expected value 2024 risk category
Low	≤ EUR 0.7m	≤ EUR 1.1m
Moderate	> EUR 0.7m < EUR 1.0m	> EUR 1.1m < EUR 1.5m
High	≥ EUR 1.0m	≥ EUR 1.5m

Overview of risk significance for the risk categories

Risk	Ranking in 2025 (1st place = lowest net expected value)	Ranking in 2024 (1st place = lowest net expected value)	Risk significance (net expected value)	Y-o-y change in the risk ranking
Performance opportunities and risks	5	5	High	Unchanged
Market opportunities and risks	4	4	Low	Unchanged
Regulatory opportunities and risks	3	3	Low	Unchanged
Financial opportunities and risks	2	2	Low	Unchanged
Other opportunities and risks	1	1	Low	Unchanged

The net expected value of a category is calculated from the total of the net expected values of the corresponding individual opportunities and risks. Portfolio and correlation effects are not taken into account. We define the risk significance of the individual categories in accordance with the following table.

Performance opportunities and risks

PRODUCTION

The main performance risks in production include start-up risks for new series production, particularly at our sites in Mexico and the Czech Republic. These can generally result from a higher frequency of machine malfunctions, lower work efficiency and a higher demand for spare parts.

In general, due to the encouraging high level of new business in recent years, there is a risk that many high-volume orders will also be launched within a narrow time frame in fiscal year 2026, which will significantly increase start-up complexity. In some cases, new technologies will also be introduced that employees at the sites have no experience with yet. We have therefore further refined our start-up management, and have appointed a global start-up manager.

In addition, tool breakages can also have a negative impact on our profitability. We were able to significantly reduce the associated tool maintenance costs in the Germany segment in 2025 through measures such as technology and spare parts workshops. This risk is no longer a focus.

We also face business interruption risks, which primarily affect the Germany, Czech Republic, Canada and China segments. These are mainly due to the technical condition of the machines and age-related limitations affecting a limited number of presses. We are countering this by adjusting inventories, optimizing the machine portfolio, and evaluating internal replacement options. In some areas, we also have the option of compensating for bottlenecks or failures through external partners.

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Nevertheless, a residual risk of breakdowns remains. Depending on the extent of the damage and the duration of the breakdown, business interruptions may affect the timely delivery of goods to customers. However, the risk of a complete site breakdown can be virtually ruled out.

In the past fiscal year, our still young location in the Serbia segment started production. This is accompanied by process stabilization risks resulting from the level of experience and training of the employees. Process gaps that still need to be closed can lead to problems in the initial phase. We are counteracting this with ongoing training and support services from other locations.

QUALITY, PRODUCT LIABILITY AND RECALLS

The mobility industry has traditionally had very high quality requirements. However, due to increasing vehicle complexity, cost pressure and global supply chains, the number of product liability risks and risks resulting from product recalls has been steadily increasing in the mobility industry for years. This has resulted in higher risk ratings, making it more likely that one of our sites will be affected by a product recall. Much higher volumes of new business at the PWO Group in recent years also contribute to an increase in these risks. Our sites in Mexico were particularly affected by this.

We counter these risks with our quality management system, which has been established for many years and is certified in accordance with the IATF 16949 standard. This standard includes fundamental requirements for quality management systems for series and spare parts production in the mobility industry.

In addition, we are continuously expanding the scope of testing for our components – particularly as part of various digitalization projects – and documenting their zero-defect quality before they leave our premises. We do this firstly

to ensure that defective components are detected even earlier in the production process than before. Secondly, we want to achieve complete traceability of each individual component so that any defects can be assigned not only at the level of individual batches but also at the level of containers and in some cases even each individual component. This enables us to limit the total amount of damage in the event of a potential recall. Last but not least, we have taken out insurance policies to cover relevant liability risks, the scope of which we review and, if necessary, adjust on a regular basis.

LOGISTICS

External influences give rise to risks relating to dependence on transport companies, weather conditions and transport routes. We counter these risks with a local-for-local approach and by building up safety stocks.

Risks also arise in connection with transport and freight costs due to internal or external reasons, such as current production delays or volatile supply chains resulting from changes in production and delivery schedules or from freight forwarders.

Market opportunities and risks

ECONOMY AND SALES VOLUMES

We have already taken market-related risks into account in our corporate planning. They are therefore weighted less heavily than performance risks. Nevertheless, risks continue to exist from additional potential sales volume fluctuations in the PWO Group's segments. These fluctuations can subsequently give rise to capacity utilization risks that significantly affect our profitability. Due to the long-term nature of our business, we can only compensate for reductions in capacity utilization by making adjustments in our cost base. However, as a responsible employer and in our economic interest, we want to retain our highly qualified employees in the Group as

far as possible during temporary periods of weakness. We have identified isolated opportunities for additional sales volumes. However, these are of lesser importance than the risks involved.

In addition to the influence of market-related factors, sales figures are also affected by economic developments. Furthermore, for the reasons outlined in the section "Overall statement on the opportunity and risk situation", it can be assumed that end customer demand for motor vehicles will remain subdued. This is also due to the fact that end customers are showing caution with regard to the ramp-up of e-mobility in Europe, as the factors influencing the decision for or against a particular drive technology are weighed up at length and there is a lack of clear and sustained political support for this technological change.

Due to high geopolitical risks, we expect continued volatility in the supply chain. This could affect us both directly and indirectly through fluctuations in demand that may result from events that cannot be predicted at this time.

There are also risks in the toolmaking sector that are derived from economic developments. Toolmaking is used firstly as an internal service provider for the maintenance of the press shop and its tools. Secondly, it fulfills external orders to secure capacity utilization and cover its costs. Capacity utilization risks are to be expected, particularly at our locations in the Czech Republic and Germany. In general, we are striving to further optimize operational processes in the toolmaking departments of our segments in order to be able to reliably accept as many external orders as possible while at the same time ensuring sufficient capacity, available on a current basis if necessary, for the internal maintenance of all machines and equipment, especially bottleneck machines.

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PURCHASE AND SALES PRICES

Purchase and sales prices are subject to mixed risks that can have both a negative and a positive impact on corporate planning. When prices rise, there is a risk that price adjustments cannot be passed on to our customers in line with the price increases of our suppliers. When prices fall, there is a risk that customers will demand faster discounts in material prices than we are able to achieve in procurement. Scrap price trends are also regularly a factor in customer negotiations.

If negotiations are unsuccessful in light of massive short-term price increases (e.g., due to volatile energy prices), or permanent increases in costs (e.g., in human resources), this would have a negative impact on the PWO Group's results of operations. Based on the assumption of rising material prices, the risks outweigh the opportunities.

There are no risks with regard to energy prices in the current fiscal year, as early price agreements ensure a high degree of planning security. These contractual agreements offer stability and protect against unforeseen price fluctuations.

DEPENDENCE ON SUPPLIERS

The risk of a strategic supplier defaulting due to financial difficulties remains, and has recently increased due to sluggish economic performance in Germany as a whole, and in the automotive industry in particular. Further insolvencies are also looming in the current fiscal year. We manage this risk by regularly obtaining credit reports and visiting suppliers and other partners. If we identify substantial risks, we would establish targeted business relationships with new suppliers.

The higher level of economic volatility worldwide is resulting in increased insolvency risks among suppliers, which may also occur at short notice rather than at the level seen in the past. Against this backdrop, it is difficult to identify critical developments based on credit reports alone. We therefore rely on very close bilateral coordination, especially with suppliers whose production is energy-intensive, in order to manage the risk situation.

Regulatory opportunities and risks

LEGAL FRAMEWORK CONDITIONS AND DATA PROTECTION

The PWO Group operates on 3 continents and in countries with different tax and political frameworks. This results in extensive requirements, the complexity of which tends to increase. In particular, we continue to consider the risks arising from the implementation of the European General Data Protection Regulation to be significant. We reduce these risks by training our employees, appointing internal data protection coordinators, and working with external experts who have proven experience in the countries and specialist areas in question.

Financial opportunities and risks

CURRENCY FLUCTUATIONS AND IMPAIRMENT

In fiscal year 2026, financial opportunities outweigh the risks. Opportunities on a smaller scale result from currency fluctuations in our Germany and Czech Republic segments. We currently do not see any risk of impairment losses on non-current assets. We continuously assess the situation and react if changes in the market environment occur, planning targets are not achieved, or earnings prospects deteriorate.

Other opportunities and risks

OTHER PLANNING UNCERTAINTIES

In the area of other opportunities and risks, potential planning deviations represent a key uncertainty. The positive effects are considered both more likely and more significant in their impact. Overall, the opportunities outweigh the risks here as well. The potential positive effects relate to the PWO Group as a whole and are spread across all segments.

PERSONNEL

The timely availability of a sufficient number of skilled workers with the right qualifications continues to pose a risk. Due to the high level of new business acquired in recent years, the expansion of new production facilities within the PWO Group, and the resulting ramp-up of new series production, there is a continuous need for qualified skilled workers. Particularly when introducing new processes, high staff turnover and employee overload can impair the stabilization of processes. This risk naturally affects the production site in Serbia, which is currently ramping up operations, to a particular extent.

We therefore focus on planning and managing our skilled labor requirements as early as possible and on a long-term basis. For example, we run extensive training and qualification programs for our employees. In addition, we manage risk within the Group by continuously expanding our broad-based personnel recruitment and employee retention efforts. Personnel risks pose a particular challenge for the Germany and Canada segments. This is due to cost planning, which takes into account both productivity increases and strategic personnel measures. The risk is that the planned cost reductions will not be achieved if efficiency improvements are delayed or do not materialize.

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IT SYSTEMS AND DATA SECURITY

IT structures that make processes available worldwide are now one of the basic requirements for sustainable corporate success. These structures are particularly exposed to risks of data losses and misuse as a result of systemic vulnerabilities, as well as data losses due to inaccessible backup systems. The occurrence of these risks can cause a wide range of damage, including temporary interruption of business operations. To minimize these risks, we ensure sufficient redundancy and continuously expand our software-based protective measures.

For years, we have also been conducting the consolidation of all IT services in a private PWO cloud, in which we have implemented a wide range of security systems. The private PWO cloud gives all employees secure access to their working environment. We are also continuously upgrading our certified information security management system at the Oberkirch site. The processes and structures established in this context are implemented in the subsidiaries as required.

In addition, the pace of digitalization in all operational processes is continuously increasing significantly, the amount of data to be processed is constantly growing, and the available software systems are becoming increasingly complex. While this opens up additional opportunities for productivity gains and quality assurance, it also increases the demands on the administration of these systems and the risks of negative consequences in the event of failed projects.

Our IT resources are geared toward implementing a digitalization strategy, both in terms of personnel and technology, that enables us to take advantage of the opportunities offered by modern IT landscapes while minimizing their risks.

Forecast

EXPECTED GENERAL ECONOMIC AND INDUSTRY DEVELOPMENT

In its January 2026 update of the World Economic Outlook, the IMF assumes that global growth will remain robust at 3.3% in 2026. At first glance, this development appears stable compared to 2025 and is the result of diverging forces that balance each other out. Headwinds from changing trade policies would be offset by tailwinds from rising capital expenditure in technology, including artificial intelligence (AI). Added to this would be fiscal and monetary support, highly accommodating financial conditions and the adaptability of the private sector.

For the USA, the IMF forecasts economic growth of 2.4% for 2026, supported by fiscal policy and lower key interest rates, while the effects of higher trade barriers gradually fade.

The IMF forecasts growth of 1.3% for the euro area in 2026. This subdued growth rate reflects unresolved structural challenges. Compared to other regions, the euro area is benefiting less from the recent technology-driven investment surge. The ongoing rise in energy prices after Russia's invasion of Ukraine also weighs on output. Additional pressure comes from the real rise of the euro against the currencies of countries that export similar goods.

In its December 2025 forecast, the Deutsche Bundesbank expects the economy of Germany to gradually recover in 2026 after many years of economic stagnation – initially at a modest pace, but then slowly picking up speed. Growth is set to pick up from the second quarter of 2026 onwards, driven by state spending and a rise in exports. After calendar effects, real GDP should rise 0.6%, and by 0.9% without calendar effects.

For China, growth for 2026 has been revised upward by 0.3 percentage points to 4.5% compared with the IMF's October WEO forecast, reflecting lower effective U.S. tariffs on Chinese goods as a result of the 1-year trade truce agreed in November 2025 and economic stimulus measures expected to be implemented over the course of 2 years.

The VDA expects international passenger car markets to show only modest momentum in 2026: Europe (EU, EFTA, UK) is likely to grow by 2% to 13.4m vehicles and China by 1% to 24.5m units. While Europe remains at a low level compared with pre-crisis levels, China is setting a new record high despite the tough market environment, according to the VDA. A sharp fall is expected in the USA (-4%; 16m light vehicles). Higher protectionism and the related cost rises will not be without effect here.

The VDA does not expect the German passenger car market to recover significantly in 2026. The association anticipates a moderate increase of 2% to 2.9m new registrations – still around a fifth less than in the pre-crisis year of 2019. One reason for this is the overall economic weakness.

The total decline in exports of German producers from their domestic production sites for 2026 is 1%, or 3.2m vehicles. The export quota would thus be 77.5%.

Domestic passenger car output is also set to fall 1% to 4.1m units in 2026. Foreign output by German brands, however, is likely to rise 1% to 9.2m vehicles.

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DEVELOPMENT OF THE PWO GROUP

	Forecast for 2026	Actual results in 2025
Financial performance indicators		
Revenue	About EUR 500m	EUR 524.7m
EBIT before currency effects	EUR 13 – 17m	EUR 26.1m
Capital expenditure according to segment report	About EUR 40m	EUR 41.3m
Free cash flow after interest paid and received and after taxes paid	Positive in the single-digit EURm range	EUR 9.9m
Equity ratio	About 37%	37.5%
Net leverage ratio (financial liabilities less cash and cash equivalents in relation to EBITDA)	About 2.5 years	1.8 years
Lifetime volume of new business	EUR 550 – 600m	About EUR 760m
Non-financial performance indicators		
Scope 1 & 2 GHG emissions	About 6,000t	5,088t
Training rate for e-learning courses	100%	100%
Supplier audits including ESG criteria	100%	100%
Work accidents (LTIR)	0	6.53

Planning for 2026 continues to be based on detailed, individual estimates of current series production volumes, as well as upcoming start-ups, ramp-ups, and phase-outs at individual sites.

Forecast of the results of operations

We expect the weak trend in the global automotive industry in fiscal year 2026 to cause lower customer call-offs, which will affect the growth of the Group's revenue and EBIT before currency effects. This applies in particular to the German market and the Germany segment. Its development is therefore likely to have a significant negative impact on the Group's revenue and, above all, EBIT once again.

New and ramping up series production at our international locations will partly offset this trend but will not fully compensate for it. We therefore expect revenue of around EUR 500m for the 2026 fiscal year. EBIT before currency effects is expected to be in the range of EUR 13 – 17 million. The decline is also attributable to the elimination of the one-time effect described above in the Canada segment and the reversal of provisions in the Germany segment.

In the China segment, we expect external revenue of EUR 40 – EUR 42 million based on the planned series production and start-ups in 2026. EBIT before currency effects could decline to EUR 2m to EUR 3m as a result of the high level of competition in this market.

Because of the tough market in Germany, external revenue in the Germany segment will fall from the level in the reporting year to around EUR 165m in 2026. When we look at the special risks, we expect EBIT before currency effects of EUR -10m to EUR -9m.

In the Canada segment, customers will no longer make the special payments in 2025. This will affect revenue development and EBIT before currency effects. We expect external revenue of around EUR 52m for this segment and are aiming for EBIT before currency effects of around EUR 5m.

Due to weak markets, external revenue in the Mexico segment may fall to around EUR 100m. However, as the start-up costs for 2025 will no longer apply and further efficiency improvements will be implemented, we are still aiming for an EBIT before currency effects that is in line with the levels seen in 2023 and 2024, that is EUR 9m to EUR 10m.

In the Serbia segment, we want to achieve external revenue of just over EUR 1m.

EBIT before currency effects is expected to range from EUR -4m to EUR -3m.

In the Czech Republic segment, start-up and ramp-up of series production should contribute to an increase in external revenue to EUR 140m to EUR 145m, and EBIT before currency effects should rise to around EUR 11m.

At the newly opened site in the USA segment, we do not expect significant external revenue in the first year of operation. We are aiming for break-even EBIT before currency effects.

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Forecast of the financial position, net assets and capital expenditure

To secure the ramp-up and start-up of new series production planned for the coming years and to establish our production site in Serbia, we intend to invest – including lease financing – around EUR 40m in the Group in fiscal year 2026, a similar amount to that invested in the reporting year.

Of this, around EUR 9m is earmarked for growth in each the Mexico and Czech Republic segments and around EUR 6m for the Serbia segment. Around EUR 8m is to be invested in the Germany segment – the Group’s largest site in Oberkirch. Smaller sums are set for Canada (around EUR 5m), China (around EUR 2m) and the USA (around EUR 1m).

Against the backdrop of the forecast decline in EBIT before currency effects and continued high levels of capital expenditure, we expect a slight decline in the equity ratio to around 37% and an increase in the net leverage ratio to around 2.5 years. Nevertheless, we aim to achieve a positive free cash flow in the single-digit EURm range through careful balance sheet management.

Outlook for orders

In the reporting year, we once again achieved a high volume of new business at around EUR 760m. We were thus able to significantly exceed the forecast for new business in 2025 published at the beginning of the year.

The forecast for new business in 2026 is below the volume for 2025. There are 2 main reasons for this: First, we want to move the many new launches planned for the coming years

to series production in a safe and cost-efficient way. Second, we want to continue to manage our capital expenditure flexibly and cautiously in the future. We will regularly review our growth plan for the coming years and, if needed, adjust it to further global political and economic trends.

Forecast of non-financial key figures

In recent years, we have cut our scope 1 & 2 GHG emissions – faster than we had planned. In fiscal year 2025, our emissions were around 75% below the 2019 baseline. We will keep working on this goal and have already prepared further steps, which still need to be carried out. However, we expect emissions to rise temporarily in 2026, mainly because our international sites are set to keep growing. Given the already high share of green electricity in the Group, this rise will come mainly from higher scope 1 GHG emissions. This includes, in particular, company vehicles and operational processes that have not yet been electrified and still use gas as an energy source, for example.

In the future, the Group will continue to conduct its range of e-learning courses to build knowledge and skills. We plan to continue performing 100% of supplier checks, also documenting ESG criteria. We will also act fast on all opportunities to prevent work accidents and safeguard the health of our workforce. Our goal remains the same: we aim to reach zero work accidents each year.

Overall statement on future development

The Executive Board believes that the PWO Group is well positioned for the future. Our continued success in new business, which was demonstrated once again in fiscal year 2025, our

local-for-local philosophy, our solid financial resources and our continuously refined control mechanisms are key cornerstones of our success. Even in a tough market, we continue to strengthen our market position. Our powertrain agnostic and sustainable business model and the steady rollout of our decarbonization plan should help in this regard.

However, the general conditions in Germany as an industrial location are increasingly becoming a significant challenge, not only for the Germany segment but for the Group as a whole. With the works agreement concluded after the end of the reporting period on a temporary reduction in working hours and pay, we have taken a significant step toward counteracting these challenges. We will continue to pursue this path consistently.

Dependency report

The Company received appropriate consideration for every transaction listed in the report on related parties, based on the facts known at the time of the transaction.

Takeover-related disclosures pursuant to sections 289a and 315a HGB

The information required under sections 289a and 315a HGB is presented and explained below.

The share capital of PWO AG amounts to EUR 9,375,000.00. It is divided into 3,125,000 no-par value bearer shares. These shares carry identical rights and each grant 1 vote at the Annual General Meeting. The German Stock Corporation Act (AktG) sets out the rights and obligations related to the holding of shares.

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Voting rights and share transfer are unrestricted. The Executive Board also confirms that, to its knowledge, shareholders have not entered into relevant agreements. Employees who do not exercise control rights directly do not hold shares.

Consult Invest Beteiligungsberatungs-GmbH, Böblingen, Germany, has notified us of a shareholding of more than 10% of the voting rights in PWO AG. As of December 31, 2025, it held 46.88% of the voting rights and was thus the majority shareholder.

Sections 84 and 85 of the German Stock Corporation Act (AktG) – in conjunction with section 6 (1) of the Articles of Association of PWO AG – govern the appointment and dismissal of members of the Executive Board.

Any change to the Articles of Association requires a resolution by the Annual General Meeting in line with section 179 (1) and section 119 (1) No. 6 of the German Stock Corporation Act (AktG). Different from section 179 (2) No. 1 AktG section 15 of the Articles of Association of PWO AG states that the Annual General Meeting passes resolutions by a simple majority of votes cast, and – where a capital majority is needed – by a simple capital majority, unless stipulated otherwise by legal or constitutional rule. In addition, the Supervisory Board is authorized to adopt amendments to the Articles of Association that only affect their wording.

The Executive Board is authorized, with the approval of the Supervisory Board, to increase the share capital of PWO AG by up to a total of EUR 4,687,500.00 on 1 or more occasions until June 2, 2030 (inclusive) by issuing new no-par value bearer shares in return for cash and/or non-cash contributions (Authorized Capital 2025). The Company generally grants shareholders subscription rights. The details of the authorization appear in the resolution of the Annual General Meeting of June 3, 2025.

In the event of a change of control resulting from a takeover bid, the Company has made no further agreements beyond the usual special termination rights contained in loan agreements and contracts with customers. There are also no compensation agreements with the Executive Board or employees.

Corporate Governance Statement pursuant to sections 289f and 315d HGB

The corporate governance statement for the Company and the Group appears on the PWO website at → www.pwo-group.com/en/pwo-group/corporate-governance. The information in the corporate governance statement has not been audited.

Non-financial statement of the Company and the Group pursuant to sections 289b-e and 315b-c HGB

The non-financial statement of the company and the Group appears as a separate non-financial (Group) report on the PWO AG website at → www.pwo-group.com/en/pwo-group/corporate-governance. The information in the non-financial (Group) report has not been audited.

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BUSINESS DEVELOPMENT OF PWO AG

PWO AG is based in Oberkirch, Baden-Württemberg. It is the Group's headquarters and its largest production site. It also monitors the Group's international locations for risk control, especially in the areas of finance, controlling and legal affairs. However, the international locations are generally responsible for their own operational management. PWO AG prepares its annual financial statements in line with the German Commercial Code (HGB).

The key statements in the combined management report, especially those on the market, strategy and management, including the most important financial and non-financial performance indicators as well as the chances and risks of business activities, also apply to PWO AG.

However, compared to the Group, it faces currency risks to a lesser and financing risks to a greater extent. The risk of value adjustments particularly affects its financial assets. In addition, we assess the market trend in Germany to be sustainably weaker than in many of the Group's international markets.

With regard to the most significant financial performance indicators, only external revenue and EBIT before currency translation, both in accordance with IFRS, are relevant for the management of PWO AG. Scope 1 & 2 GHG emissions are primarily classified as the most significant performance indicator for the Group as a whole.

PWO AG is significantly impacted by the unfavorable conditions in Germany as an industrial location. The shift of production to Eastern Europe by our customers accelerated significantly once again in the reporting year. This makes it increasingly difficult to maintain the revenue volume of the location. As a result, external revenue according to IFRS remained below the previous year's figure of EUR 206.5m at EUR 182.6m in the reporting year and also below expectations of around EUR 195m. EBIT before currency effects in accordance with IFRS amounted to

EUR -2.1m (previous year: EUR 3.7m) and thus did not reach the expected value of just above break-even. For further details on this development, please refer to the comments on the Germany segment in the "Segments" section.

As of the reporting date, the number of employees at PWO AG, including temporary employees, was 882 (p/y: 979), which was lower than in the previous year. This includes 19 (p/y: 18) people who are currently completing training with us. We set the number of training places based on future need for young talent.

Assets, financial position and results of operations**Income statement according to HGB****Selected information (EURk)**

	2025	in % of revenue	2024	in % of revenue
Revenue ¹	212,464	100.0	235,812	100.0
Total operating revenue	210,453	99.1	233,924	99.2
Other operating income	10,864	5.1	9,249	3.9
Cost of materials	-112,830	-53.1	-126,733	-53.7
Staff costs	-69,294	-32.6	-67,466	-28.6
Depreciation/amortization	-6,596	-3.1	-7,310	-3.1
Other operating expenses	-32,846	-15.5	-36,477	-15.5
Financial result	7,970	3.8	3,396	1.4
Result from business activities	7,721	3.6	8,583	3.6
Net income	6,474	3.0	5,951	2.5

¹ Benchmark for percentages

In the reporting year, PWO AG's revenue was significantly below the previous year's level due to market weakness in Germany. In addition to currency gains, which were offset by matching costs of a similar size, other operating income in the reporting year was notably affected by income from other accounting periods of EUR 7.4m (p/y: EUR 6.4m) from the reversal of provisions. Of this amount, EUR 2.4m related to warranty provisions and EUR 2.5m to provisions for anticipated losses.

The cost of materials fell to EUR 112.8m (p/y: EUR 126.7m), mainly driven by lower revenue. Staff costs rose slightly compared with the previous year, mainly due to wage adjustments.

Depreciation and amortization fell further in absolute terms than in the prior year because of our restrained investment activity in recent years. Other operating expenses also fell to EUR 32.8m

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(p/y: EUR 36.5m), mainly due to lower costs for temporary employees at PWO AG.

The financial result included dividend payments from affiliated companies amounting to EUR 10.1m (p/y: EUR 5.2m), income from loans to affiliated companies of EUR 4.7m (p/y: EUR 4.1m) and other interest and similar income of EUR 1.1m (p/y: EUR 2.9m).

Furthermore, an impairment of EUR 1.9m on the carrying amount of the investment in PWO High-Tech Metal Components (Suzhou) Co., Ltd., Suzhou, China, affected the financial result. This was mainly due to the high level of competition in the Chinese market and the resulting strain on our operating business. In the previous year, the Company wrote down the carrying amount of its investment in PWO Canada Inc., Kitchener, Canada, by EUR 1.9m.

Interest expenses fell to EUR 6.0m (p/y: EUR 6.9m) due to lower rates despite higher debt. We also used the refinancing tools in a different way than in the prior year.

In total, the result from operating activities amounted to EUR 7.7m (p/y: EUR 8.6m). Taxes on income amounted to EUR 1.0m (p/y: EUR 2.4m). The tax expense in the previous year was largely due to the use of deferred tax assets. This effect did not occur in the reporting year. Current taxes are higher than in the prior period due to aperiodic effects and withholding taxes incurred. The total net income for the reporting year amounted to EUR 6.5m (p/y: EUR 6.0m).

Total assets rose to EUR 303.0m in the reporting year (p/y: EUR 293.2m). Fixed assets rose on balance, mainly due to the rise in financial assets. The higher shares in affiliated

companies reflect in particular the establishment of our new engineering and production site in Serbia and a capital contribution for the new site in the USA. Loans to affiliate firms also rose, firstly, for the site in Serbia. Secondly, at some sites, current receivables from affiliates became non-current loans. The write-down of the carrying amount of the investment in the subsidiary in China had a counteracting effect.

On the contrary, current assets fell. Along with the decline in receivables from affiliated companies, inventories dropped because of lower revenue.

After the dividend payout to PWO AG shareholders in 2025, equity stood at EUR 121.5m (p/y: EUR 120.5m) and the equity ratio at 40.1% (p/y: 41.1%).

The decline in pension provisions mainly reflected an adjustment to the pension trend and a higher discount rate. Other provisions also fell versus the previous year, mainly due to lower provisions for contingent losses and warranties.

In addition, on the liabilities side of the balance sheet, liabilities to banks were primarily higher than in the previous year, while trade payables declined. The lower revenue contributed to this. We also set up a supply chain financing program in the past fiscal year. The latter also contributed significantly to the rise in other financial liabilities in the reporting year.

In fiscal year 2025, PWO AG generated cash flow from operating activities of EUR 8.1m (p/y: EUR 14.3m). The decline compared to the previous year is mainly attributable to a lower operating result and changes in working capital.

Cash flow from investing activities amounted to EUR -6.8m (p/y: EUR -7.8m) and is related, among other things, to capital expenditure on the digitalization of PWO AG.

Cash flow from financing activities amounted to EUR 12.6m in fiscal year 2025 (p/y: EUR -8.0m). This includes, in particular, the cash inflow from the placement of a promissory note loan in the amount of EUR 12.5m. This was offset by the dividend payment of EUR 5.5m made in the fiscal year, which led to a cash outflow.

Overall, the revenue trend in 2025 shows that the Company must act to secure capacity use and thus future profit. This need is essential because earnings still rely heavily on income from affiliated companies, which boosts the financial result. In particular, the aforementioned dividend payments from affiliated companies in the amount of EUR 10.1m (p/y: EUR 5.2m) cannot be regarded as recurring on a regular basis in the future.

We therefore welcome the fact that, shortly after the end of the reporting period, we succeeded in concluding a works agreement with the works council of PWO AG on a temporary reduction in working hours and remuneration. To avoid lay-offs for operational reasons and protect jobs at the main plant, the deal includes, among other things, the option to cut hours by up to 7.63% until December 31, 2026, depending on workload, with a matching cut in base pay.

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Forecast for 2026 and reconciliation of key performance indicators

For fiscal year 2026, we expect external revenue in the Germany segment to decline further to around EUR 165m in accordance with IFRS. This will have a negative impact on earnings. Therefore, taking into account the particular risks due to the pronounced market weakness in Germany, we expect EBIT before currency effects in accordance with IFRS to be between EUR -10m and EUR -9m. For further details on this forecast, please refer to the comments on the Germany segment in the section "Forecast".

The reconciliation of the key figures from HGB accounting to IFRS accounting is as follows:

Reconciliation of key performance indicators

EURk	2025	2024
Revenue according to HGB	212,464	235,812
Reconciliation	-17,848	-11,907
Total revenue according to IFRS	194,616	223,905
External revenue according to IFRS	182,646	206,538
Earnings before taxes according to HGB	7,721	8,583
Financial result	-7,970	-3,396
Currency effects	807	101
EBIT before currency effects according to HGB	558	5,288
Reconciliation	-2,631	-1,611
EBIT before currency effects according to IFRS	-2,073	3,677

The differences in the reconciliation of revenue under HGB and IFRS are mainly due to the different accounting rules for revenue recognition and internal revenue. The reconciliation differences in connection with EBIT before currency effects are due not only to the differing accounting rules for revenue recognition but also, in particular, to the different rules for accounting for pension provisions, fixed assets and existing leases.

Oberkirch, March 19, 2026

The Executive Board



Carlo Lazzarini
Chairman/CEO



Jochen Lischer
CFO



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EURk		2025	2024
Note no.			
7	Revenue	524,685	555,119
8	Other own work capitalized	385	446
	Changes in inventory	2,851	–
	Total operating revenue	527,921	555,565
9	Other operating income	26,539	14,915
	Cost of raw materials, consumables, supplies and merchandise purchased	-259,335	-284,978
	Cost of purchased services	-45,389	-40,994
	Cost of materials	-304,724	-325,973
	Wages and salaries	-116,869	-111,171
	Social security and post-employment expenses	-26,256	-24,699
10	Staff costs	-143,125	-135,870
	Depreciation and impairments of property, plant and equipment and amortization of intangible assets	-24,919	-23,594
11	Other operating expenses	-57,077	-54,897
	Earnings before interests and taxes (EBIT)	24,615	30,146
	Financial income	907	825
12	Finance costs	-9,829	-10,534
	Financial result	-8,922	-9,709
	Earnings before taxes (EBT)	15,693	20,437
13	Income taxes	-7,690	-7,896
	Net income/loss for the period	8,003	12,541
14	Earnings per share in EUR (diluted = basic, based on the earnings attributable to PWO AG shareholders)	2.56	4.01

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EURk		2025	2024
Note no.			
	Net income/loss for the period	8,003	12,541
30	Net gains (p/y: net losses) from cash flow hedges	6,026	-6,066
	Tax effect	-1,580	1,602
	Currency translation difference	-6,970	2,440
	Items that may be reclassified to profit and loss in a subsequent period	-2,524	-2,024
22	Actuarial gains (p/y: gains) on defined benefit pension plans	5,017	1,011
	Tax effect	-1,419	-313
	Items that will not be reclassified to profit or loss	3,598	698
	Other comprehensive income after tax	1,074	-1,326
	Total comprehensive income after tax	9,077	11,215

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ASSETS

EURk		Dec. 31, 2025	Dec. 31, 2024
Note no.			
	Land and buildings	99,872	80,231
	Technical equipment and machinery	71,224	76,202
	Other plant, factory and office equipment	7,768	7,273
	Prepayments made and assets under construction	23,899	31,686
15	Property, plant and equipment	202,763	195,392
	Development services	1,552	1,909
	Software	2,934	2,956
	Goodwill	4,331	4,331
	Advance payments made	3,268	1,975
16	Intangible assets	12,085	11,171
17	Contract assets	19,635	23,601
	Deferred tax assets	11,389	15,003
	Non-current assets	245,872	245,167
18	Inventories	48,822	40,564
19	Trade receivables	42,750	49,079
17	Contract assets	72,269	70,751
	Other assets	11,490	14,883
	Other financial assets	2,644	576
	Income tax receivables	15	237
	Receivables and other assets	129,168	135,526
20	Cash and cash equivalents	18,304	11,777
	Current assets	196,294	187,867
	Total assets	442,166	433,034

EQUITY AND LIABILITIES

EURk		Dec. 31, 2025	Dec. 31, 2024
Note no.			
	Issued capital	9,375	9,375
	Capital reserves	37,494	37,494
	Retained earnings	123,176	120,641
	Other reserves	-4,157	-5,230
21	Total equity	165,888	162,280
26	Non-current financial liabilities	88,605	52,097
22	Pension provisions	41,257	46,393
23	Other provisions	2,298	3,222
30	Other financial liabilities	7,032	9,531
	Deferred tax liabilities	1,605	1,838
25	Deferred income	7,521	6,271
	Non-current liabilities	148,318	119,352
	Trade payables	63,178	65,681
26	Current financial liabilities	19,405	46,826
	Other liabilities	27,217	27,986
30	Other financial liabilities	10,128	3,533
	Income tax liabilities	3,611	622
	Current portion of pension provisions	2,254	2,164
	Current portion of other provisions	1,708	4,542
25	Deferred income from government grants	459	48
	Current liabilities	127,960	151,402
	Total liabilities	276,278	270,754
	Total equity and liabilities	442,166	433,034

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Equity attributable to PWO AG shareholders							
		Other reserves						Total	
		Issued capital	Capital reserves	Retained earnings	Defined benefit plans	Foreign exchange differences	Cash flow hedge		
64	Consolidated financial statements	EURk							
65	Consolidated income statement								
66	Consolidated statement of comprehensive income	Jan. 1, 2024	9,375	37,494	113,569	-8,752	1,250	3,598	156,534
		Net income/loss for the period	-	-	12,541	-	-	-	12,541
67	Consolidated statement of financial position	Other comprehensive income	-	-	-	697	2,440	-4,463	-1,326
		Total net income/loss for the period	9,375	37,494	126,110	-8,055	3,690	-865	167,749
		Dividend payment	-	-	-5,469	-	-	-	-5,469
69	Consolidated statement of cash flows	Dec. 31, 2024	9,375	37,494	120,641	-8,055	3,690	-865	162,280
70	Notes to the consolidated financial statements	Jan. 1, 2025	9,375	37,494	120,641	-8,055	3,690	-865	162,280
70	Information on the Company	Net income/loss for the period	-	-	8,003	-	-	-	8,003
70	Accounting methods	Other comprehensive income	-	-	1	3,598	-6,970	4,445	1,074
82	Income statement disclosures	Total net income/loss for the period	9,375	37,494	128,645	-4,457	-3,280	3,580	171,357
84	Balance sheet disclosures	Dividend payment	-	-	-5,469	-	-	-	-5,469
104	Other disclosures	Dec. 31, 2025	9,375	37,494	123,176	-4,457	-3,280	3,580	165,888
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EURk		2025	2024
Note no.			
	Net income/loss for the period	8,003	12,541
	Depreciation/reversal of write-downs of property, plant and equipment and amortization of intangible assets	24,919	23,594
13	Income tax expense	7,690	7,896
12	Interest income and expenses	8,922	9,709
	Change in current assets	-1,900	20,824
	Change in non-current assets	3,965	-3,460
	Change in current liabilities (not including financial liabilities)	5,922	16,538
	Change in non-current liabilities (not including financial liabilities)	-4,472	1,972
13	Income taxes paid	-4,531	-3,264
	Other non-cash expenses/income	681	-8,071
	Gain on disposal of property, plant and equipment	-292	-280
	Cash flow from operating activities	48,907	77,999
	Proceeds from disposal of property, plant and equipment	292	280
	Payments for capital expenditure on property, plant and equipment	-31,128	-35,184
	Payments for capital expenditure on intangible assets	-3,076	-3,303
	Income received from government grants	1,661	1,367
	Cash flow from investing activities	-32,251	-36,840
21	Dividend paid	-5,469	-5,469
	Interest paid	-7,681	-8,660
	Interest received	907	825
	Proceeds from borrowings	63,576	38,253
	Repayments of borrowings	-47,564	-47,133
	Repayments of lease liabilities	-5,943	-5,514
	Cash flow from financing activities	-2,174	-27,698
	Net change in cash and cash equivalents	14,481	13,461
	Effect of exchange rate changes in cash and cash equivalents	-683	288
	Cash and cash equivalents as of January 1	-4,620	-18,369
	Cash and cash equivalents as of December 31	9,178	-4,620
20	of which cash and cash equivalents according to the statement of financial position	18,304	11,777
26	of which bank borrowings due on demand that are included in the Group's cash management	-9,125	-16,397

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Information on the Company

PWO AG is a listed Company with its registered office at Industriestraße 8, 77704 Oberkirch, Germany. The Company is registered in the commercial register of the Freiburg Local Court under registration number HRB 490007. The currently valid Articles of Association is the version dated June 3, 2025. The fiscal year is the calendar year.

The consolidated financial statements of PWO AG and its subsidiaries for the fiscal year from January 1, 2025, to December 31, 2025, were approved for submission to the Supervisory Board by way of resolution of the Executive Board on March 19, 2026.

The main activities of the PWO Group (also referred to as "PWO" or the "Group") are described in the combined management report, in the chapter "PWO Group principles".

Accounting methods

1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements of PWO AG and its subsidiaries were prepared in accordance with the International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB) and applicable in the European Union. In addition, the supplementary commercial law provisions pursuant to Section 315e (1) of the German Commercial Code (HGB) were taken into account. The Articles of Association of PWO AG and the German Stock Corporation Act set out regulations on profit distribution.

The consolidated financial statements are prepared in accordance with the historical cost principle. Derivative financial instruments and foreign currency receivables and liabilities

are excluded from this. Derivative financial instruments are measured at fair value, while foreign currency receivables and liabilities are measured at amortized cost, taking into account the exchange rate applicable on the reporting date. The total cost method was used for the income statement. The consolidated financial statements are presented in thousands of euros. Unless otherwise stated, all figures are rounded up or down to the nearest thousand euros (EURk) in accordance with commercial rounding principles.

2 CHANGES IN ACCOUNTING POLICIES

2.1 Standards applied for the first time or amendments

The accounting policies applied have not changed from the previous year, with the exception of the amended standards listed below, which are mandatory from January 1, 2025.

The amendments presented in the following table have no material impact on the consolidated financial statements of PWO AG.

Standard	Amendments	Application required in the EU
IAS 21	The Effects of Changes in Foreign Exchange Rates	January 1, 2025

2.2 Standards or amendments to be applied in the future

The Company does not intend to prematurely apply the following new or amended standards and interpretations published by the IASB, which are not to be applied until later fiscal years.

EU ENDORSEMENT ALREADY GRANTED:

The following new or amended standards and interpretations published by the IASB, which are only applicable in future fiscal years, are not currently expected to have any significant impact on the consolidated financial statements of the PWO Group. No early adoption is planned.

Standard	Amendments	Application required in the EU
Annual Improvements to IFRS Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7	January 1, 2026
IFRS 9 & IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
IFRS 9 & IFRS 7	Contracts Referencing Nature-dependent Electricity	January 1, 2026

IFRS 18

Presentation and disclosure in financial statements

The IASB has published the new IFRS standard **IFRS 18 – Presentation and Disclosure in Financial Statements**, which will become mandatory from January 1, 2027, and is intended to replace **IAS 1**. The main objective is to improve the transparency and comparability of financial statements.

Key changes include:

- Introduction of 2 new subtotals in the income statement: operating profit or loss and profit or loss before financing and income taxes.
- Income and expenses are now categorized into operating, investing and financing activities.
- Expanded disclosures on income and company-specific management performance measures (MPMs).
- Mandatory starting point for reporting cash flow using the indirect method, and amended regulations for interest and dividends.

Early application is possible.

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EU ENDORSEMENT STILL PENDING:

The effects on the financial statements of the PWO Group of the amendments to IFRS and IFRIC that have not yet come into force in 2025 and have not yet been incorporated into EU law have been reviewed.

The amendments presented in the following table are not currently expected to have any material impact on the consolidated financial statements of the PWO Group.

Standard	Amendments	Application required in the EU
IFRS 19	Subsidiaries without Public Accountability	January 1, 2027
IFRS 19	Amendments to IFRS 19 – Subsidiaries without Public Accountability: Disclosures	January 1, 2027
IAS 21	Amendments to IAS 21 – Translation to a Hyperinflationary Presentation Currency	
IAS 10 & IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Postponed indefinitely

The following standards or amendments to be applied in the future could have a significant impact determined on the basis of the analyses performed on the consolidated financial statements of the PWO Group, in particular, focus on the presentation of the income statement.

3 Principles of consolidation

The consolidated financial statements (in accordance with IFRS 10) comprise the financial statements of PWO AG and its subsidiaries as of December 31, 2025. Subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Group. Deconsolidation occurs as soon as control ends. Subsidiaries prepare their financial statements using uniform accounting methods and for the same reporting period as the parent company.

Capital consolidation is based on the purchase method (IFRS 3). The consideration transferred on acquisition is allocated to the identifiable assets acquired and the identifiable liabilities and contingent liabilities assumed, in each case at their fair values at the acquisition date. Any remaining difference is recognized as goodwill if it is positive or, if it is negative, recognized in profit or loss after reevaluation. Revenue, expenses, income, receivables and liabilities between the consolidated companies are offset against each other. Deferred taxes are recognized for consolidation measures with income tax effects.

4 Consolidated group

In addition to PWO AG, 6 foreign direct and indirect subsidiaries are included in the consolidated financial statements as of December 31, 2025. The following table shows the shareholdings, equity and net income of the consolidated companies. PWO USA Inc. (PWO USA) was founded in fiscal year 2025. The Company forms a new segment, which will be reported for the first time in the segment reporting of the consolidated financial statements from fiscal year 2025 onwards. The information on equity and net income is based on the IFRS figures of the subsidiaries for fiscal year 2025 (net income) and December 31, 2025 (equity).

EURk	Capital Share	Equity	Net income
PWO Canada Inc., Kitchener, Canada (PWO Canada)	100%	14,044	8,388
PWO Czech Republic a.s., Valašské Meziříčí, Czech Republic (PWO Czech)	100%	42,680	3,897
PWO SEE d.o.o. Čačak, Čačak, Serbia (PWO Serbia)	100%	3,273	-5,644
PWO High-Tech Metal Components (Suzhou) Co., Ltd., Suzhou, China (PWO China)	100%	33,190	4,478
PWO de México S.A. de C.V., Puebla, Mexico ¹ (PWO Mexico)	100%	26,489	2,722
PWO USA Inc., Lebanon, USA (PWO USA)	100%	181	11

¹ Indirect holding of 0.15% through PWO Canada Inc.

For greater clarity, all company names provide in brackets a synonymous name used to refer to them in the notes to the consolidated financial statements.

The report uses the term “PWO Group” to refer informally to the group of affiliated companies as well as to the Group in formal, legal and economic contexts.

5 Summary of significant accounting policies**5.1 RECOGNITION OF INCOME AND EXPENSES**

Revenue is recognized in accordance with IFRS 15 “Revenue from Contracts with Customers” when control over identifiable goods or services is transferred to the customer. This means that the customer is able to determine the use of the transferred goods or services and essentially derive the remaining benefits from them. This requires that a contract exists in the sense of a

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customer agreement with a specific delivery call, which is generally transmitted via an EDI interface, establishes enforceable rights and obligations and for which the receipt of consideration is probable, taking into account the customer's creditworthiness.

Revenue is recognized at the expected transaction price. This generally corresponds to the price agreed with the customer that PWO is expected to receive. Variable consideration (such as customer bonuses, discounts, price reductions, etc.) is included in the determination of the transaction price if it is highly probable that there will be no significant cancellation of the recognized cumulative revenue once the uncertainty associated with the variable consideration no longer exists. The probability of future reductions in revenue is derived from all information available at the time of the estimate and from experience with comparable transactions. IFRS 15 contains a uniform 5-step model for determining the revenue to be recognized, which is applicable to all customer contracts.

Payments are made to customers that are recognized as other assets and recorded as a reduction in revenue in line with the provision of services. If the period between the transfer of goods or services and the payment date exceeds 12 months and this results in a significant benefit from the financing for the customer or the Group, the consideration is adjusted by the fair value of money.

Revenue in the PWO Group is mainly generated from customer contracts for series deliveries. In addition, there are tool sales made in advance of series deliveries and, to a lesser extent, order-related development services and other services. A distinction is made between full-payout leases and non-full payout leases. In the case of full-payout leases, order-related development services and tool sales are paid for in full by the customer

before the ramp-up of subsequent series production. In the case of non-full payout leases, order-related development services and tool sales are typically directly linked to subsequent series production. In these cases, it is customary for a (reasonable) portion of the costs incurred to be reimbursed only at the start of subsequent series production via the price of the series parts supplied. In the case of non-full payout leases, the transaction price is allocated to the individual performance obligations on the basis of the relative stand-alone selling prices (IFRS 15.74).

The percentage of completion can be determined using input- or output-based methods. In the output-based method, the revenue to be recognized corresponds to the value of the goods or services transferred to the customer to date in relation to the remaining goods or services contractually promised. When

using input-based methods, revenue is recognized in proportion to the ratio of costs already incurred to the estimated total costs.

The PWO Group considers the output-based method to be the most suitable for determining the progress of performance in series delivery. This directly reflects the relationship between the value of the goods transferred to date and the value of the remaining goods contractually promised. Revenue is recognized in line with completion and not only upon delivery of the series parts.

The progress of work on tools and order-related development services is calculated using the input-based method based on the ratio of order costs incurred as of the reporting date to the total expected order costs (cost-to-cost method).

<u>Nature of product/service</u>	<u>Nature and timing of satisfying performance obligation, including payment conditions</u>	<u>Revenue recognition method</u>
Partial deliveries in the context of series deliveries	The performance obligation is satisfied continuously during production and supply, as there are no alternative uses for the assets created and a right to enforce payment exists upon receipt of the specific delivery call-off. Invoicing is carried out in accordance with the terms of payment applicable in the normal course of business.	Revenue is recognized over time using the output-based method in accordance with the percentage of completion.
Sales of tools	The performance obligation is satisfied continuously during the production of a tool, as there are no alternative uses for the assets created and there is an enforceable right to payment. Cash flows differ depending on whether the contract is a full-payout or a non-full-payout lease.	Revenue is recognized over time using the input-based method in accordance with the percentage of completion. In the case of non-full-payout leases, the transaction price is allocated on the basis of the relative stand-alone selling prices in accordance with IFRS 15.74.
Order-related development services	The performance obligation is satisfied continuously over the project period of an order-related development service, as there are no alternative uses for the services rendered and there is a right to enforce payment. The cash flows differ depending on whether the contract is a full-payout or a non-full-payout lease.	Revenue is recognized over time using the input-based method in accordance with project progress. For non-full-payout leases, the transaction price is allocated on the basis of the relative unit of completion in accordance with IFRS 15.74.

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Income that does not originate from contracts with customers is recognized if it is probable that the economic benefits will flow to the Group and the amount of income can be reliably determined, regardless of the timing of payment. Income is measured at the fair value of the consideration received or expected to be received, taking into account contractually specified payment terms. Taxes or other levies are not taken into account.

Interest expenses are recognized using the effective interest rate for all financial instruments measured at amortized cost. This is the discount rate used to discount the estimated future cash inflows and outflows over the expected term of the financial instrument or, if applicable, a shorter period, to exactly the net carrying amount of the financial asset or financial liability. Interest income is reported in the income statement as part of financial income.

Operating expenses are recognized in the consolidated income statement when the service is used or at the time they are incurred.

Government grants are recognized as soon as there is reasonable assurance that the associated conditions will be met and the grants will be awarded. Where necessary, potential risks from a claim for repayment are taken into account in the balance sheet by creating provisions. Grants for an asset are deferred as liabilities in the balance sheet and recognized in profit or loss on a systematic basis over the useful life of the asset. This ensures that the grants received are recognized in the income statement in the periods in which the Company recognizes the corresponding expenses that the grants are intended to compensate. Expense-related grants are recognized as income or offset against the expense item.

5.2 INCOME TAXES AND DEFERRED TAXES

The actual tax refund claims and tax liabilities for the current period are measured at the amount at which a refund from the tax authorities or a payment to the tax authorities is expected. The calculation of the amount is based on the tax rates and tax laws applicable on the reporting date in the countries in which the PWO Group operates and generates taxable income.

Deferred taxes are recognized using the balance sheet method on temporary differences existing at the reporting date between the carrying amount of an asset or liability in the balance sheet and its tax base. Deferred taxes are recognized for all taxable temporary differences, with the exception of non-deductible goodwill and temporary differences arising from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the net income/loss for the period nor the taxable profit. Deferred taxes on loss carryforwards are capitalized in accordance with country-specific tax regulations, provided that it is expected that they can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available against which the deferred tax asset can be used, at least in part. Unrecognized deferred tax assets are reviewed at each reporting date and recognized to the extent that it has become probable that future taxable income will allow the deferred tax asset to be realized.

Deferred tax assets and liabilities are measured using the tax rates that are expected to apply in the period in which an asset is realized or a liability is settled. The tax rates and tax

laws applicable at the reporting date are used as a basis. To the extent that future changes in tax rates are already known at the reporting date, the effects of these changes in tax rates have been taken into account in the measurement of deferred tax assets and liabilities for the date on which the assets are expected to be realized or the liabilities settled.

Deferred taxes relating to items recognized directly in equity are not recognized in the income statement but in equity. These amounted to EUR -2,999k in 2025 (p/y: EUR 1,289k). Of this amount, EUR -1,419k (p/y: EUR -313k) relates to pension provisions and EUR -1,580k (p/y: EUR 1,602k) to interest rate and currency hedges.

Deferred tax assets and deferred tax liabilities are offset against each other if certain conditions are met. Offsetting is carried out at the level of the companies included in the consolidated group.

5.3 INTANGIBLE ASSETS

Intangible assets acquired for consideration are measured at cost less accumulated amortization and impairment losses. Intangible assets include goodwill, patents, development services, software, licenses and similar rights. Intangible assets with a finite useful life are subject to straight-line amortization over their estimated useful life to their estimated residual value. Development services are excluded from this; they are subject to per-unit amortization. Goodwill is not amortized on a regular basis, but is tested for impairment at least once a year. With the exception of goodwill, no intangible assets with indefinite useful lives have been identified.

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Development costs are capitalized if the recognition criteria of IAS 38 are met. After initial capitalization, the asset is carried at cost less accumulated amortization and impairment. Capitalized development costs include all directly attributable direct costs and proportionate overhead costs and are subject to amortization over the planned useful life of the underlying product line (5 to 7 years). Amortization of capitalized development costs is included in the cost of production of those products for which the development services were performed. Impairment testing is performed annually on the basis of the planned lifetime volumes until the end of production (EOP) and results in a write-down if the planned amortization amounts are no longer sufficient for full amortization.

5.4 IMPAIRMENT TESTING

Goodwill and intangible assets not yet subject to systematic amortization are tested for impairment annually, while other intangible assets with finite useful lives and property, plant and equipment are only tested for impairment if there are specific indications of impairment. If the recoverable amount of the asset is less than its carrying amount, impairment is recognized through profit or loss in the expense item "Depreciation and impairment of intangible assets of the fixed assets and tangible assets" in the income statement. The recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. It is measured as the higher of net realizable value and value in use. Net realizable value is the amount that could be obtained from the sale of an asset in an arm's length transaction less the costs of disposal. The value in use is determined on the basis of the estimated future cash flows from the use and disposal of an asset using the discounted cash

flow method. Cash flows are derived from long-term corporate planning, which takes account of historical developments and macroeconomic trends. The value in use of the relevant cash generating unit is used to determine the recoverability. In each case, the cash generating unit represents a national company, which corresponds to a legal entity.

Stable global production and revenue volumes in the European and North American automobile markets as well as market and competitive trends in the Chinese market in 2025 due to keen price competition, high local market shares of Chinese automobile manufacturers and continued political support for domestic corporate groups, can be identified as indications of a possible impairment of the cash-generating units. Furthermore, the global economy faced considerable geopolitical and trade policy uncertainties in the past fiscal year – in particular due to the import tariffs imposed by the U.S., which are putting pressure on global supply chains and significantly affecting the cost structure of companies. In addition, changing conditions in the European market, including stricter carbon dioxide (CO₂) rules, high energy prices and falling production levels, can be seen as further signs of possible impairment. Against the backdrop of these market developments, the Company tested all of its existing cash-generating units – except PWO USA, which the Group newly established in the reporting year – for impairment in line with International Accounting Standard (IAS) 36 as of the balance sheet date.

The corporate planning drawn up by the Executive Board and approved by the Supervisory Board for the plan year 2026 and noted for the years 2027 – 2030 extends to the end of the detailed planning period 2030. The exception is the cash-generating unit

PWO Serbia, which is currently in the ramp-up phase. Because the Company is still in the start-up phase in the last year of the detailed plan period, the result planned for the 2030 plan year still shows room for growth toward the sustainable earnings level. Against this background, the team extended the plan for the cash-generating unit PWO Serbia beyond the formal detailed planning period to 2033, using proper, clear and consistent assumptions. The extension helps the team realistically estimate the sustainable cash flows within the impairment test and aligns with the Company's expected long-term business growth. Key assumptions to which non-current corporate planning is sensitive include the expected development of new business within the Group, future industry-related and geopolitical developments, the business development of the Company in Serbia, which is currently ramping up, financing conditions and the implementation of the profitability measures that have been incorporated. In addition, the earnings situation is also affected by adjusting prices charged to our customers, which are in line with the use of materials for our products and price adjustments at our suppliers. Here, the actual development was taken into account on the cost side in planning the cost of material and revenue for the planning period if contracts have already been concluded with suppliers. The developments for the subsequent years were measured and determined on the basis of past experience, on publicly available data, on the basis of existing project agreements but also on the basis of agreed internal measures.

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Cash flows are discounted to the end of the reporting period using risk-equivalent capitalization rates (before taxes). The premises shown in the following table were used to determine the recoverability of the goodwill attributed to the cash-generating unit PWO Czech.

in %	Dec. 31, 2025	Dec. 31, 2024
Phase 1: Capitalization rate before taxes (WACC)	9.40	10.40
Phase 2: Growth rate (perpetuity)	1.50	1.50

The discount rates used for each cash-generating unit (CGU) reflect the cost of capital and are based on the risk-free rate and a market premium. They also factor in the beta, the cost of debt and the capital structure, each derived for every tested CGU on the basis of a peer group. In addition, specific tax rates and country premiums apply.

The projected cash flows rest on revenue plans driven by recorded demand and expected new orders. Planned trends in the automobile sector – including the U.S. tariff policy and its effects on global supply chains – are incorporated in the plans.

At the balance date, the realizable amount for the CGUs PWO Czech, PWO Canada, PWO Mexico, PWO China and PWO Serbia exceeds their respective carrying amount. Therefore, the review confirmed that the values remain intact.

The realizable amount for the CGU PWO Czech amounts to EUR 138,569k (p/y: EUR 126,999k) and exceeds the carrying amount by EUR 36,667k (p/y: EUR 22,123k). The rise in headroom mainly reflects a lower discount rate and higher projected free cash flow for the 2026–2030 plan years. The CGU's average planned earnings before interest and taxes (EBIT) margin for the next 5 years stands at 7.5% (p/y: 7.6%) and remains strong. The assumptions show some sensitivity. Management considers it unlikely that a reasonable change in any of the key assumptions for PWO Czech would cause the carrying amount of the identified assets plus the carrying amount of goodwill to exceed the realizable amount by a material amount.

If the CGU PWO Czech were to miss the planned revenue level by 30.7% (p/y: 21.9%) at a steady discount rate (after tax) while keeping the same EBIT margin, or were to fall short by 2.1% (p/y: 1.8%) in the EBIT margin at the same revenue level, then an impairment charge would be needed. Conversely, an impairment charge would also be required if the discount rate (before tax) rose to 13.8% (p/y: 12.0%) while the planned free cash flow remained steady.

In the CGU PWO Germany, the carrying amount exceeds the realizable amount. Because no goodwill has been allocated to this CGU, the team directly tested the recoverable amount of each asset at the balance date. An impairment charge would arise if the fair value less costs to sell of an asset fell below its carrying amount. The team calculated the fair value less costs to sell using the asset approach for plant and equipment,

incorporating inflation data from the Federal Statistical Office, and the income approach for properties and buildings. This calculated fair value less costs to sell falls under Level 2 of the valuation hierarchy in International Financial Reporting Standard (IFRS) 13. If the realizable amount for impaired assets in the CGU PWO Germany rises in future years, the team will record a reversal in line with IAS 36.

The assets allocated to the CGU PWO AG mainly include production-related machines and buildings as well as office buildings. The team determined the fair value less costs to sell for each asset in the property and equipment class and compared it with the carrying amount. The total fair value less costs to sell for technical equipment and machinery, as well as intangible assets, calculated using the asset approach, amounted to EUR 23,609k at the balance date (p/y: EUR 25,454k). The total fair value less costs to sell for all tested properties and buildings, calculated using the income approach, amounted to EUR 29,310k at the balance date (p/y: EUR 29,961k). In the prior years, impairment charges for the property and equipment class had reduced the carrying amounts of the affected buildings. This effect led to a reversal of EUR 364k in the current year (p/y: EUR 608k). For plant and equipment, the year saw an impairment charge of EUR 49k (p/y: reversal of EUR 22k).

In prior years, the CGU PWO Canada showed an impairment need because the estimated value fell below the carrying amount of the related assets. As of December 31, 2025, the value exceeds the carrying amount for the first time. As a result,

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the company reversed the unscheduled depreciation of individual technical equipment and machinery in previous periods in accordance with IAS 36, to the extent permitted, with an impact on income. The reversal matched the difference, but not more than the amount that would have resulted had no impairment been recorded in the earlier years. In the past year, the team recorded a reversal of CAD 104k.

5.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses.

Depreciation is generally calculated using the straight-line method.

At the sites in China and the Czech Republic, certain machines and order-related tools are subject to performance-based depreciation. Depreciation is calculated based on the number of units produced in the reporting year in relation to the total number of units ordered or planned.

Any impairment losses recognized in previous periods are reviewed annually. If the recoverable amount exceeds the respective carrying amount, a reversal of impairment is recognized.

5.6 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are added to

the cost of those assets until the assets are substantially ready for their intended use or sale. Qualified assets are assets that require a significant period of time to reach their intended usable or saleable condition. All other borrowing costs are recognized in profit or loss in the period in which they are incurred. No borrowing costs were capitalized in the reporting year or in the previous year.

5.7 LEASES

At the inception of a contract, an assessment is made as to whether the contract constitutes or contains a lease. This is the case if the contract entitles the lessee to control the use of an identified asset for a specified period of time in return for a payment.

All leases are recognized and measured using a single model, with the exception of current leases (< 1 year) and leases where the underlying asset is of low value (up to EUR 5k). Liabilities for lease payments and rights-of-use assets for the right to use the underlying asset are recognized.

Right-of-use assets are determined at the commencement date (i.e., the date on which the underlying lease asset is available for use). Right-of-use assets are measured at cost less any accumulated amortization and any accumulated impairment losses, and are adjusted for any remeasurement of the lease liabilities. The cost of right-of-use assets includes the recognized lease liabilities, the initial direct costs incurred and

the lease payments made at or before the date of availability less any lease incentives received. Right-of-use assets are subject to straight-line amortization over the shorter of the lease term and the expected useful life of the leases as follows: buildings (25 to 50 years), technical equipment and machinery (5 to 16 years), operating and office equipment (3 to 14 years). If ownership of the lease asset is transferred to the Group at the end of the lease term or if the costs include the exercise of a purchase option, amortization is calculated based on the expected useful life of the lease asset. Right-of-use assets are reported under "Property, plant and equipment" and "Intangible assets" in the statement of financial position.

On the commitment date, lease liabilities are recognized at the present value of the lease payments to be made over the term of the lease. Lease payments include fixed payments less any performance incentives to be received, variable payments linked to an index or interest rate and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option if it is reasonably certain that it will be exercised and penalties for terminating the lease if the term takes into account the exercise of the termination option.

When calculating the present value of lease payments, each subsidiary uses its incremental borrowing rate at the commitment date, unless the interest rate underlying the lease can be readily determined. After the commitment date, the amount of lease

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liabilities is increased or decreased to reflect the higher interest expenses or lease payments made. In addition, the carrying amount of lease liabilities is adjusted for changes in the lease, changes in the term of the lease, changes in lease payments (e.g., changes in future lease payments as a result of a change in the index or interest rate used to determine these payments) or if there is a change in the assessment of a purchase option for the underlying asset.

For current leases of machinery and equipment, the exemption for current leases (i.e., leases with a term of 12 months or less from the date of delivery) is applied. In addition, the exemption for leases based on assets of low value (up to EUR 5k) is applied to leases classified as low-value leases for operating and office equipment. Lease payments for short-term leases and for leases based on an asset of low value are recognized as an expense on a straight-line basis over the term of the lease.

5.8 INVENTORIES

In accordance with IAS 2, inventories are valued at cost, minus any necessary value adjustments, if the net realizable value falls below the carrying amount.

Raw materials and supplies inventories are generally measured at average cost. Write-downs to values below cost are only made if finished products containing these materials are not expected to sell for at least their cost. Write-downs are made for materials that are difficult to sell or unusable.

In fiscal year 2025, declining customer call-offs resulted in the production of series parts not covered by a customer call-off for the first time. Since a contract for the delivery of series parts, as defined by IFRS 15, only comes into effect when a customer

places a specific order, these series parts, manufactured as part of a batch-size-optimized production control process, do not meet the requirements for recognizing a contract asset. Instead, the parts are recognized as work in progress and finished goods, in accordance with IAS 2.

Work in progress and finished goods are generally measured at cost unless the net realizable value falls below the carrying amount as of the balance sheet date. Furthermore, work in progress and finished goods not covered by customer call-offs or customer-transmitted demand estimates have been written down to their scrap value.

With the initial recognition of work in progress and finished goods, the income statement for the 2025 fiscal year must also disclose changes in inventories for the first time. These reflect the change in inventory of series parts produced as part of lot-size-optimized manufacturing that were not directly triggered by customer call-offs.

5.9 CONTRACT ASSETS AND RECEIVABLES

If one of the parties to the contract with the customer has fulfilled its contractual obligations (in whole or in part), a contract asset, a contractual liability, or a receivable is recognized depending on the relationship between the service provided by PWO and the payment made by the customer.

Contract assets are recognized for contingent claims for consideration in exchange for goods or services already delivered. Receivables (see financial instruments) are recognized when the claim to receive consideration is no longer subject to any conditions.

Valuation allowances for credit risks are recognized in accordance with IFRS 9.

Contract liabilities are recognized for advance payments received from customers prior to the contractually agreed performance of services and are offset against the contract assets attributable to the same contractual relationship. Upon fulfillment of the performance obligations, these contract liabilities are recognized as revenue.

5.10 FINANCIAL INSTRUMENTS

Financial instruments are contracts that result in a financial asset for one company and a financial liability or equity instrument for another. If the trade date and settlement date for financial assets differ, the settlement date is decisive for initial recognition.

Financial assets and financial liabilities are measured at fair value when recognized for the first time. This does not apply to trade receivables without significant financing components, which are measured at the transaction price upon initial recognition.

Transaction costs that can be directly attributed to the acquisition or disposal of a financial instrument are taken into account in the initial recognition of financial instruments that are not measured at fair value through profit or loss. Transaction costs that are directly attributable to the acquisition of financial assets measured at fair value are recognized directly in the consolidated income statement. Subsequently, financial instruments are recognized at fair value through profit or loss or at amortized cost, depending on their allocation to the IFRS 9 categories, in accordance with the underlying business model.

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A financial asset at fair value through profit or loss is measured at amortized cost if both of the following conditions are met and it has not been designated as FVTPL: It is held within a business model whose objective is to hold financial assets in order to collect the contractual cash flows and the contractual terms of the financial asset result in cash flows at specified dates that are solely payments of principal and interest on the outstanding principal amount. IFRS 9 distinguishes between primary and derivative financial instruments.

Primary financial instruments include, in particular, trade receivables and trade payables, other financial assets, cash and cash equivalents, liabilities to banks and other financial liabilities. These are measured at amortized cost. For trade receivables and trade payables, other liabilities and cash and cash equivalents, the carrying amount is essentially equal to fair value.

Currency-related derivatives in the form of interest rate swaps, currency swaps, options and forward exchange contracts are used for interest rate and currency hedging. These are recognized at fair value upon recognition and in subsequent measurement. For derivative financial instruments that do not meet the criteria for hedge accounting, gains or losses from changes in fair value are recognized immediately in profit or loss. Changes in the market value of derivative financial instruments used to hedge future cash flows (cash flow hedges) are recognized in equity to the extent of the effective portion, while the ineffective portion is recognized immediately in profit or loss. When the hedged transaction occurs, the amount recognized in profit or loss is transferred from equity. The fair value of OTC derivatives

is calculated using recognized actuarial models, such as the discounted cash flow model. In the case of forward exchange transactions, the fair value is determined using quoted forward rates on the reporting date and net present value calculations based on yield curves with high credit ratings in the relevant currencies.

For current financial assets and financial liabilities, the carrying amount represents a reasonable approximation of fair value. At each reporting date, it is determined whether there is objective evidence that the creditworthiness of a financial asset has been impaired. This would be the case if one or more events with adverse effects on the expected future cash flows of this financial asset have occurred. Indicators of an impairment of a financial asset include observable data on the probability that a debtor will enter insolvency or other restructuring proceedings or that the debtor is experiencing significant financial difficulties.

The fair value of fixed rate liabilities to banks and liabilities to leasing companies is determined on the basis of the discounted cash flow model using interest rates appropriate to the term and credit rating.

The PWO Group has not yet made use of the option to designate financial assets or financial liabilities at fair value through profit or loss upon initial recognition.

5.11 CASH

Cash and cash equivalents include current deposits with banks.

5.12 PROVISIONS

For defined benefit plans, provisions for pensions and similar obligations are calculated in accordance with IAS 19 using the projected unit credit method. In addition to the pensions and entitlements known on the reporting date, this method also takes into account expected future increases in salaries and pensions. Actuarial gains and losses are recognized in full in the year in which they arise in other comprehensive income in equity. Past service costs are recognized immediately in profit or loss and reported together with current service costs in staff costs; the interest portion of the addition to provisions is reported in the financial result.

Payments for defined contribution plans are recognized as an expense at maturity and reported as staff costs.

Other provisions are recognized if there is a present legal or de facto obligation to third parties that is likely to result in a future outflow of resources and can be reliably estimated. If the interest effect is material, provisions are discounted.

If the Group expects at least a partial refund for a provision recognized as a liability, the refund is recognized as a separate asset and reported under other assets, provided that receipt of the refund is virtually certain.

5.13 FAIR VALUE MEASUREMENT

Derivative financial instruments are measured at fair value at each reporting date. The fair values of financial instruments measured at amortized cost are disclosed in note 30.

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Fair value is the price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date. When measuring fair value, it is assumed that the transaction in which the asset is sold or the liability is transferred takes place either on the principal market for the asset or liability, or on the most advantageous market for the asset or liability if there is no principal market. The Group must have access to the principal market or the most advantageous market.

The fair value of an asset or liability is measured based on the assumptions that market participants would use in pricing the asset or liability. It is assumed that market participants act in their best economic interest.

Valuation techniques are applied that are appropriate in the circumstances and for which sufficient data is available to measure fair value. The use of relevant, observable input factors should be maximized and the use of unobservable input factors minimized.

All assets and liabilities for which fair value is determined or reported in the financial statements are classified in the fair value hierarchy described below, based on the lowest level input parameter that is significant to the total fair value measurement:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation method where the lowest input factor that is significant to the total fair value measurement is observable in the market, either directly or indirectly.

Level 3: Valuation method where the lowest input factor that is significant to the total fair value measurement is not observable in the market.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether any reclassifications between levels of the hierarchy have occurred by reviewing the classification (based on the lowest level of input that is significant to the total fair value measurement) at the end of each reporting period.

5.14 FOREIGN CURRENCY TRANSLATION

The consolidated financial statements are prepared in euros, the functional currency of the parent company.

The financial statements of the companies included in the Group that are prepared in foreign currencies are translated using the functional currency concept (IAS 21). Each company within the Group determines its own functional currency. The items included in the financial statements of the respective company are measured using this functional currency. All balance sheet items of the foreign Group company included in the consolidation were translated into euros using the respective spot exchange rate on the reporting date. The expenses and income recognized in the income statement were translated using average exchange rates for the year. The net income for the year from the translated income statement was transferred to the balance sheet. Differences are included in the difference in equity from currency translation through other comprehensive income.

Foreign currency transactions are initially translated at the spot rate between the functional currency and the foreign currency prevailing on the date of the transaction. Monetary assets and liabilities in a foreign currency are translated at the closing rate. All foreign exchange differences are recognized in the net income/loss for the period. Non-monetary items measured at historical cost in a foreign currency are translated at the exchange rate on the date of the transaction. Non-monetary items measured at fair value in a foreign currency are

translated at the exchange rate prevailing at the time the fair value was determined.

Goodwill arising from the acquisition of a foreign operation and fair value adjustments to the carrying amounts of assets and liabilities resulting from the acquisition of that foreign operation are recognized as assets and liabilities of the foreign operation and translated at the closing rate.

The following exchange rates were used for currency translation in the consolidated financial statements:

		Closing rate		Average rate	
		Dec. 31, 2025	Dec. 31, 2024	2025	2024
China	CNY	8.23	7.58	8.10	7.80
Canada	CAD	1.61	1.49	1.57	1.48
Mexico	USD	1.18	1.04	1.13	1.08
USA	USD	1.18	1.04	1.13	1.08

The functional currency of PWO Mexico is the US dollar, while the euro is used for PWO Serbia and PWO Czech Republic, as the main business relationships are conducted in these currencies.

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5.15 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities are not recognized in the balance sheet. They are disclosed in the notes unless the possibility of an outflow of resources embodying economic benefits is very remote or cannot be reliably estimated. Contingent assets are not recognized in the financial statements but are disclosed in the notes if the inflow of economic benefits is probable and can be reliably estimated.

6 Significant judgments, estimates and assumptions

In preparing the consolidated financial statements, the Executive Board makes judgments, estimates and assumptions that affect the amount of income, expenses, assets, liabilities and contingent liabilities or contingent assets reported at the end of the reporting period. The uncertainties associated with these assumptions and estimates could result in outcomes that lead to adjustments to the carrying amount of the affected assets or liabilities in future reporting periods.

6.1 ACCOUNTING JUDGMENTS

In applying the accounting policies, the Executive Board has made the following discretionary decisions that have a material impact on the consolidated financial statements:

Cost of obtaining a contract with a customer recognized as an asset

Non-recurring costs in connection with winning an order are recognized as assets if it can be assumed that these costs will be recovered during the term of the contract. The identification of costs of obtaining a contract is subject to discretion – especially in the absence of contractual arrangements. Officials decide on the existence of contract initiation costs after reviewing all facts. The costs of obtaining a contract recognized as an asset

are amortized on the basis of the series parts of the underlying project supplied during the contract term.

6.2 ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements in accordance with IFRS requires assumptions and estimates to be made for some items. These assumptions and estimates affect the amount and presentation of the assets and liabilities recognized in the balance sheet, income and expenses and the disclosure of contingent liabilities in the reporting period. Due to the uncertainty associated with these assumptions and estimates, actual results in future periods may lead to adjustments to the carrying amount of the assets or liabilities concerned. Assumptions and estimates relate in particular to the following items:

Inventories

Inventories that are difficult to sell or unusable are subject to obsolescence write-downs. The amount of the write-downs is based on past experience.

Other provisions

Provisions for onerous contracts in connection with long-term delivery obligations are recognized if the estimated total costs exceed the estimated revenue. Losses from contracts with customers are identified through ongoing monitoring of project progress and updating of estimates.

The valuation of the provision for adjustments in prices of materials is based on the quantities delivered in previous fiscal years for which a price adjustment obligation arises due to legal or factual obligations, multiplied by the expected price reduction. All findings from customer negotiations as of the reporting date are included in the valuation.

Loss allowance on trade receivables and contract assets

The loss allowance for doubtful receivables and contract assets involves a significant degree of estimation and assessment of individual receivables based on the creditworthiness of the respective customer, current economic developments and the analysis of historical receivables. To the extent that the Group derives the valuation allowance from historical default rates, a decline in the volume of receivables reduces such provisions accordingly and vice versa. Loss allowances on trade receivables and contract assets amounted to EUR 426k in the reporting year (p/y: EUR 302k). The default risk is therefore generally classified as low.

Impairment of goodwill, intangible assets and property, plant and equipment

At least once a year, the Group reviews whether goodwill, intangible assets not ready for use and, on an ad hoc basis, property, plant and equipment are impaired. This requires an estimate of the value in use of the cash-generating units to which goodwill and property, plant and equipment are allocated. Cash-generating units are defined as the legal entities in accordance with segment reporting. To estimate the value in use, the expected future cash flows from the respective cash-generating unit must be estimated and, in addition, an appropriate discount rate must be selected to determine the present value of these cash flows. As of December 31, 2025, the carrying amount of goodwill was EUR 4,331k (p/y: EUR 4,331k). For information on sensitivities, please refer to note 5.4 "Impairment testing".

For cash-generating units for which an impairment requirement has been determined but to which no goodwill is allocated, the recoverability of the individual assets is reviewed. Depending on the asset to be measured, the income approach or the asset value approach is used to determine the fair values less costs to

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sell. The methods are highly dependent on the correctness of the input parameters (e.g., area and year of construction for real estate, cost, and data for machinery and technical equipment). The choice of valuation parameters must be based on market ranges, but is subject to expert discretion in the specific approach (e.g., rent or construction costs for real estate, as well as price trends and economic useful lives for machinery and technical equipment).

Change in the useful life of fixed assets

A review of the economic useful lives of fixed assets could lead to an increase/decrease in depreciation/amortization in future fiscal years (see note 15).

Development costs

Development costs are capitalized in accordance with the accounting method described above. The initial capitalization of costs is based on the Group's assessment that the project is technically and economically feasible. For the purpose of determining the recoverability of the capitalized amounts, assumptions are made about the amount of expected future cash flows from the project, the applicable discount rates, the planned lifetime quantities and the period of inflow of the expected future benefits. As of December 31, 2025, the carrying amount of capitalized development costs in accordance with IAS 38 was EUR 1,643k (p/y: EUR 1,909k). These development costs relate in particular to capital expenditure on the development of air suspension and body components as well as engine housings. The reduction is due, among other things, to an impairment loss of EUR 29k (p/y: EUR 12k). This was necessary due to a decrease in lifetime quantities.

Taxes

Deferred tax assets are recognized for all unused tax loss carryforwards and tax credits to the extent that, based on tax planning, it is probable that taxable income will be available against which the loss carryforwards and tax credits can be utilized. As of December 31, 2025, total deferred tax assets of EUR 1,945k (p/y: EUR 361k) were recognized for tax loss carryforwards. These items relate solely to PWO AG, the parent company, and comprise EUR 996k in corporate income tax loss carryforwards totaling EUR 6,295k (p/y: EUR 0k) and EUR 949k in trade tax loss carryforwards totaling EUR 6,775k (p/y: EUR 2,712k). Deferred tax assets amounting to EUR 3,924k (p/y: EUR 6,490k) were recognized on tax credits. As in the previous year, this relates to PWO Czech Republic. This results in total deferred tax assets on tax loss carryforwards and tax credits amounting to EUR 5,869k (p/y: EUR 6,851k).

As of December 31, 2025, the value of the unrecognized loss carryforwards with limited usability, converted into euros at the closing rate, amounted to EUR 1,984k (p/y: EUR 310k). Further details are provided in note 13.

Based on the planned business development for the coming years, the deferred tax assets are expected to be recoverable. Determining the amount of deferred tax assets requires a significant estimate regarding the expected timing and amount of future taxable income as well as future tax planning strategies. The Group has capitalized all deferred tax assets in this fiscal year.

A tax audit was conducted in 2024 for the assessment periods from 2019 to 2021 and 2025 inclusive. The external audit was completed in 2025. From the Company's perspective, the requirements resulting from the external audit for the assessment periods from 2019 to 2021 were implemented.

No other on-site tax audits are scheduled or will be conducted in 2025.

The application of the Minimum Tax Act and comparable foreign regulations has no impact on the Company or its subsidiaries.

Defined benefit pension plans

The expense from defined benefit plans after termination of employment is determined on the basis of actuarial calculations. The actuarial valuation is based on assumptions regarding discount rates, staff turnover, future wage and salary increases (income and career trends), future increases in pensions and mortality. In line with the long-term nature of these plans, such estimates are subject to significant uncertainties. Further details are provided in note 22.

In accordance with IAS 19, the discount rate is determined on the basis of high-quality corporate bonds as of the reporting date. For this purpose, a yield curve is calculated from the yields of bonds available on the market with an AA rating. The average discount rate is derived by applying the yield curve to the Group's future cash flows.

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7 REVENUE

The breakdown of consolidated revenue from the sale of goods by location and product area is presented in the segment report (see note 36).

8 OWN WORK CAPITALIZED

Of the own work capitalized, EUR 245k (p/y: EUR 343k) relates to development costs that must be capitalized in accordance with IAS 38. These development costs relate in particular to the development of air suspension and body components as well as engine housings.

9 OTHER OPERATING INCOME

Other operating income is as follows:

EURk	2025	2024
Currency gains	10,243	5,373
Income from the derecognition of accruals	236	298
Income from the reversal of provisions ¹	6,313	5,180
Miscellaneous operating income	9,747	4,064
Total	26,539	14,915

¹ Income from the reversal of provisions includes, among other things, income of EUR 1,266k (p/y: EUR 2,895k) from the reversal of provisions for onerous contracts and from the reversal of a provision for potentially defective parts in the amount of EUR 2,400k (p/y: EUR 0k).

Prior-period income of EUR 6,981k (p/y: EUR 6,473k) was recognized in the reporting year, essentially as a result of the reversal of provisions for onerous contracts and the reversals of provisions for potentially defective parts.

10 STAFF COSTS AND EMPLOYEES

10.1 Staff costs

EURk	2025	2024
Wages and salaries	116,869	111,171
Social security and post-employment expenses	26,256	24,699
of which in respect of pensions	2,717	2,751
Total	143,125	135,870

Government subsidies for staff expenses of EUR 47k (p/y: EUR 47k) were granted at the international locations in China.

10.2 Average headcount for the year by area of employment

	2025	2024
Development and Sales	239	238
Production and Materials Management	2,137	1,989
Tool center	398	432
Administration	185	164
Core workforce	2,959	2,823
Temporary employees	162	203
Trainees	38	53
Inactive employees/passive stage of partial retirement	100	95
Total staff	3,259	3,174

11 OTHER OPERATING EXPENSES

Other operating expenses break down as follows:

EURk	2025	2024
Currency expenses	11,073	4,841
Costs for temporary employees	7,318	8,582
Maintenance costs	7,872	7,035
Legal, audit and consulting fees	4,583	6,659
Outgoing freight	3,055	3,941
Insurance premium	2,627	2,444
Lease expenses	3,412	3,417
Travel costs	1,973	1,877
Corporate Communication and Investor Relations	2,762	2,104
Miscellaneous operating expenses	12,402	16,101
Total	57,077	54,897

Prior-period expenses of EUR 18k (p/y: EUR 388k) were incurred. Prior-period expenses related mainly to unforeseen subsequent charges for energy costs at the Oberkirch location for the previous year.

12 FINANCE COSTS

EURk	2025	2024
Interest expenses payable to financial Institutions	6,741	7,225
Interest expenses from interest rate swaps	535	823
Interest expenses from the accretion of interest on pension provisions	1,764	1,842
Interest expenses from finance leases	789	644
Total	9,829	10,534
of which interest expenses for financial instruments recognized at amortized cost	4,368	4,905

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13 INCOME TAXES

Taxes of EUR 2,999k (p/y: EUR 1,289k) were recognized in other comprehensive income in the statement of comprehensive income.

Income taxes posted in net income/loss for the period break down as follows:

EURk	2025	2024
Current taxes	7,727	5,300
Deferred taxes	-37	2,596
Total	7,690	7,896

Actual taxes contained prior-period expenses of EUR 495k in the reporting year (p/y: EUR 63k).

Deferred taxes resulted from temporary differences and income tax loss carryforwards.

EUR 112k (p/y: EUR 73k) is recognized as deferred tax liabilities for temporary differences due to future dividend distributions from China and Mexico. No further deferred taxes were recognized for temporary differences on retained profits at subsidiaries of EUR 24,900k (p/y: EUR 32,337k), as it is probable that the temporary differences will not be reversed in the foreseeable future.

Differences between the income tax expense expected on the basis of the calculated tax rate and actual income tax expense can be found in the following reconciliation statement. The tax rate applied is based on the domestic rate of income tax.

EURk	2025	2024
Net income/loss before income taxes	15,693	20,437
Theoretical tax expenses at 29.13% (p/y: 29.13 %)	4,572	5,954
Effects from recognition and measurement of deferred taxes	-2,677	1,565
Change in the theoretical tax expense caused by different tax rates at foreign companies	368	334
Tax effects due to non-deductible expenses	2,307	-1,446
Tax effects previous years	725	238
Tax effects from tax assets	160	-65
Tax effects from future changes to tax rates	948	-
Effects from non-capitalized loss carryforwards	843	284
Non-deductible withholding tax	907	1,262
Other effects	-463	-230
Taxes on income	7,690	7,896

In 2025, the domestic income tax rate consists of corporation tax of 15% (p/y: 15%), plus the solidarity surcharge of 5.5% (p/y: 5.5%), and a trade tax rate of 13.30% (p/y: 13.30%).

Because the trade tax rate at the Oberkirch site rises to 400% effective January 1, 2026, the trade tax rate will rise to 14.00%.

Due to the gradual reduction in the corporate income tax rate at the Oberkirch location from 15% to 10% in the assessment years 2028–2032, the following tax rates will be applied in these periods:

in %	2027	2028	2029	2030	2031	2032
Tax rate	29.83	28.77	27.72	26.66	25.61	24.55

The table below shows deferred tax assets and liabilities at the level of the individual balance sheet items:

EURk	Deferred tax assets		Deferred tax liabilities	
	2025	2024	2025	2024
Intangible assets and property, plant and equipment	1,679	1,174	6,104	7,732
Other assets	8,926	12,146	8,441	11,492
Tax loss carryforward and tax credits	5,869	6,851	-	-
Provisions	3,985	8,065	112	-
Liabilities	4,024	4,547	42	393
Subtotal	24,483	32,783	14,699	19,617
Offset	-13,094	-17,780	-13,094	-17,779
Figures according to the consolidated statement of financial position	11,389	15,003	1,605	1,838

Please see note 5.2 for further explanations.

14 EARNINGS PER SHARE

Earnings per share are calculated by dividing the profit or loss attributable to the shareholders of PWO AG by the weighted average number of shares outstanding in the fiscal year. There were no dilutive effects from stock options or convertible preference shares.

	2025	2024
Earnings after taxes in EURk	8,003	12,541
Average number of non-par shares	3,125,000	3,125,000
Earnings per share in EUR	2.56	4.01

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15 PROPERTY, PLANT AND EQUIPMENT

EURk	Land and buildings	Technical equipment and machinery	Other plant, factory and office equipment	Prepayments made and assets under construction	Total
Cost					
As of January 1, 2024	146,321	336,131	35,789	17,416	535,657
Additions	3,797	9,547	3,763	25,755	42,862
Disposals	-1,149	-7,899	-2,907	-1,177	-13,132
Reclassifications	42	10,192	140	-10,451	-77
Price change	935	3,766	-9	143	4,835
As of December 31, 2024	149,946	351,737	36,776	31,686	570,145
Additions	4,925	9,513	2,490	21,342	38,270
Disposals	-1,770	-13,299	-3,701	-	-18,770
Reclassifications	21,622	5,766	858	-28,276	-30
Price change	-3,250	-12,028	-565	-853	-16,696
As of December 31, 2025	171,473	341,689	35,858	23,899	572,919
Depreciation/amortization					
As of January 1, 2024	66,016	265,802	30,127	-	361,945
Additions	5,123	14,779	2,334	-	22,236
Disposals	-1,127	-7,369	-2,878	-	-11,374
Write-ups	-608	-31	-74	-	-713
Price change	311	2,355	-7	-	2,659
As of December 31, 2024	69,715	275,536	29,502	-	374,753
Additions	4,891	15,212	2,632	-	22,735
Disposals	-1,697	-12,490	-3,642	-	-17,829
Write-ups	1	4	-5	-	-
Price change	-1,309	-7,797	-397	-	-9,503
As of December 31, 2025	71,601	270,465	28,090	-	370,156
Carrying amounts					
As of December 31, 2024	80,231	76,202	7,273	31,686	195,392
As of December 31, 2025	99,872	71,224	7,768	23,899	202,763

The standard useful life is 25 to 50 years for buildings, 5 to 16 years for technical equipment and machinery, 3 to 14 years for plant and office equipment and 3 to 5 years for IT hardware.

Depreciation and impairment losses on the land and buildings asset class included the reversal of an impairment loss of EUR 364k in the reporting period (p/y: EUR 608k). In addition, depreciation and impairment losses on the technical equipment and machinery asset class included impairment losses of EUR 49k following an impairment test at PWO AG (p/y: impairment loss reversal of EUR 22k). Depreciation of "Technical equipment and machinery" also includes a reversal of impairment losses for assets impaired in previous years from the cash-generating unit PWO Canada in the amount of CAD 104k (p/y: CAD 13k). Depreciation also includes an impairment loss for project-related technical equipment and machinery in the amount of CAD 1,567k.

Leases were concluded for various plots of land and buildings, technical equipment and machinery, and other plant, factory and office equipment. Several leases include renewal and termination options.

There are also leases for machinery that have a term of 12 months or less and for low-value items of office equipment.

Practical expedients applicable to short-term leases and to leases for which the underlying asset is of low value are applied to these leases.

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The reported right-of-use assets from leases are recognized in property, plant and equipment (see “Property, plant and equipment” table above). The carrying amounts of right-of-use assets are shown in the following table:

EURk	Intangible assets	Land and buildings	Technical equipment and machinery	Other plant, factory and office equipment	Total
As of January 1, 2024	–	7,335	14,524	899	22,758
Additions	–	1,319	558	210	2,087
Depreciation/amortization	–	-1,047	-293	1,171	-169
Price change	–	84	-63	10	31
As of December 31, 2024	–	7,691	14,726	2,290	24,707
Additions	–	3,525	2,330	540	6,395
Depreciation/amortization	–	-1,330	-2,054	-1,055	-4,439
Price change	–	-236	-219	-37	-492
As of December 31, 2025	–	9,650	14,783	1,738	26,171

Lease liabilities are included in interest-bearing loans in the “Current and non-current financial liabilities” items in the statement of financial position.

The following items were recognized through profit or loss in the reporting year:

EURk	2025	2024
Depreciation of right-of-use assets	1,859	1,854
Interest expenses for lease liabilities	789	644
Expenses for short-term leases	2,108	1,972
Expenses for leases for low-value assets	489	496
Expenses for leases without identifiable assets	815	949
January 1 to December 31	6,060	5,914

The Group's cash outflows for leases amounted to EUR 5,943k (p/y: EUR 5,514k) in the reporting year. Also, the Group recognized non-cash additions to right-of-use assets and lease liabilities in the amount of EUR 7,334k in total in 2025 (p/y: EUR 7,589k).

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16 INTANGIBLE ASSETS

EURk	Development services	Industrial property rights and similar rights	Goodwill	Other intangible assets	Advance payments made	Total
Cost						
As of January 1, 2024	14,209	17,947	6,763	1,121	397	40,437
Additions	345	1,059	-	-	1,899	3,303
Disposals	-	-201	-	-	-	-201
Reclassifications	-17	319	-	-	-321	-19
Price change	33	17	35	71	-	156
As of December 31, 2024	14,570	19,141	6,798	1,192	1,975	43,676
Additions	245	1,402	-	-	1,435	3,082
Disposals	-	-325	-	-	-	-325
Reclassifications	-96	268	-	-	-142	30
Price change	-63	-88	-180	-138	-	-469
As of December 31, 2025	14,656	20,398	6,618	1,054	3,268	45,994
Depreciation, amortization and impairments						
As of January 1, 2024	11,878	15,077	2,432	1,121	-	30,508
Additions	753	1,297	-	-	-	2,050
Disposals	-	-199	-	-	-	-199
Reclassifications	-	-	-	-	-	-
Price change	30	10	35	71	-	146
As of December 31, 2024	12,661	16,185	2,467	1,192	-	32,505
Additions	512	1,669	-	-	-	2,181
Disposals	-	-325	-	-	-	-325
Reclassifications	-7	7	-	-	-	-
Price change	-62	-72	-180	-138	-	-452
As of December 31, 2025	13,104	17,464	2,287	1,054	-	33,909
Carrying amounts						
As of December 31, 2024	1,909	2,956	4,331	-	1,975	11,171
As of December 31, 2025	1,552	2,934	4,331	-	3,268	12,085

The normal useful life for software is 3–5 years.

The Company capitalized development services in line with IAS 38 at EUR 1,643k (p/y: EUR 1,909k) and charges per-unit amortization as soon as development ends and series production starts. In the reporting year, the Company recognized an impairment loss of EUR 29k (p/y: EUR 12k).

As of December 31, 2025, the goodwill of PWO Czech in the “Czech Republic” segment amounted to EUR 4,331k (p/y: EUR 4,331k).

17 CONTRACT ASSETS

Contract assets result from the recognition of revenue over time for series deliveries, where series parts are recognized as revenue before they are delivered to customers, and from the recognition of revenue over time from sales of tools and order-related development services.

The annual review of contract assets led to volume-related write-downs in the reporting year: tools EUR 736k (p/y: EUR 536k), development services EUR 0k (p/y: EUR 649k) and pay-to-play EUR 11k (p/y: EUR 78k).

Contract liabilities are recognized if the services rendered as of the end of the balance sheet date are less than the consideration received from the customer. Advance payments received amounted to EUR 9,474k as of the end of the reporting period (p/y: EUR 12,485k). The main driver of the decline is the down payment on tools at PWO Germany and PWO Canada. These are offset against services already provided under the terms of the contract. An amount of EUR 12,485k (p/y: EUR 3,405k) was generated from the previous year's advance payments.

As of December 31, 2025, contract assets capitalized in accordance with IFRS 15 were as follows:

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EURk	2025	2024
As of January 1	94,352	93,880
Change in non-current contract assets	-3,966	-2,988
Change in current contract assets	1,518	3,460
As of December 31	91,904	94,352

With regard to performance obligations that were partly or fully unfulfilled as of the balance sheet date with an expected original term of more than 1 year, we expect EUR 34,521k (p/y: EUR 29,117k) will be recognized as revenue within the next fiscal year and EUR 48,567k (p/y EUR 43,081k) in subsequent fiscal years. These related primarily to long-term development and tool projects.

For contractual arrangements with an expected original term of up to 1 year, the practical expedient of IFRS 15, which allows any disclosures to be omitted, is applied. Transaction prices assigned to service obligations that have not been fulfilled or only fulfilled in part resulted predominantly from contract-related tool and development contracts, for which the expected original term is more than 1 year.

As of December 31, 2025, it is expected that claims to receive the consideration of EUR 7,925k will be reclassified into receivables within the next year. PWO makes use of the practical expedient permitted under IFRS 15 and excludes contracts with an expected original term of not more than 1 year from the disclosure obligation.

18 INVENTORIES

A key part of inventories is raw materials and consumables totaling EUR 48,822k (p/y: EUR 39,933k). The split is:

EURk	2025	2024
Raw materials	14,558	12,136
Consumables and supplies, purchased parts	17,162	13,603
Customized spare parts for tools	12,178	11,829
Goods in transit	2,119	2,365
Work in progress/Services in progress ¹	1,488	–
Finished goods ¹	1,317	–
Total	48,822	39,933

¹ The difference between the change in finished and unfinished products in the balance sheet and the change in inventory in the income statement results from exchange rate effects – the balance sheet is converted at the closing rate and the income statement at the average rate. In the 2025 reporting year, the effect amounted to EUR 46k (p/y: EUR 0k).

In addition, the Company recognizes advance payments of EUR 294k (p/y: EUR 631k) in the balance sheet.

Total impairment losses recognized on inventories totaled EUR 21,343k as of the end of the reporting period (p/y: EUR 20,581k); of this amount, EUR 18,388k (p/y: EUR 17,796k) was attributable to customized spare parts for tools. Write-downs on work in progress amounted to EUR 235k (p/y: EUR 0k) and on finished goods to EUR 16k (p/y: EUR 0k). The amount of impairment recognized in profit or loss for raw materials, consumables and supplies, and for spare parts for tools in the reporting year is EUR 1,191k (p/y: EUR 842k).

19 TRADE RECEIVABLES

Trade receivables of EUR 42,750k (p/y: EUR 49,079k) reported in the statement of financial position as of the end of the balance sheet date were written down by EUR 426k (p/y: EUR 302k). The table below shows changes in the allowance account:

EURk	2025	2024
Loss allowance as of January 1	302	333
Additions	176	50
Reversals	-43	-86
Foreign exchange differences	-9	5
Loss allowance as of December 31	426	302

For significant individual receivables, specific loss allowances are recognized in accordance with uniform standards. A potential impairment is assumed if certain circumstances apply – such as late payments over a certain period, the initiation of enforcement measures, imminent insolvency or over-indebtedness, application to start insolvency proceedings or failure of restructuring measures. Due to the Company's structure of customers with a strong financial standing, any impairment losses required normally tend to be rather small.

In the reporting year, the Company recorded a portfolio-based allowance in line with IFRS 9, based on the expected default rate, which is derived from a customer-related credit rating model. The probabilities of default used to determine expected credit losses on trade receivables and contract assets are provided by business information services. These are based on individual and continuously updated data relating to the credit risk of customers (e.g., payment behavior) or on company and industry data, taking into account forward-looking macroeconomic data.

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Loss allowances on receivables and contract assets are usually recognized in separate allowance accounts and lead to an impairment loss recognized through profit or loss, which is reported in other operating expenses. Actual defaults result in the receivables in question being derecognized. Contract assets typically relate to projects or contracts, often with individual payment terms, customer credit ratings and assessments of project progress. The probabilities of default for contract assets are analyzed and quantified within the meaning of IFRS 9. In the absence of any indications, no loss allowances are currently recognized on contract assets using portfolio-based loss allowances or project-specific risk assessments.

After recognizing specific loss allowances, hedging (commercial credit insurance) limited the default risk to EUR 158k (p/y: EUR 168k). Without hedging, the loss allowance would have amounted to EUR 359k (p/y: EUR 216k).

20 CASH AND CASH EQUIVALENTS

Bank deposits earn interest at variable rates for current deposits that can be withdrawn at short notice. As of December 31, 2025, the PWO Group had undrawn credit lines that already meet all the conditions necessary for utilization.

The determination of expected credit losses on bank balances did not reveal any significant anomalies. The analysis did not identify any risks that need to be taken into account in the balance sheet.

21 EQUITY**Issued capital**

As of December 31, 2025, the fully paid-in issued capital amounted to EUR 9,375k (p/y: EUR 9,375k). It is divided into 3,125,000 (p/y: 3,125,000) no-par value shares. This results in a calculated share of EUR 3.00 (p/y: EUR 3.00) of the share capital per no-par value share.

Authorized capital

The Executive Board is authorized by resolution of the Annual General Meeting on June 3, 2025 (inclusive), with the approval of the Supervisory Board, to increase the Company's share capital by up to EUR 4,687,500.00 by issuing new no-par value bearer shares against cash and/or non-cash contributions on 1 or more occasions (Authorized Capital 2025). Further information can be found in Section 4 (3) of the Articles of Association in their current version. The Articles of Association are permanently available to the public on the PWO website at [→ www.pwo-group.com/en/pwo-group/](https://www.pwo-group.com/en/pwo-group/) under the heading "Corporate Governance". The Executive Board has not yet made use of this authorization.

Capital reserves

The capital reserves include allocations from the premium.

Retained earnings and other provisions

The retained earnings include the current and previous years' undistributed profits generated by PWO AG and its consolidated subsidiaries, as well as the statutory reserve in the amount of EUR 204k (p/y: EUR 204k).

Differences from the currency translation of financial statements of foreign subsidiaries that do not affect income in the amount of EUR 3,280k (p/y: EUR 3,690k) are reported in equity.

In addition, the portion of the gain or loss from a cash flow hedge that is determined to be an effective hedge is recognized, as are actuarial gains and losses from defined benefit pension plans.

Proposed and distributed dividends

As of December 31, 2025, PWO AG reported retained earnings of EUR 9,250k (p/y: EUR 8,245k) in its annual financial statements prepared in accordance with commercial law. Distributable profit is determined in accordance with the provisions of the German Commercial Code (HGB).

A proposal will be made to the Annual General Meeting to appropriate the net retained earnings of PWO AG as follows:

EURk	2025
Distribution of a dividend of EUR 1.65 per eligible no-par share	5,156
Balance to be carried forward to the next accounting period	4,094

In fiscal year 2025, a total dividend of EUR 5,469k was paid for fiscal year 2024 (EUR 1.75 per dividend-bearing share). In fiscal year 2024, a total dividend of EUR 5,469k was distributed (EUR 1.75k per dividend-bearing share).

Notifications in accordance with section 33 WPHG

The following shareholdings in PWO AG were reported as of the reporting date of December 31, 2025. The voting rights stated may have changed after the dates indicated, which were not subject to reporting requirements to the Company.

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Sparkasse Offenburg/Ortenau, Offenburg, Germany, notified us on December 15, 2020, that its share of voting rights in PWO, Oberkirch, Germany, amounted to 8.56% (corresponding to 267,429 voting rights) on December 14, 2020.

On May 23, 2012, Consult Invest Beteiligungsberatungs-GmbH, Böblingen, Germany, notified us that it held more than 30% of the voting rights but less than 50% of the voting rights in PWO AG.

22 PENSION PROVISIONS

22.1 Defined contribution plans

The PWO Group has defined contribution plans. This resulted in an amount of EUR 80k (p/y: EUR 95k) recognized in staff costs for PWO Canada and of EUR 431k (p/y: EUR 394k) for PWO Czech.

Contributions to the statutory pension insurance funds are also paid in the amount of the employer's contribution currently payable on pensionable remuneration totaling EUR 11,253k (p/y: EUR 11,238k), which is also reported in staff costs. The statutory pension insurance system is also a defined contribution plan.

22.2 Defined benefit plans

The majority of the obligations under defined benefit plans relate to PWO AG. A provision of EUR 457k (p/y: EUR 428k) is attributable to PWO Mexico. The provision, which is required under Mexican law, comprises obligations for benefits to employees depending on their length of service and the remuneration earned during their service.

Provisions for pensions and similar obligations are recognized on the basis of benefit plans for commitments for pensions, disability and survivors' benefits. The benefits are based on employees' pay and the duration of their employment. Obligations comprise those arising from current pensions and vested pension rights for pensions and retirement benefits payable in the future. There are no plan assets to fulfill pension obligations.

The following tables show the components of the expenses for benefits recognized in the income statement and the amounts stated in the statement of financial position.

Amounts recognized in the income statement break down as follows:

EURk	2025	2024
Current service cost	579	634
Past service cost	-53	-35
Interest expense for defined benefit obligations	1,720	1,755
Total	2,246	2,354

The following table shows adjustments recognized in other comprehensive income:

EURk	2025	2024
Adjustments based on changes in demographic assumptions	-	-
Adjustments based on changes in financial assumptions	-5,361	-1,346
Adjustments based on adjustments due to experience	344	336
Total	-5,017	-1,010

The changes in the present value of the benefit obligations are as follows:

EURk	2025	2024
Present value of service cost on January 1	48,557	49,295
Service cost	579	634
Past service cost	-53	-35
Interest expenses	1,720	1,755
Pension payments made	-2,200	-2,106
Adjustments based on changes in demographic assumptions	-	-
Adjustments based on changes in financial assumptions	-5,361	-1,346
Adjustments based on adjustments due to experience	344	336
Foreign currency differences	-75	24
Present value of service cost on December 31	43,511	48,557

Of the reported pension provisions, EUR 41,257k (p/y: EUR 46,393k) are current and EUR 2,254k (p/y: EUR 2,164k) are non-current.

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The measurement of defined benefit obligations is based on the following actuarial assumptions:

in %	2025	2024
Discount rate	4.33	3.57
Staff turnover rate	2.00	2.00
Future salary trend > 40 years	2.75	2.75
Future salary trend < 40 years (career trend)	3.75	3.75
Future increase pensions	2.00	2.10
Mortality	RT Heubeck 2018 G	RT Heubeck 2018 G

Due to materiality, the actuarial assumptions apply only to PWO Germany.

Defined benefit obligations had an average residual term of 14 years (p/y: 16 years) in the reporting year.

The following table shows a sensitivity analysis with the key assumptions as of December 31, 2025:

Assumption	Scenario			
	Increase of		Decrease of	
	in %	EURk	in %	EURk
Discount rate	+0.50	-2,776	-0.50	3,126
Staff turnover	+0.50	-11	-0.50	15
Future increases in salaries (income trend)	+0.25	5	-0.25	-5
Future increases in salaries (career trend)	+0.50	23	-0.50	-23
Future increases in pensions	+0.25	1,128	-0.25	-1,083
Average life expectancy	+1 year	1,611		

Sensitivity analyses of the defined benefit plans for the key actuarial assumptions were carried out using the same valuation method (projected unit credit method) as that used to determine the obligations from post-employment benefits reported in the consolidated statement of financial position. Impacts of changes to the assumptions were determined separately in each case and possible correlation effects were therefore not analyzed.

The following amounts are expected to be paid out in the next few years as current pensions under defined benefit schemes:

EURk	2025	2024
Within the next 12 months	2,289	2,199
Between 2 and 5 years	9,559	9,250
Between 5 and 10 years	14,421	13,929
Total expected payments	26,269	25,378

As of the balance sheet date, we allocate pension commitments to the beneficiary groups as follows:

EURk	2025		2024	
	Germany	Mexico	Germany	Mexico
Active beneficiaries	10,273	457	12,280	428
Employees who have left the company	5,151	-	6,510	-
Pensioners	27,630	-	29,339	-
Total	43,054	457	48,129	428

23 OTHER PROVISIONS

Other provisions take account of the amounts needed for staff costs and other discernible risks and obligations. Provisions reported in the statement of financial position essentially comprise provisions for personnel (obligations for partial retirement and anniversary benefits), provisions for onerous contracts, warranty provisions and provisions for adjustments in the prices of materials. The expectation for the partial retirement provisions is that the entire amount of the obligations for partial retirement will accrue within 5 years of the end of the reporting period.

Other provisions developed as follows:

64 Consolidated financial statements	EURk	Personnel-related provisions		Provisions for onerous contracts		Provisions for warranties		Provisions for adjustments in prices of materials ¹	
		2025	2024	2025	2024	2025	2024	2025	2024
65 Consolidated income statement	As of January 1	2,268	2,062	3,035	3,477	2,460	2,494	3,546	4,584
66 Consolidated statement of comprehensive income	Utilization	-836	-902	-	-	-	-34	-467	-981
	Reversal	-15	-79	-2,481	-2,895	-2,400	-	-1,377	-1,760
67 Consolidated statement of financial position	Allocation	1,226	1,187	711	2,453	38	-	1,710	1,703
68 Consolidated statement of changes in equity	As of December 31	2,643	2,268	1,265	3,035	98	2,460	3,412	3,546
	of which non-current	1,421	1,326	877	1,896	-	-	-	-
69 Consolidated statement of cash flows	of which current	1,222	942	388	1,140	98	2,460	3,412	3,546

¹ Provisions for adjustments in prices of materials are reported under Other liabilities.

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In fiscal year 2025, provisions for onerous contracts in connection with longer-term delivery obligations were reduced to EUR 1,265k (p/y: EUR 3,035k), partly as a result of higher selling prices, a further improvement in the internal cost structure and reduced demand estimates. The effect on net interest of adding interest expenses on provisions for onerous contracts amounted to EUR 0k (p/y: EUR 50k).

The Company reversed a EUR 2,4k warranty provision set aside in earlier years for a product that might have been faulty because the risk of use proved low and no faulty parts were reported.

24 SUPPLIER FINANCE AGREEMENTS

To improve working capital management, the Company implemented a supply chain program in the Germany segment in the past fiscal year. Under this agreement, trade payables are paid in full on the due date with the help of a payment service provider. When the debt to the creditor is paid, the original liability to the supplier is removed from the books. At the same time, the payment processing and the provision of liquidity by the payment service provider create a new liability, which is part of the working capital used in PWO's normal business

cycle. The Company provides no collateral or guarantees to the payment service provider in connection with the provision of liquidity. The payment term granted by the payment service provider is 60 days. The agreed payment terms for trade payables range from 0 to 120 days. From the Company's perspective, the payment term granted by the payment service provider therefore represents a standard adjustment compared to the payment terms agreed in normal business transactions. In summary, the liability to the payment service provider is similar in nature and function to a financial liability, which the Company reports under other financial liabilities.

We report the costs from the supply chain program for payment processing and liquidity provision in the financial result because of the material interest part of the total transaction fee.

The cash flow statement presents the discharge of supplier liabilities and the provision of liquidity by the payment service provider in a summarized way. Both cash flows appear on a net basis in cash flow from operating activities because the payment account through which the cash flows are processed is legally and economically attributable to the Company. The

repayment of the liability to the payment service provider is then reported in cash flow from operating activities due to the operational nature of the liabilities. The payment of transaction fees is reported in cash flow from financing activities.

As of the balance sheet date, other financial liabilities include liabilities from the supply chain program in the amount of EUR 10k (p/y: EUR 0k).

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In connection with the implemented supply chain program, there is a liquidity risk insofar as payment processing is concentrated via a single payment service provider. The resulting risk is considered low due to the availability of alternative processing and financing channels.

25 GOVERNMENT GRANTS

Government grants in accordance with IAS 20 are recognized if there is reasonable assurance of compliance with the conditions attaching to it and that the grant will be received.

As of December 31, 2025, grants received and recognized as deferred income amounted to EUR 7,980k (p/y: EUR 6,319k). These essentially contain government grants for building a new plant in Serbia. On receiving the grants, the PWO Group has undertaken to make a valuable contribution to the economic development of the nation of Serbia. In addition to capital expenditure on property, plant and equipment, the grants received are also linked to the achievement of contractually agreed employee recruitment targets. They will be recognized in profit or loss in the periods in which the expenses for which the grants are intended to compensate are recognized. Grants recognized for expenses amount to EUR 47k (p/y: EUR 157k) in the fiscal year. EUR 0k (p/y: EUR 110k) of this was recognized as prior-period income and EUR 47k (p/y: EUR 47k) as a reduction of staff costs.

26 FINANCIAL LIABILITIES

Financial liabilities were composed as follows:

EURk	Current		Non-current		Total financial liabilities	
	< 1 year	> 1 year	1 to 5 years	> 5 years	2025	2024
	2025	2024	2025	2024	2025	2024
Liabilities to banks	12,806	41,179	62,128	37,921	74,934	79,100
Liabilities from promissory notes	–	–	12,433	–	12,433	–
Liabilities to leasing companies	6,599	5,647	11,767	11,642	20,643	19,823
Total	19,405	46,826	86,328	49,563	108,010	98,923

Changes in liabilities from financing activities are shown below:

EURk	Jan. 1, 2025		Non-cash changes			Dec. 31, 2025
	Cash changes	Deferment based on maturity	New leases	Currency effects		
Non-current financial liabilities	37,921	23,755	12,627	–	257	74,560
Current financial liabilities	41,179	-15,016	-12,627	–	-729	12,807
Lease liabilities	19,823	-5,943	–	7,334	-571	20,643
Total	98,923	2,796	–	7,334	-1,043	108,010

EURk	Jan. 1, 2024		Non-cash changes			Dec. 31, 2024
	Cash changes	Deferment based on maturity	New leases	Currency effects		
Non-current financial liabilities	44,136	23	-6,365	–	127	37,921
Current financial liabilities	51,835	-17,319	6,365	–	298	41,179
Lease liabilities	17,758	-5,514	–	7,589	-10	19,823
Total	113,729	-22,810	–	7,589	415	98,923

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Within current financial liabilities, current bank liabilities of EUR 9,125k (p/y: EUR 16,397k) were assigned to cash and cash equivalents.

The financial management of the PWO Group is based on internal financing guidelines and ongoing financial and liquidity planning.

Financial management focuses on ensuring the sufficient liquidity of the PWO Group at all times. We aim to keep a cash buffer above our near-term payment needs and to use short-term credit lines only when needed so we meet our internal funding rules. The liquidity of the PWO Group is secured in the long term with sufficiently unutilized credit lines.

The PWO Group secures its liquidity through sufficient uncommitted credit lines. Financing is primarily provided by a syndicated loan linked to standard financial covenants.

The Group's unutilized lines of credit, including cash and cash equivalents, amounted to EUR 108.2m as of the end of the reporting period (p/y: EUR 111.7m).

Interest is generally payable on financial liabilities at rates ranging from 3.00% to 7.13% (current) and from 1.35% to 5.95% (non-current). The higher interest rates are primarily on subordinated local financing of individual subsidiaries.

Bank liabilities due on demand amounted to EUR 9,125k (p/y: EUR 16,397k). Liabilities to leasing companies of EUR 20,643k (p/y: EUR 19,823k) are secured by the assignment of property, plant and equipment as collateral. There were also the usual retentions of title from the supply of raw materials, consumables and supplies, and goods.

27 CONTINGENCIES AND OTHER FINANCIAL OBLIGATIONS

As of December 31, 2025, there were other financial obligations including purchase commitments of EUR 40,024k (p/y: EUR 36,679k). Of which attributable to subsequent fiscal years according to maturity:

EURk	Obligations from non-cancelable leases and rental agreements		Purchase commitments from investments in property, plant and equipment		Purchase commitment from investments in intangible assets		Miscellaneous other financial obligations	
	from 2026	from 2025	from 2026	from 2025	from 2026	from 2025	from 2026	from 2025
Remaining term up to 1 year	4,954	4,225	9,860	10,897	2,700	4,108	–	–
Remaining term 1 to 5 years	10,177	11,463	–	–	4,150	–	–	–
Remaining term > 5 years	7,338	5,986	–	–	845	–	–	–
Total	22,469	21,674	9,860	10,897	7,695	4,108	–	–

28 OFF-BALANCE SHEET TRANSACTIONS

Trade receivables are sold on an ongoing basis to generate cash and cash equivalents to finance operating activities and thereby allow improved liquidity planning. All material risks have been transferred to the factor. Receivables with a nominal amount of EUR 18,103k (p/y: EUR 14,536k) had been sold as of December 31, 2025. The transferred receivables are current receivables, the carrying amount of which equals the fair value of the transferred assets. Cash inflows and outflows from factoring are assigned to cash flow from operating activities.

As of the end of the reporting period, there were receivables from the factoring company of EUR 3,744k (p/y: EUR 2,320k), which are reported under other assets. Moreover, trade receivables are financed by a factor under a supplier finance scheme initiated by the customer in order to further optimize liquidity. The factor bears the default risk to the supplier. As of December 31, 2025, customer receivables of EUR 17,827k (p/y: EUR 13,483k) had been transferred to the factor.

29 FINANCIAL RISK MANAGEMENT

The PWO Group's financial risk management system is geared toward the uncertainties arising from future developments on the financial markets and aims to minimize any adverse effects on the Company's financial performance. The risk management system is the responsibility of the Executive Board, which sets the general principles for risk management and determines the procedure. There are no material risk concentrations that are not apparent from the notes and the combined management report.

The cumulated material risks are explained below:

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29.1 Credit risk

Credit risks arise when contractual partners do not fully meet their obligations at maturity of financial instruments. The default risk from trade receivables is managed by PWO AG and its subsidiaries on the basis of uniform guidelines, procedures and controls. The creditworthiness of customers is regularly checked using credit reports and historical data. Individual credit limits are set for customers based on these findings. Outstanding trade receivables and other receivables are regularly monitored through intensive receivables management. In addition, trade credit insurance has been taken out as additional protection for significant portions of the receivables. The need for value adjustments is analyzed at each reporting date and taken into account with appropriate value adjustments. Since the introduction of IFRS 9, a portfolio-based value adjustment has also been determined. The comprehensive databases of a leading international credit insurer are used to determine the expected credit losses. The expected credit loss is defined as the product of the amount of outstanding receivables, the probability of default and the risk of the receivable being uncollectible. The probability of default is determined using extensive statistical data from the credit insurance business. The use of basic statistical data improves accuracy and reduces fluctuations compared to calculations based on the figures of a single company. The models based on historical data, which form the basis for the calculations, are continuously updated and permanently reviewed for their relevance using forward-looking analyses. Macro- or microeconomic changes or trends are taken into account in the risk assessment as soon as they are identified. The probability of default is defined as the probability that a business partner will be unable to meet its payment obligations within the next 12 months. This is the standard period for most

payment terms and possible extensions of payment terms during this period. The analysis of business partners takes the form of a debtor risk assessment. Each counterparty is assigned a value on a scale of 0 to 10, with 10 being the best possible classification and 0 indicating an insolvent counterparty. In addition to the creditworthiness of the counterparty, extensive country-specific economic and political conditions are also taken into account in the risk assessment. The risk of uncollectibility is determined taking into account the statistical possibility that receivables can be recovered in whole or in part through collection measures or otherwise reduced. If receivables are subject to insurance coverage, this is taken into account when determining the probability of default and the risk of uncollectibility.

In connection with the investment of cash and cash equivalents and the portfolio of derivative financial assets, the PWO Group is exposed to losses from credit risks if financial institutions fail to meet their obligations. The Group manages the resulting risk position through guidelines and specifications issued by Group Treasury, as well as through diversification and careful selection of financial institutions. In addition, all financial institutions are analyzed and quantified at regular intervals, particularly with regard to default risk. Currently, no cash and cash equivalents or derivative financial assets are past due or impaired due to defaults.

As of December 31, 2025, the maximum credit risk of financial assets in the event of counterparty default corresponds to the carrying amount of these instruments. The following table shows the remaining maximum credit risk after deduction of existing trade credit insurance.

EURk	2025	2024
Trade receivables and contract assets	134,654	143,431
Hedging through commercial risk insurance	-9,316	-6,866
Maximum credit risk	125,338	136,565
Derivative financial assets	2,644	576
Cash and cash equivalents	18,304	11,777

The analysis of overdue, non-impaired trade receivables as of December 31, 2025 is as follows:

EURk	2025	2024
Trade receivables and contract assets	134,654	143,431
of which neither past due nor impaired	127,285	136,523
of which < 30 days past due (but not impaired)	3,161	5,194
of which > 30-90 days past due (but not impaired)	1,287	713
of which > 90-180 days past due (but not impaired)	897	-340
of which > 180-360 days past due (but not impaired)	1,276	1,369
of which > 360 days past due (but not impaired)	748	-28

The non-impaired receivables that are more than 180 days past due mainly relate to tool invoices with customer-specific payment terms.

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For overdue and non-impaired trade receivables that are not covered by trade credit insurance and contract assets, portfolio-based value adjustments were made on the reporting date based on expected default rates in accordance with IFRS 9.

29.2 Liquidity risk

Liquidity risks arise when Group companies are unable to meet their financial obligations. Sufficient lines of credit from several banks are available for ongoing business. An appropriate combination of short-term and non-current loans limits financing risks. Capital expenditure associated with long-term customer orders and pre-financing of services is generally financed on a long-term basis on a project-specific basis. The PWO Group has secured approximately half of its financing with a non-current horizon and at fixed interest rates. Where necessary, additional derivative interest rate hedges are concluded.

The following table shows the maturities of the undiscounted cash flows from financial liabilities as of the reporting date:

EURk	< 1 year		1 to 5 years		> 5 years		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Liabilities to banks	13,759	42,126	63,674	38,256	–	–	77,433	80,382
of which repayments	12,807	41,179	62,127	37,921	–	–	74,934	79,100
of which interest payments	952	947	1,547	335	–	–	2,499	1,282
Liabilities from promissory notes	471	–	13,376	–	–	–	13,847	–
of which repayments	–	–	12,433	–	–	–	12,433	–
of which interest payments	471	–	943	–	–	–	1,414	–
Liabilities to leasing companies	7,367	6,405	12,942	12,726	2,443	2,637	22,752	21,768
of which repayments	6,599	5,647	11,767	11,642	2,277	2,534	20,643	19,823
of which interest payments	768	758	1,175	1,084	166	103	2,109	1,945
Trade payables	63,178	65,681	–	–	–	–	63,178	65,681
Hedging derivative financial instruments	1,255	-2,190	1,454	-1,274	–	–	2,709	-3,464
Non-hedging derivative financial instruments	606	-434	-252	-728	–	–	354	-1,162
Other financial liabilities/other	–	–	–	–	–	–	–	–

The amounts of derivative financial instruments included in the maturity overview correspond to the undiscounted cash flows on a gross basis.

The following table shows the undiscounted cash inflows and cash outflows from hedging currency derivatives with and without a hedge relationship:

EURk	Hedging currency derivatives							
	< 1 year		1 to 5 years		> 5 years		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Inflow	47,492	64,027	49,943	63,840	–	–	97,435	127,867
Outflow	-46,237	-66,217	-48,489	-65,114	–	–	-94,726	-131,331
Balance	1,255	-2,190	1,454	-1,274	–	–	2,709	-3,464
EURk	Non-hedging currency derivatives							
	2025	2024	2025	2024	2025	2024	2025	2024
	2025	2024	2025	2024	2025	2024	2025	2024
Inflow	11,015	9,191	11,918	13,017	–	–	22,933	22,208
Outflow	-10,409	-9,625	-12,170	-13,745	–	–	-22,579	-23,370
Balance	606	-434	-252	-728	–	–	354	-1,162

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29.3 Interest rate risk

Interest rate risks arise when changes in market interest rates cause the fair value of financial instruments to fluctuate. In order to assess the interest rate risk, financial instruments must be classified in accordance with IAS 32 as either fixed-rate or variable-rate instruments. Interest rate risks exist for variable rate liabilities to banks. These risks are countered with interest rate swaps. Interest rate risks are presented using sensitivity analyses. These show the effects of changes in market interest rates on interest payments, interest income and expenses, other components of income and, where applicable, equity.

THE INTEREST RATE SENSITIVITY ANALYSES ARE BASED ON THE FOLLOWING ASSUMPTIONS:

Changes in market interest rates for original fixed-interest financial instruments only affect earnings if they are measured at fair value. Accordingly, all fixed-interest financial instruments

measured at amortized cost are not subject to interest rate risks within the meaning of IFRS 7. Currency derivatives are not included in the interest rate sensitivity analyses due to materiality considerations.

PWO is subject to interest rate risks at all locations. If the market interest rate level had been 100 basis points higher as of December 31, 2025, earnings before taxes (EBT) would have been EUR 465k (p/y: EUR 403k) lower. If the market interest rate level had been 100 basis points lower, earnings before taxes (EBT) as of December 31, 2025, would have been EUR 465k (p/y: EUR 403k) higher.

29.4 Currency risk

Due to its global orientation, the PWO Group is exposed to a number of currency risks. A distinction is made between transaction and translation risks.

TRANSACTION RISK

Transaction risks arise for all PWO companies due to exchange rate-induced changes in the value of primary financial instruments and the conclusion of transactions with international contractual partners, insofar as these result in future cash flows in foreign currencies that are not denominated in the functional currency of the respective company.

As part of the financial risk management processes within corporate management, currency risks are monitored in accordance with the global foreign currency guideline and managed by Group Treasury using appropriate countermeasures. The objective of risk management is to limit the impact of currency risks on future cash flows to an acceptable level. Currency risk is partially mitigated by procuring goods, raw materials and services in the corresponding foreign currencies and by producing in local markets. Appropriate hedging transactions are concluded to reduce the remaining risks. Within the PWO Group, the use of hedging transactions is only permitted to the extent that corresponding underlying transactions exist at the time of the hedging decision and can be demonstrated as a highly probable demand forecast.

The PWO companies are responsible for identifying, evaluating and monitoring their transaction-related foreign currency risks. The net foreign currency position of the respective PWO Company is hedged within defined ranges depending on the term, but never more than 100%. Intra-group financing of PWO companies is preferably provided in the respective functional currency and hedged 100% at the Group level.

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With regard to derivative hedging instruments for underlying transactions with expected future cash flows in foreign currencies that have not yet been recognized in the balance sheet, hedge accounting is applied in accordance with IAS 39 (cash flow hedges).

TRANSLATION RISK

Some PWO companies are located outside the euro area. As the consolidated financial statements are prepared in euros, the financial statements of these companies are translated into euros, which can result in exchange rate differences. Hedging these differences is not the primary objective of currency risk management.

SENSITIVITY ANALYSIS

A sensitivity analysis is performed for each currency that represents a significant risk for the company, based on the following assumptions:

All monetary financial instruments that are not denominated in the functional currency of the respective individual companies are eligible for the sensitivity analysis. This means that translation risks are not taken into account. The hypothetical effects on the income statement and equity for each original individual item included in the sensitivity analysis are determined by comparing the carrying amount (calculated using the closing rate) with the translation value calculated using a hypothetical exchange rate. Exchange rate effects from hedging intra-group financing through currency swaps or cross currency swaps are not included, as these are directly offset by currency fluctuations from the underlying loans to affiliated companies.

The following tables show the currency risk exposure to the most important Group currencies.

Sensitivity of earnings before taxes to changes in exchange rates:

EURk	Change in rates +10%		Change in rates -10%	
	2025	2024	2025	2024
EUR/CAD	-97	-59	86	66
EUR/CNY	82	69	-20	-5
EUR/CZK	357	227	-436	-277
EUR/MXN	162	50	-199	-62
EUR/USD	-327	-614	319	682
EUR/RSD	66	-55	-81	67
Total	243	-382	-331	471

Sensitivity of net gains (losses) recognized in equity from cash flow hedges to a change in exchange rates:

EURk	Change in rates +10%		Change in rates -10%	
	2025	2024	2025	2024
EUR/CAD	305	182	-372	-223
EUR/CNY	103	-	-126	-
EUR/CZK	-5,857	-6,590	7,159	8,055
EUR/MXN	-	1,164	-	-1,423
EUR/USD	2,563	3,937	-2,999	-4,812
Total	-2,886	-1,307	3,662	1,597

The following table shows the currency risk from a different perspective: cumulative from the respective exposures in the respective non-functional currencies (excluding internal revenue):

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	2025							2024						
	EURk	USDk	CADk	RMBk	CZKk	MXNk	RSDk	EURk	USDk	CADk	RMBk	CZKk	MXNk	RSDk
Trade receivables	419	2,791	-	-	214	-	20,538	585	3,849	-	-	335	-	1,077
Cash and cash equivalents	493	505	232	897	212	5,818	125,327	175	787	305	1,161	29	12,415	400,110
Financial liabilities	-610	-2,122	-	-	-55,187	-	-	-	-	-	-	-1,212	-	-
Trade payables	-1,233	-1,405	-	-	-40,437	-37,936	-30,480	-441	-1,808	-	-	-57,154	-23,673	-305,710

The gross currency risks shown are largely hedged in accordance with the PWO Group's hedging policy.

29.5 Commodity price risk

The raw materials required for our production processes include steel, aluminum and stainless steel. Our business is exposed to earnings risks arising from changes in raw material prices. When prices rise, we may not be able to adjust our prices in line with the materials used in our products and the price increases charged by our suppliers. Conversely, when prices fall, customers may demand faster reductions in material prices than we can negotiate with our suppliers.

To date, we have been able to pass on price increases for raw materials that exceed the fluctuations agreed in our customer contracts either directly via customer-specific price escalation clauses or by negotiating acceptable solutions with our customers.

The majority of framework agreements for raw materials were concluded for a period of 12 months. Only approximately 20% of requirements were secured via 6-month contracts. In this

regard, we are guided by the term of the contracts with our customers.

The contracts used have been concluded exclusively for the purpose of actual purchasing or raw materials in accordance with the Company's expected purchasing, sales or consumption requirements (own use). They therefore do not qualify as financial derivatives (own use exemption).

29.6 Capital management

The most important objectives of our financial management include ensuring the liquidity and creditworthiness of the PWO Group, including access to the financing markets at all times and increasing the value of the Company. Measures to achieve these objectives include optimizing the capital structure, dividend policy, equity measures and reduction of liabilities.

Capital is monitored using the net leverage ratio and the equity ratio. In line with our financial strategy, we are aiming for a net leverage ratio of less than 3 years and an equity ratio of 30% in the medium to long-term period.

Net leverage ratio

EURk	2025	2024
Financial liabilities	108,010	98,923
Less cash and cash equivalents	-18,304	-11,777
Net financial debt	89,706	87,146
EBITDA¹	49,534	53,740
Net leverage ratio (in years)	1.8	1.6

¹ Earnings before interest, taxes, depreciation and amortization

Equity ratio

EURk	2025	2024
Equity	165,888	162,280
Total equity and liabilities	442,166	433,034
Equity ratio	37.5%	37.5%

30 FINANCIAL INSTRUMENTS

The following derivative financial instruments are outstanding as of December 31, 2025:

EURk	Nominal value	Repayment in 2025	Residual amount	Term	Market value
Cross currency swaps	4,301	–	4,223	until 2026	-27
Interest rate swaps	75,000	–	75,000	until 2028	-130
FX without hedge accounting	22,579	–	22,579	until 2025	678
of which to hedge CAD intercompany loans	622	–	622	until 2026	41
of which to hedge USD intercompany loans	21,957	–	21,957	until 2028	637
FX with hedge accounting	97,346	–	97,346	until 2028	1,865
of which to hedge planned CNY receivables	1,492	–	1,492	Current	-8
	–	–	–	Non-current	–
of which to hedge planned CZK liabilities	27,823	–	27,823	Current	829
	37,652	–	37,652	Non-current	521
of which to hedge planned USD receivables	15,371	–	15,371	Current	317
	11,285	–	11,285	Non-current	123
of which to hedge planned CAD receivables	2,309	–	2,309	Current	46
	1,044	–	1,044	Non-current	45
of which to hedge planned CNY liabilities	370	–	370	Current	-8
	–	–	–	Non-current	–

The PWO Group pursues a strategy of fully hedging all risks that are countered by the hedging instruments described in the table “Derivative financial instruments”.

To hedge future expected transactions, a qualitative effectiveness assessment is carried out prospectively using the critical terms match method, as the decisive conditions (i.e. nominal value, term and underlying asset) of the forward exchange transactions and the corresponding underlying transactions are identical and it is expected that the value of the forward transactions and the value of the corresponding underlying transactions will systematically change in the opposite direction in response to changes in the underlying exchange rates. Existing ineffectiveness is quantified retrospectively using the dollar offset method

in the form of the hypothetical derivative method. The changes in value of the underlying transaction used to determine the ineffectiveness of the hedging relationship are mirrored by the changes in market value of the hedging instruments, which were recognized directly in equity.

Changes in the market value of derivative financial instruments used to hedge future cash flows were recognized directly in equity, taking into account tax effects of EUR -1,580k (p/y: EUR 1,602k).

As part of hedge accounting, differences from currency translations of derivatives that reached maturity in the current fiscal year amounting to EUR 664k (p/y: EUR 15k) were removed

from equity and reclassified to the income statement with an effect on profit or loss. The resulting tax effect amounted to EUR 198k (p/y: EUR 4k).

As of the reporting date, it is assumed that all planned transactions will occur. It is also expected that the hedged cash flows will occur within the term specified in the above table and will affect profits and losses.

If transactions do not occur as planned, ineffectiveness could occur. PWO considers this risk to be immaterial based on the creditworthiness of its customers and financing partners. Any ineffectiveness that occurs is also considered immaterial.

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Outstanding derivative financial instruments as of December 31, 2024:

EURk	Nominal value	Repayment in 2024	Residual amount	Term	Market value
Cross currency swaps	8,322	–	8,007	until 2026	-624
Interest rate swaps	50,000	–	50,000	until 2027	-335
FX without hedge accounting	23,371	–	23,371	until 2025	-701
of which to hedge CAD intercompany loans	2,676	–	2,676	until 2026	8
of which to hedge USD intercompany loans	20,695	–	20,695	until 2026	-709
FX with hedge accounting	129,973	–	129,973	until 2027	-4,239
of which to hedge planned CNY receivables	–	–	–	Current	–
	–	–	–	Non-current	–
of which to hedge planned CZK liabilities	30,402	–	30,402	Current	368
	42,097	–	42,097	Non-current	-909
of which to hedge planned MXN liabilities	12,807	–	12,807	Current	-1,863
	–	–	–	Non-current	–
of which to hedge planned USD receivables	20,380	–	20,380	Current	-1,042
	22,280	–	22,280	Non-current	-796
of which to hedge planned CAD receivables	1,204	–	1,204	Current	3
	803	–	803	Non-current	–

Furthermore, hedging instruments are adjusted accordingly as part of a rolling hedging strategy.

When determining hedge ratios, PWO distinguishes between risk positions from series (parts) business, project business (tools, capital expenditure) and financing. Since series business generally has a longer term and the accuracy of planning decreases over time due to the planning horizon, risk positions are hedged within the framework of the (falling) hedging ratios defined in our guidelines. Since cash flows from short-term project business (tool manufacturing) and from intragroup investments or borrowings in foreign currencies are easy to plan, higher hedging ratios are provided for in our guidelines.

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The average forward or exercise rates of the currency hedging instruments are as follows:

	Maturity	
	1 to 12 months	> 1 year
EUR/USD	1.1283	1.1487
EUR/CZK	25.1360	25.2369
EUR/CAD	1.5772	1.5540
EUR/CNY	8.2664	–
USD/CAD	1.3541	1.3428
USD/CZK	21.8938	–
USD/CNY	7.0598	–

The following table shows carrying amounts and fair values by measurement category and class:

EURk	Category	Carrying amount		Fair value	
		2025	2024	2025	2024
ASSETS	IFRS 9				
Trade receivables	AC	42,750	49,079	42,750	49,079
Other financial assets		2,644	576	2,644	576
of which hedging derivatives	n. a.	1,946	566	1,946	566
of which non-hedging derivatives	FVtPL	698	10	698	10
of which deposits > 3 months	AC	–	–	–	–
Cash and cash equivalents	AC	18,304	11,777	18,304	11,777
EQUITY AND LIABILITIES					
Financial liabilities		108,010	98,923	109,562	99,925
Liabilities to banks	AC	74,934	79,100	76,136	80,216
of which variable rate		34,057	41,006	34,057	41,006
of which fixed rate		40,877	38,094	42,079	39,210
Liabilities from promissory notes	AC	12,433	–	12,433	–
of which variable rate		12,433	–	12,433	–
of which fixed rate		–	–	–	–
Liabilities to leasing companies	n/a	20,643	19,823	20,993	19,709
of which variable rate		–	–	–	–
of which fixed rate		20,643	19,823	20,993	19,709
Trade payables	AC	63,178	65,681	63,178	65,681
Other financial liabilities		257	6,473	257	6,473
of which hedging derivatives	n/a	210	5,137	210	5,137
of which non-hedging derivatives	FVtPL	47	1,335	47	1,335
of which others	AC	–	–	–	–
of which aggregated by measurement category					
Loans and receivables	AC	61,053	60,856	61,053	60,856
Financial liabilities at amortized costs	AC	150,545	144,780	151,747	145,896
Financial assets held for trading	FVtPL	698	10	698	10
Financial liabilities held for trading	FVtPL	47	1,335	47	1,335

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Financial instruments measured at fair value were classified in the fair value hierarchy as follows:

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EURk	Level 1		Level 2		Level 3		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Assets measured at fair value								
Other financial assets	-	-	2,644	576	-	-	2,644	576
of which hedging derivatives	-	-	1,946	566	-	-	1,946	566
of which non-hedging derivatives	-	-	698	10	-	-	698	10
Assets recognized at fair value								
Trade receivables	-	-	42,750	49,079	-	-	42,750	49,079
Cash and cash equivalents	-	-	18,304	11,777	-	-	18,304	11,777
Liabilities measured at fair value								
Other financial liabilities	-	-	257	6,473	-	-	257	6,473
of which hedging derivatives	-	-	210	5,137	-	-	210	5,137
of which non-hedging derivatives	-	-	47	1,335	-	-	47	1,335
of which others	-	-	-	-	-	-	-	-
Liabilities for which a fair value is reported								
Fixed rate liabilities to banks	-	-	40,877	38,094	-	-	40,877	38,094
Variable rate liabilities to banks	-	-	34,057	41,006	-	-	34,057	41,006
Fixed rate liabilities from promissory notes	-	-	-	-	-	-	-	-
Variable rate liabilities from promissory notes	-	-	12,433	-	-	-	12,433	-
Fixed rate liabilities to leasing companies	-	-	20,643	19,823	-	-	20,643	19,823
Variable rate liabilities to leasing companies	-	-	-	-	-	-	-	-
Trade payables	-	-	63,178	65,681	-	-	63,178	65,681

There were no reclassifications between Level 1 and Level 2 fair value measurements and no reclassifications into or out of Level 3 fair value measurements.

The revaluation at fair value for financial instruments held in the portfolio resulted in the following total income and expenses:

EURk	Assets		Liabilities	
	2025	2024	2025	2024
Recognized in the income statement:				
Non-hedging derivatives	1,116	10	520	-1,253
Recognized in equity:				
Hedging derivatives	3,589	-197	856	-4,266

Income and expenses from the fair value measurement of non-hedging derivatives are reported in other operating income or other operating expenses.

The net gains or losses on financial instruments (excluding derivative financial instruments included in hedge accounting) recognized in the income statement are as follows:

EURk	IFRS 9 category	2025	2024
Loans and receivables	AC	-2,427	1,072
of which based on disposal		-	170
of which based on impairment/reversal		-72	-10
of which based on currency effects		-2,355	912
Financial assets held for trading	FVtPL	1,106	-177
of which based on disposal		-10	-187
of which based on remeasurement		1,116	10
Financial liabilities measured at amortized cost	AC	-527	121
of which based on disposal		236	128
of which based on currency effects		-763	-7
Financial liabilities held for trading	FVtPL	871	-418
of which based on disposal		351	835
of which based on remeasurement		520	-1,253

The following table provides an overview of the netting of financial assets and liabilities in the statement of financial position. It also shows the extent to which netting agreements exist on the basis of framework agreements that do not result in a net presentation in the statement of financial position. In the

PWO Group, netting agreements relate exclusively to derivative financial instruments for which the framework agreements with the banks provide for the netting of mutual receivables and liabilities existing at the time of default.

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EURk	2025	2024
Financial assets		
Reported gross amounts of financial assets	45,634	49,685
Offset gross amounts of financial liabilities	-240	-30
Net amounts of financial assets shown	45,394	49,655
of which derivatives	2,644	576
of which trade receivables	42,750	49,079
(Potentially) offsettable based on framework agreements	-257	576
Total net value (potential) of financial assets	45,137	50,231
Financial liabilities		
Reported gross amounts of financial liabilities	-63,506	-72,262
Offset gross amounts of financial assets	71	109
Net amount of financial liabilities shown	-63,435	-72,153
of which derivatives	-257	-576
of which trade payables	-63,178	-65,681
of which other financial liabilities	-	-
(Potentially) offsettable based on framework agreements	257	576
Total net value (potential) of financial liabilities	-63,178	-65,681

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Other disclosures**31 RESEARCH AND DEVELOPMENT EXPENSES**

Of the costs of EUR 13,143k (p/y: EUR 15,016k) associated with development services, EUR 245k (p/y: EUR 343k) was capitalized in intangible assets and EUR 2,976k (p/y: EUR 3,068k) in contract assets.

32 AUDITOR'S FEE

The auditor's fee recognized as an expense in accordance with Section 314 (1) No. 9 HGB is composed as follows:

EURk	2025	2024
Audit	476	447
Other verification services	44	15
Tax consultancy services	–	–
Other services	8	100
Total	528	562

The auditor's fee includes expenses relating to other periods amounting to EUR 0k (p/y: EUR 7k). Other verification services that go beyond the audit mainly relate to the formal review of the remuneration report and the fees for the EMIR audit and auditing the key figures to be reported under the credit agreement. Other services include the fee for preparatory audit procedures in connection with CSRD reporting.

33 TOTAL REMUNERATION OF THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD

The following table shows the total remuneration of the Executive Board:

EURk	2025	2024
Short-term benefits ¹	1,575	1,551
Long-term benefits ²	5	261
Total	1,580	1,812

¹ This item includes the annual base salary, including benefits in kind and payments into a private pension plan. It also includes the current portion (STI = short-term incentives) of variable remuneration.

² This item comprises the non-current portion (LTI = long-term incentives) of variable remuneration under the 2024 remuneration system (relevant to Carlo Lazzarini [CEO] and Jochen Lischer [CFO]).

The total remuneration of the Supervisory Board (short-term remuneration) amounted to EUR 376k (p/y: EUR 319k). No advances or loans were granted to the members of the Supervisory Board.

Pension payments amounting to EUR 355k (p/y: EUR 339k) were made to former members of the Executive Board of PWO AG and their surviving dependents. The corresponding pension provision amounted to EUR 4,582k (p/y: EUR 5,051k) as of the reporting date.

34 RELATED PARTIES

PWO AG is the parent company of the PWO Group with the subsidiaries listed in section 4, "Consolidated group". The main shareholder of PWO AG is Consult Invest Beteiligungsberatung-GmbH, Böblingen, whose majority shareholder is Dr. Klaus-Georg Hengstberger. In the reporting year, there were no business transactions between the Group and Consult Invest Beteiligungsberatung-GmbH, Böblingen, or its related parties.

Related parties of the PWO Group also include the members of the Executive Board and Supervisory Board of PWO AG and their close family members. The remuneration of key management personnel, which is subject to disclosure requirements under IAS 24, is presented in section 33. As in the previous year, there were no other business transactions.

35 ADDITIONAL INFORMATION ON THE STATEMENT OF CASH FLOWS

The cash and cash equivalents reported in the consolidated statement of cash flows include cash and cash equivalents. These are cash in hand and bank balances with an original term of less than 3 months, less current account liabilities that are due at any time, which are part of the Group's cash management and show regular fluctuations between debit and credit balances. The current account liabilities amounting to EUR 9,125k (p/y: EUR 16,397k) are included in the item "Current financial liabilities" in the statement of financial position.

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36 SEGMENT REPORTING

In line with the PWO Group's internal management system, our legal entities form the basis for segment reporting. The chief operating decision-maker is defined as the Executive Board of PWO AG. The segments are defined according to the locations of the Group's assets, which is also the basis for the allocation of the segments' revenue. They are broken down into the regions China, Germany, Canada, Mexico, Serbia, Czech Republic and USA.

Net income/loss, assets, liabilities and depreciation and amortization between the individual segments were eliminated in the "Consolidation" column. The segment data was calculated in line with accounting policies applied in the consolidated financial statements.

Segment assets and segment liabilities correspond to the values in the IFRS financial statements of the individual Group companies.

The PWO Group generated more than 10% of its reported revenue with each of 4 individual customers. The cumulative revenue for these 4 customers amounted to EUR 163,050k in the Body & Instrument Panel Carrier Components business unit, EUR 61,265k in the Electronic, Chassis & Airbag Components business unit, and EUR 67,562k in the Steering & Seat Components business unit.

In the previous year, the Group generated more than 10% of its reported revenue with each of 4 individual customers. The cumulative revenue for these 4 customers amounted to EUR 157,594k in the Body & Instrument Panel Carrier Components business unit, EUR 65,858k in the Electronic, Chassis & Airbag Components business unit, and EUR 73,347k in the Steering & Seat Components business unit.

36.1 Segment information by region in fiscal year 2025

EURk	China	Germany	Canada	Mexico	Serbia	Czech Republic	USA	Consolidation	Group
Total revenue	46,173	194,616	57,641	110,263	3,591	145,148	-	-34	557,398
Internal revenue	-6,568	-11,970	-1,098	-41	-3,011	-10,025	-	-	-32,713
External revenue	39,605	182,646	56,543	110,222	580	135,123	-	-34	524,685
Total operating revenue	46,284	196,455	57,651	111,334	3,621	145,323	-	-32,747	527,921
Other operating income	453	23,407	9,455	5,148	1,369	764	388	-14,445	26,539
Cost of materials	-25,022	-112,641	-29,470	-76,962	-2,916	-90,423	-3	32,713	-304,724
Staff costs	-7,459	-71,106	-16,252	-15,665	-3,839	-28,805	-	-	-143,125
Other operating expenses	-6,468	-30,882	-6,317	-13,082	-3,154	-10,958	-269	14,054	-57,077
Depreciation/amortization	-2,167	-8,143 ¹	-3,201 ²	-4,427	-438	-6,490	-77	24	-24,919
EBIT before currency effects	5,499	-2,073	11,931	6,722	-5,334	9,714	39	-401	26,097
EBIT including currency effects	5,621	-2,910	11,866	6,346	-5,357	9,411	39	-401	24,615
Interest income	10	5,784	13	-2	5	274	-	-5,213	871
Interest expenses	-162	-6,901	-563	-2,756	-268	-3,776	-28	4,661	-9,793
Distributions from affiliated companies	162	10,114	3	-	-	-	-	-10,279	-
Earnings before taxes (EBT)	5,631	6,087	11,319	3,588	-5,620	5,909	11	-11,232	15,693
Income taxes	-1,153	-1,029	-2,931	-866	-24	-2,012	-	325	-7,690
Net income/loss for the period	4,478	5,058	8,388	2,722	-5,644	3,897	11	-10,907	8,003
Assets	47,882	131,725	35,583	80,074	41,315	136,754	2,091	-33,258	442,166
of which non-current assets ³	19,532	51,814	18,419	32,616	34,605	63,953	1,472	-7,563	214,848
of which current assets	8,096	28,664	4,434	15,823	-	44,362	-	-9,474	91,905
Liabilities	13,607	51,182	13,088	19,157	11,837	35,963	120	-23,559	121,395
Capital expenditure	1,688	6,807	1,253	8,977	15,326	6,787	1,612	-1,105	41,345

¹ The amount of the reversal of impairment losses for technical equipment and machinery in Germany amounted to EUR 49k in the reporting year and for buildings to EUR 364k.

² Impairment losses in Canada amounted to CAD 1,567k in the reporting year. This was offset in the fiscal year by the reversal of an impairment loss of CAD 104k recognized on equipment in the previous year.

³ Non-current assets include only deferred taxes.

36.2 Segment information by region in fiscal year 2024

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EURk	China	Germany	Canada	Mexico	Serbia	Czech Republic	Consolidation	Group
Total revenue	54,433	223,905	50,533	116,350	3,176	144,280	152	592,829
Internal revenue	-6,035	-17,367	-1,181	-389	-2,726	-10,012	-	-37,710
External revenue	48,398	206,538	49,352	115,961	450	134,268	152	555,119
Total operating revenue	54,434	224,250	50,533	116,450	3,176	144,280	-37,558	555,565
Other operating income	275	19,175	3,302	1,680	1,003	800	-11,320	14,915
Cost of materials	-32,725	-126,649	-27,694	-79,407	-1,642	-95,566	37,710	-325,973
Staff costs	-7,279	-70,281	-15,023	-14,859	-2,254	-26,174	-	-135,870
Other operating expenses	-6,019	-34,743	-6,667	-8,362	-1,891	-8,535	11,320	-54,897
Depreciation/amortization	-2,361	-8,255 ¹	-2,179 ²	-4,711	-287	-5,825	24	-23,594
EBIT before currency effects	6,296	3,677	2,107	10,686	-1,872	8,972	176	30,042
EBIT including currency effects	6,325	3,497	2,272	10,791	-1,895	8,980	176	30,146
Interest income	7	6,944	56	3	30	1	-6,120	921
Interest expenses	-490	-7,809	-1,223	-2,843	-28	-4,217	5,980	-10,630
Distributions from affiliated companies	-	5,194	-	-	-	-	-5,194	-
Income from intercompany Group share transfer	6,288	-	-	-	-	-	-6,288	-
Earnings before taxes (EBT)	12,130	7,826	1,105	7,951	-1,893	4,764	-11,446	20,437
Income taxes	-2,581	-1,077	-304	-3,159	-2	-763	-10	-7,896
Net income/loss for the period	9,549	6,749	801	4,792	-1,895	4,001	-11,456	12,541
Assets	52,288	136,645	37,278	83,252	26,731	138,275	-41,435	433,034
of which non-current assets ³	22,530	53,210	21,917	31,959	19,772	63,657	-6,482	206,563
of which current assets	10,064	32,474	4,343	12,935	1,411	45,611	-12,485	94,353
Liabilities	16,203	49,000	12,448	20,223	10,097	35,783	-23,679	120,075
Capital expenditure	2,097	7,812	5,999	8,391	14,342	7,664	-140	46,165

¹ The amount of the reversal of impairment losses for technical equipment and machinery in Germany amounted to EUR 22k and EUR 608k for buildings in fiscal year 2024.

² Impairment losses in Canada amounted to CAD 13k in fiscal year 2024. This was offset in the fiscal year by the reversal of an impairment loss of CAD 73k recognized on equipment in the previous year.

³ Non-current assets include only deferred taxes.

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External revenue by business unit and by region is shown below. The business units are explained in the "PWO Group principles" section of the combined management report.

36.3 Additional segment information**Revenue by business unit**

EURk	2025	2024
Electronic, Chassis & Airbag Components	174,922	196,022
Steering & Seat Components	96,165	108,083
Instrument Panel Carriers & Body Components	222,657	210,462
Other revenue	30,941	40,552
Total	524,685	555,119

Revenue by region (by customer's registered office)

EURk	2025	2024
Germany	152,103	159,749
Rest of Europe	142,626	157,370
North America	186,313	188,459
Other countries	43,643	49,541
Total	524,685	555,119

37 DECLARATION OF CONFORMITY WITH THE GERMAN CORPORATE GOVERNANCE CODE

The declaration of conformity with the German Corporate Governance Code in the version dated April 28, 2022, issued by the Executive Board and Supervisory Board in December 2025 in accordance with Section 161 of the German Stock Corporation Act (AktG), has been made permanently available to shareholders on the Company's website at → www.pwo-group.com/en/pwo-group/corporate-governance/.

The remuneration report, which is prepared separately from the combined management report and contains the individualized remuneration of the Executive Board and Supervisory Board, is subject to a formal audit by the auditor and is made permanently available at → www.pwo-group.com/en/pwo-group/corporate-governance/.

38 EVENTS AFTER THE END OF THE REPORTING PERIOD

In January 2026, the company issued a promissory note loan with a nominal value of EUR 7.5m and a term exceeding 5 years as part of a private placement. The company reports this cash inflow under financial liabilities, which increases financial liabilities at the time of disbursement. The company will use the funds raised for general corporate financing and to strengthen the group's liquidity and financial strength.

In order to avoid redundancies for operational reasons and preserve jobs at its main plant, in January 2026 the company agreed a works agreement with the works council at its Oberkirch site on a reduction in working hours and remuneration. This enables the German site to reduce working hours by up to 7.63%, depending on the workload. This results in a proportional reduction in regular remuneration components, and thus personnel expenses, in the 2026 fiscal year.

39 COMPOSITION AND MANDATES OF THE SUPERVISORY BOARD AND EXECUTIVE BOARD

39.1 Supervisory Board

Name, location	Position	Profession	Memberships in other statutory supervisory boards in Germany and comparable supervisory bodies of commercial enterprises in Germany and abroad:
Karl M. Schmidhuber , Alzenau	Chairman of the Supervisory Board	Former Chairman of the Executive Board of PWO AG	No
Dr. Georg Hengstberger , Tübingen	Deputy Chairman of the Supervisory Board	Graduate in mathematics, Managing Director of Consult Invest Beteiligungsberatungs-GmbH, Böblingen	<ul style="list-style-type: none"> // Düker GmbH, Karlstadt Chairman of the Supervisory Board and member of the Advisory Board // Düker Email Technologie GmbH, Laufach Chairman of the Advisory Board // 2920 Matheson Boulevard Holdings Limited, Ontario, Canada Member of the Board of Directors // Stallion Hill Enterprises Inc., Ontario, Canada Member of the Board of Directors
Andreas Bohnert , Kappelrodeck	Employee representative	Process planner and Chairman of the Works Council of PWO AG	No
Carsten Claus , Aidlingen		Former Chairman of the Board of Kreissparkasse Böblingen	<ul style="list-style-type: none"> // Stiftung Campus Mensch – foundation under civil law Member of the foundation board
Stefan Klemenz , Kappelrodeck	Employee representative	Production planner and member of the works council at PWO AG	No
Dr. Jochen Ruetz , Stuttgart		Managing Director/CF0 and member of the Administrative Board of GFT Technologies SE, Stuttgart	No

39.2 Executive Board

Name, location	Position	Memberships in other statutory supervisory boards in Germany and comparable supervisory bodies of commercial enterprises in Germany and abroad:
Carlo Lazzarini , Bergisch-Gladbach	CEO and Chairman of the Executive Board	<ul style="list-style-type: none"> // PWO Canada Inc., Kitchener, Canada Chairman of the Board of Directors // PWO Czech Republic a.s., Valašské Meziříčí, Czech Republic Member of the Supervisory Board // PWO Holding Co., Ltd., Hong Kong, China (PWO Holding) Director (until December 12, 2025) // PWO High-Tech Metal Components (Suzhou) Co., Ltd., Suzhou, China Chairman of the Board of Directors // PWO de México S.A. de C.V., Puebla, Mexico Chairman of the Board of Directors // wvib Schwarzwald AG, Freiburg Member of the Board of Directors // Sparkasse Offenburg/Ortenau Member of the Advisory Board // Offenburg University of Applied Sciences Member of the Board of Trustees
Jochen Lischer , Brühl	CF0	<ul style="list-style-type: none"> // PWO Canada Inc., Kitchener, Canada Member of the Board of Directors // PWO Czech Republic a.s., Valašské Meziříčí, Czech Republic Chairman of the Supervisory Board // PWO Holding Co., Ltd., Hong Kong, China (PWO Holding) Director (until December 12, 2025) // PWO High-Tech Metal Components (Suzhou) Co., Ltd., Suzhou, China Member of the Board of Directors // PWO de México S.A. de C.V., Puebla, Mexico Member of the Board of Directors

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40 PROPOSAL FOR THE APPROPRIATION OF PROFITS

It is proposed to the Annual General Meeting that the net retained earnings of PWO AG reported as of December 31, 2025, amounting to EUR 9,250k (p/y: EUR 8,245k) be appropriated as follows:

EURk	2025
Distribution of a dividend of EUR 1.65 per eligible no-par share	5,156
Balance to be carried forward to the next accounting period	4,094

The number of eligible shares may change by the time the resolution on the appropriation of profits is adopted – for instance, as a result of the acquisition of treasury shares by the Company (see section 71b AktG). In this case, the Executive Board and Supervisory Board will submit a correspondingly adjusted proposal for the appropriation of profits to the Annual General Meeting, which will continue to provide for a total distribution of EUR 1.65 (p/y: EUR 1.75) per eligible no-par share.

Oberkirch, March 19, 2026

PWO AG

The Executive Board



Carlo Lazzarini
Chairman/CEO



Jochen Lischer
CFO

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INDEPENDENT AUDITOR'S REPORT

To PWO AG, Oberkirch

Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report

OPINIONS

We have audited the consolidated financial statements of PWO AG, Oberkirch, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2025, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from January 1 to December 31, 2025, and notes to the consolidated financial statements, including significant information on accounting policies. In addition, we have audited the management report of the Company and the Group ("combined management report") for the financial year from January 1 to December 31, 2025. In accordance with German legal requirements we have not audited the content of those components of the combined management report specified in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter referred to as "IFRS Accounting Standards") as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at

December 31, 2025, and of its financial performance for the financial year from January 1 to December 31, 2025, and

the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those components of the combined management report specified in the "Other Information" section of the auditor's report.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

BASIS FOR THE OPINIONS

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No. 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided

non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

KEY AUDIT MATTERS IN THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Recoverability of land, buildings, plant and machinery of the cash-generating unit PWO Germany

For details of the accounting policies and assumptions applied, please refer to Note 5.4 to the consolidated financial statements. Information on the carrying amounts of land, buildings, plant and machinery within the Group, as well as on the amount of any reversals of impairment losses, can be found in Note 15 to the consolidated financial statements. Explanations regarding the financial performance of the companies can be found in Note 36 "Segment reporting" to the consolidated financial statements.

RISKS RELATING TO THE FINANCIAL STATEMENTS

As at December 31, 2025, the Group's land and buildings amounted to EUR 99.9 million, and plant and machinery to EUR 71.2 million.

If there are indications of impairment or of the reversal or reduction of previously recognized impairments on property, plant and equipment, the Company determines the recoverable amount at the balance sheet date and compares this with

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the respective carrying amount. The recoverable amount is the higher of fair value less costs to sell and value in use. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized. If the carrying amount is below the recoverable amount, a reversal of impairment is recognized. The reversal is limited to the amortized cost. The recoverable amount is regularly determined at the level of cash-generating units.

The impairment testing of land and buildings as well as plant and machinery is complex and relies on a number of discretionary assumptions. In the case of land and buildings, these include, in particular, the underlying achievable rents and economic useful lives. For plant and machinery, the economic useful lives used, allowances for technological obsolescence and an economic allowance are highly discretionary.

The write-ups recognized in the 2025 financial year for PWO Germany in respect of land and buildings amount to EUR 364 thousand. In the area of plant and machinery, an impairment loss of EUR 49 thousand was recognized for PWO Germany.

There is a risk for the consolidated financial statements that impairment losses or write-ups have not been recognized in an appropriate amount and that the land and buildings as well as plant and machinery of the cash-generating unit PWO Germany are not recoverable. Furthermore, there is a risk that the related notes to the financial statements are not appropriate.

OUR AUDIT APPROACH

We have gained an understanding of the Company's process for identifying indications of impairment, for the reversal or reduction of previously recognized impairments, and for determining the recoverable amount through explanations provided by members of the accounting department and an assessment of the Group accounting policy.

With the involvement of our valuation specialists, we assessed the mathematical accuracy and compliance with IFRS of the Company's valuation methods, which commissioned an independent expert to determine the recoverable amount. For the valuation of land and buildings, we assessed the appropriateness of the key assumptions used, based on external market assessments and publicly available data. For plant and machinery, we assessed the impact of potential changes to the technological obsolescence allowance and the economic allowance based on the alternative scenarios calculated by the company. We compared the company's valuation results with our own calculation of an alternative scenario.

Finally, we assessed whether the related notes to the financial statements are appropriate.

OUR OBSERVATIONS

The approach underlying the impairment test for land and buildings as well as for plant and machinery of the cash-generating unit PWO Germany, including the valuation method, is in accordance with the valuation principles. The assumptions and data used by the company are appropriate. The related notes to the financial statements are appropriate.

Accrual of revenue

For the accounting policies applied, we refer to Note 5.1 to the consolidated financial statements and to the comments in Note 7.

RISK RELATED TO THE FINANCIAL STATEMENTS

The Group's revenue for the 2025 financial year amounts to EUR 524.7 million, the majority of which relates to serial deliveries.

The Group recognizes revenue when it satisfies a performance obligation by transferring a promised asset to a customer. An asset is considered transferred when the customer obtains control over that asset. In accordance with the transfer of control, revenue must be recognized either at a point in time or over time at the amount to which the Group is expected to be entitled.

The Group's performance creates an asset that has no alternative use for the Group, and the Group has a legal right to payment for the services already rendered, including a reasonable margin. The legal representatives have determined, on the basis of this criterion, that the performance obligations are satisfied over a period of time and thus that revenue is recognized over time.

The legal representatives of PWO AG have set out the criteria for revenue recognition in a group-wide accounting policy and have implemented processes to ensure correct recording and cut-off.

Due to the discretion involved in assessing the progress of performance, there is a risk to the financial statements that revenue is recognized at an incorrect amount as at the reporting date.

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OUR AUDIT APPROACH

We gained an understanding of the industry-specific contract structures and components through explanations provided by the legal representatives and staff in the accounting, sales and controlling departments. Furthermore, based on our understanding of the processes, we assessed the design and implementation of identified internal controls, in particular with regard to ensuring the existence of customer contracts, the correct identification of margins and the determination of the contract performance.

Based on a representative sample of contract assets and the associated contracts, we assessed whether the requirements for over time revenue recognition were met and, in this regard, evaluated the appropriate application of the accounting policy.

We verified the volume structure of the contract assets on the basis of a representative sample. Furthermore, we examined, on the basis of a representative sample, whether the contract performance had been determined appropriately and the transaction price correctly taken into account.

Based on the previous findings, we assessed the recognition in the balance sheet and income statement.

OUR OBSERVATIONS

The Group's approach to the accrual of revenue is appropriate. The assumptions underlying the accounting treatment are appropriate.

OTHER INFORMATION

Management and the Supervisory Board are responsible for the other information. The other information comprises the following components of the combined management report, whose content was not audited:

- the combined separate non-financial declaration of the Company and the Group, to which reference is made in the combined management report,
- the consolidated corporate governance statement of the Company and the Group, to which reference is made in the combined management report, and
- information extraneous to the combined management report and marked as unaudited.

The other Information includes also the remaining parts of the annual report. The other Information does not include the consolidated financial statements, the combined management report information audited for content and our auditor's report thereon.

Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the above-mentioned other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

RESPONSIBILITIES OF MANAGEMENT AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

Management is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, management is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, management is responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

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The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- // Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- // Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control or of these arrangements and measures.
- // Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.

// Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

// Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.

// Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business segments within the Group to provide a basis for our opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

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Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.

Perform audit procedures on the prospective information presented by management in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements REPORT ON THE ASSURANCE ON THE ELECTRONIC RENDERING OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT PREPARED FOR PUBLICATION PURPOSES IN ACCORDANCE WITH SECTION 317 (3A) HGB

Assurance Opinion

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file „5299006TWTYFNXLV488-2025-12-31-1-de.xbri“ (SHA256-Hashvalue: 48bb7d467ecc5d9cd4ea9b8ebd7c0d2f589478b5c7ce96b2aae7931ac02e04c0) made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file made available, identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from January 1 to December 31, 2025, contained in the "Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report" above, we do not express any assurance opinion on the information contained

within these renderings or on the other information contained in the file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1 (09.2022)).

Responsibilities of Management and the Supervisory Board for the ESEF Documents

The Company's management is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

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In addition, the company's management is responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The supervisory board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, as amended as at the reporting date, on the technical specification for this electronic file.

Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and the audited combined management report.

Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, as amended as at the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as group auditor by the annual general meeting on June 3, 2025. We were engaged by the supervisory board on October 22, 2025. We have been the group auditor of the PWO AG without interruption since the financial year 2020.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Other matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the examined ESEF documents. The consolidated financial statements and combined management report converted to the ESEF format – including the versions to be entered in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Martin Armbruster.

Stuttgart, 19. March 2026

KPMG AG
Wirtschaftsprüfungsgesellschaft

Armbruster	Rupperti
German Public Auditor	German Public Auditor

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"We declare to the best of our knowledge and in accordance with the applicable accounting standards, the consolidated financial statements provide a true and fair view of the Group's net assets, financial position and results of operations and the Group management report combined with the management report of PWO AG, includes a fair review of the Group's business performance, including the results and the financial position, together with a description of the principal opportunities and risks associated with the Group's expected development."

Oberkirch, March 19, 2026

PWO AG

The Executive Board



Carlo Lazzarini
Chairman/CEO



Jochen Lischer
CFO



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	2025	2024	2023	2022	2021
Income statement (EURk)					
Revenue	524,685	555,119	555,843	530,761	404,274
Gross revenue for the period	527,921	555,565	556,311	531,327	404,817
EBITDA	49,534	53,740	52,042	51,193	47,155
EBIT before currency effects	26,097	30,042	28,229	27,513	22,131
EBIT including currency effects	24,615	30,146	27,859	26,779	21,823
Net income/loss for the period	8,003	12,541	16,220	15,211	14,742
Balance sheet (EURk)					
Total assets	442,166	433,034	423,100	400,281	373,272
Equity	165,888	162,280	156,534	151,316	125,301
Net debt ¹	89,706	87,146	107,286	115,366	103,609
Equity ratio in %	37.5	37.5	37.0	37.8	33.6
Leverage ratio in years ²	1.8	1.6	2.1	2.3	2.2
Cash flows (EURk)					
Cash flow from operating activities	48,907	77,999	37,388	11,572	20,962
Cash flow from investing activities	-32,251	-36,839	-19,197	-14,354	-9,947
Free cash flow after interest paid and received and after taxes paid	9,882	33,324	11,312	-5,760	4,863
Net change in cash and cash equivalents	14,481	13,461	-6,638	-5,515	1,076
Non-financial performance indicators					
Scope 1 and 2 greenhouse gas emissions in metric tons	5,088	6,287	9,417	11,772	-
Training rate for e-learning courses in %	100	100	100	100	-
Supplier audits in %	100	100	100	-	-
Work accidents (LTIR) ³	6.5	9.5	9.3	9.9	-

¹ Total of current and non-current financial liabilities less cash and cash equivalents

² Net debt/EBITDA

³ Until 2022: AccR

	2025	2024	2023	2022	2021
Order situation (EUR million)					
Lifetime volume (new business)	760	630	845	890	570
of which series orders	725	600	805	845	535
of which tool orders	35	30	40	45	35
Numbers per share (EUR)					
Earnings per share (diluted = basic)	2.56	4.01	5.19	4.87	4.72
Dividend per share	1.65 ¹	1.75	1.75	1.65	1.50
XETRA share price, year-end	29.20	29.00	30.00	31.20	31.80
Employees (as of Dec. 31)					
PWO Group (incl. temporary employees and trainees)	3,262	3,195	3,112	2,820	2,957
of which in Germany	882	979	1,007	970	1,151
of which at international locations	2,380	2,216	2,105	1,850	1,806

¹ Proposed dividend

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May 13, 2026	Quarterly statement for the first quarter of 2026
May 21, 2026	Annual General Meeting 2026
August 7, 2026	Interim financial report on the second quarter and first half of 2026
November 12, 2026	Quarterly statement on the third quarter and first 9 months of 2026
November 23 to 25, 2026	Deutsches Eigenkapitalforum

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Figures in this document are generally presented in EURm or EURk. Differences between individual figures and the actual amounts in EUR may arise from rounding. Such differences are not of a significant nature. The English translation of this document is provided for ease of understanding only. In the event of a difference in interpretation between the German and English texts, the German version shall prevail.

Pictures

PWO AG

Concept and Design

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