



PROACTIVE

FROM WITHIN

Single-entity financial statements

Fiscal year 2025

SINGLE-ENTITY FINANCIAL STATEMENTS OF PWO AG FOR 2025

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The management report of PWO AG and the Group management report for fiscal year 2025 have been combined in accordance with section 315(5) HGB in conjunction with section 298(2) HGB and published in the 2025 annual report.

The annual financial statements and the management report of PWO AG for the 2025 fiscal year, which is combined with the Group management report, will be submitted to the operator of the German Federal Gazette [Bundesanzeiger] and published there.

The annual financial statements of PWO AG and the 2025 annual report are also available online at → www.pwo-group.com/en/investors-press/news-publications/reports/ and, once the Annual General Meeting 2025 has been convened, at → www.pwo-group.com/en/investors-press/annual-general-meeting/.

BALANCE SHEET OF PWO AG

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ASSETS

EURk		2025	2024
Note No.			
	Contract and customer-related development services	1,643	1,897
	Purchased industrial property rights and similar rights	7,605	4,705
	Intangible assets	9,248	6,602
	Land and buildings	24,544	25,810
	Technical equipment and machinery	8,709	9,256
	Other plant, factory and office equipment	2,323	2,542
	Prepayments made and assets under construction	1,697	1,850
	Property, plant, equipment	37,273	39,458
	Shares in affiliated companies	89,579	86,851
	Loans to affiliated companies	87,734	79,088
	Financial assets	177,313	165,939
2	Fixed assets	223,834	211,999
	Raw materials, consumables and supplies	14,050	14,947
	Work in progress	12,643	12,541
	Finished goods	9,283	11,740
3	Inventories	35,976	39,228
	Trade receivables	6,164	6,151
	Receivables from affiliated companies	11,615	18,843
	Other assets	5,611	4,438
4	Receivables and other assets	23,390	29,432
	Cash-in-hand and bank balances	7,096	700
	Current assets	66,462	69,360
5	Prepaid expenses	1,437	882
6	Deferred tax assets	11,309	10,928
	Total assets	303,042	293,169

EQUITY AND LIABILITIES

EURk		2025	2024
Note No.			
	Issued capital	9,375	9,375
	Capital reserves	38,690	38,690
	Legal reserve	204	204
	Other revenue reserves	63,985	63,985
	Revenue reserves	64,189	64,189
	Net retained profit	9,250	8,245
7	Total equity	121,504	120,499
8	Provisions for pensions and similar obligations	61,116	63,419
	Tax provisions	49	318
9	Other provisions	16,331	21,405
	Provisions	77,496	85,142
	Liabilities to banks	65,157	57,187
	Payments received on account of orders	2,056	2,828
	Trade payables	19,771	22,502
	Liabilities to affiliated companies	1,322	793
	Other liabilities	15,736	4,218
10	Liabilities	104,042	87,528
	Total equity and liabilities	303,042	293,169

INCOME STATEMENT OF PWO AG

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EURk		2025	2024
Note No.			
11	Revenue	212,464	235,812
	Increase or decrease in finished goods inventories and work in progress	-2,355	-2,233
12	Other own work capitalized	344	345
	Total operating revenue	210,453	233,924
13	Other operating income	10,864	9,249
	Cost of raw materials, consumables, supplies and merchandise purchased	-80,206	-94,998
	Cost of purchased services	-32,624	-31,735
	Cost of materials	-112,830	-126,733
	Wages and salaries	-59,044	-58,703
	Social security and post-employment expenses	-10,250	-8,763
14	Staff costs	-69,294	-67,466
	Depreciation of property, plant, equipment and amortization of intangible assets	-6,596	-7,310
15	Other operating expenses	-32,846	-36,477
16	Income from long-term equity investments, thereof from affiliated companies EUR 10,114k (p/y: EUR 5,194k)	10,114	5,194
17	Income from long-term loans, thereof from affiliated companies EUR 4.673k (p/y: EUR 4.080k)	4,673	4,080
18	Other interest and similar income, thereof from affiliated companies EUR 668k (p/y: EUR 2.137k)	1,080	2,890
19	Write-downs of long-term financial assets	-1,943	-1,869
20	Interest and similar expenses	-5,954	-6,899
	Financial result	7,970	3,396
	Result from ordinary activities	7,721	8,583
21	Taxes on income	-1,047	-2,350
	Earnings after taxes	6,674	6,233
	Other taxes	-200	-282
	Net income	6,474	5,951
	Retained profits carried forward from previous year	2,776	2,294
	Net retained profit	9,250	8,245

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NOTES OF PWO AG

General information

PWO AG is a listed corporation headquartered at Industrie-strasse 8, 77704 Oberkirch, Germany. It is registered and entered in the commercial register of the Freiburg Local Court under HRB 490007.

The annual financial statements have been prepared in accordance with the provisions of the German Commercial Code (HGB) for large corporations and the German Stock Corporation Act (AktG).

The income statement was prepared in line with the total cost (nature of expense) method. The financial statements are presented in thousands of euros.

The fiscal year is the calendar year.

Accounting policies

1 SUMMARY OF KEY ACCOUNTING POLICIES

The following accounting policies were applied with no changes in preparing the annual financial statements.

Fixed assets

Intangible assets and tangible assets are measured at acquisition or production cost in accordance with section 255 HGB. Both directly attributable material and production costs and the necessary material and production overheads, including reasonable amounts of depreciation of fixed assets, were taken into account in determining the production cost of own work capitalized.

The capitalization option provided by section 248(2) HGB was exercised for internally generated intangible fixed assets.

The amortization of intangible assets and the depreciation of tangible assets are calculated using the straight-line method. Contract and customer-related development services were depreciated based on the number of units produced in the reporting year in relation to the total number of items commissioned or planned. This also applies to non-recurring payments made in connection with issuing an order that meet the recognition requirements of an asset and are recognized under intangible assets.

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

In accordance with section 253(3) HGB, fixed assets are written down to lower fair value at the reporting date if the impairment is expected to be permanent. In line with section 253(5) HGB, a lower carrying amount is no longer used if the reasons for this no longer apply at a later reporting date.

Low-value assets with an individual net value of up to EUR 250 are depreciated in full and expensed in the year of acquisition, assuming immediate disposal from the balance sheet. An omnibus item is recognized for assets with an individual net value of between EUR 250 and EUR 1,000. The annual omnibus items, the combined amount of which is immaterial overall, are written down by 20% in the year of their addition and the 4 subsequent years.

Leases are classified in accordance with relevant lease regulations. In the case of a finance lease, an asset item is capitalized in fixed assets and a liability is recognized in the corresponding amount. The asset item is written down on a straight-line basis over the economic useful life. Lease installments are divided into an interest component and a repayment component. While the interest component is recognized in the financial result, the repayment component reduces the liability over its term.

Shares in affiliated companies are carried at the lower of acquisition cost and fair value. Loans are recognized at nominal amount. Write-downs are recognized to the extent necessary and permissible if impairment is expected to be permanent. Impairment losses on shares in affiliated companies are calculated on the basis of annual impairment testing. Impairment testing is based on calculations of earnings value taken from the respective company's medium-term planning and assuming a perpetual annuity after the end of the planning period. Writedowns are recognized if the resulting earnings value is below the book value.

If the reasons for impairment cease to apply, impairment losses are reversed up to the maximum of amortized acquisition or production cost.

Current assets

Inventories of raw materials, consumables and supplies are carried at the lower of the average cost of acquisition or current value. Materials that are difficult to realize or obsolete were written down. Work in progress and finished goods are measured at the lower of production cost and fair value on the basis of an item-by-item calculation under current operational accounting. General administrative expenses and borrowing costs have not been capitalized. Measurement is at fair value.

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Tooling and development contracts are measured at acquisition or production cost. They are measured at fair value, hence the maximum acquisition and production cost is equal to the selling price plus revenue generated over series production.

Beneficial ownership of tools is acquired by customers in the majority of cases. They are recognized in inventories until beneficial ownership has transferred.

Receivables and other assets are carried at nominal amount. Non-interest-bearing receivables with a term of more than one year were discounted. Items denominated in foreign currency are measured at fair value. Appropriate specific valuation allowances have been recognized for all items subject to risk; the general credit risk is reflected by a flat-rate discount.

Cash and cash equivalents are carried at nominal amount.

Disbursements before the reporting date are recognized as prepaid expenses if they constitute an expense for a specific period after this date.

Deferred taxes

Deferred taxes are calculated for temporary and quasi-permanent differences between the accounting and tax-carrying amounts of assets, liabilities, prepaid expenses and deferred income on the basis of the effective tax rate. When calculating deferred tax assets, tax loss carryforwards are taken into account in the amount of the losses expected to be offset within the next 5 years. Deferred tax assets and liabilities are netted. Any resulting net deferred tax assets are recognized utilizing the option provided by section 274(1) sentence 2 HGB.

The effective tax rate of 29.83% (p/y: 29.13%) consists of the corporate income tax rate, including a solidarity surcharge, of 15.83% (p/y: 15.83%) and a trade tax rate of 14.00% (p/y: 13.30%) that is expected to apply when the temporary differences reverse. The tax rate for trade tax is based on the average trade tax assessment rate of 400% (p/y: 380%).

Due to the gradual reduction in the corporate income tax rate from 15% to 10% in the assessment years 2028 to 2032, the following tax rates were used for the expected reversal of temporary differences:

- Reversal by 2027: 29.83%
- Reversal in 2028: 28.77%
- Reversal in 2029: 27.72%
- Reversal in 2030: 26.66%
- Reversal in 2031: 25.61%
- Reversal in 2032: 24.55%

Equity

Issued capital is carried at nominal amount.

Provisions and liabilities

Pension obligations have been measured in accordance with actuarial principles using the projected unit credit method and applying the 2018 G Heubeck RT mortality tables as a biometric basis. The rate used for discounting was taken as the average market interest rate for the past 10 years, assuming a remaining term of 15 years. Future salary and pension increases and probabilities for staff turnover are also taken into account.

The provisions for partial early retirement are measured in accordance with actuarial principles based on an average interest rate, salary trend, and the 2018 G Heubeck RT mortality tables. Provisions for partial early retirement obligations are recognized in accordance with the block model for partial early retirement agreements entered into as of the reporting date and potential future agreements. The provisions include top-up amounts and obligations accrued by the company as of the balance sheet date.

Provisions for anniversary bonuses are calculated based on actuarial principles using the projected unit credit method assuming an average interest rate and based on the 2018 G Heubeck RT mortality tables. Factors such as salary trends, staff turnover rates, and increases in the assessment ceiling of the statutory pension and health insurance are also taken into account.

Tax provisions and other provisions comprise all uncertain liabilities and expected losses from executory contracts. They are carried at the settlement amount determined in line with prudent business judgment.

Other provisions include individual provisions for all discernible risks from uncertain obligations and for expected losses from executory contracts. A provision is recognized if it is sufficiently probable that the obligation will be utilized. Events that become known during the adjusting events period are suitably taken into account when recognizing and measuring provisions. Expected price and cost increases were taken into account in measuring these provisions. The measurement of the provision for material price adjustments is generally based on the number of units

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delivered in the past fiscal year for which a price adjustment obligation arises due to legal or de facto obligations, multiplied by the expected price reduction. The measurement includes all findings from customer negotiations. Provisions with a remaining term of more than one year were discounted using the average market interest rate of the past 7 financial years for the appropriate term, which is calculated and published by Deutsche Bundesbank. The interest effect from the change in the discount rate is recognized in the financial result.

Liabilities are measured at their settlement amount.

Foreign currency items and translation

Assets and liabilities denominated in foreign currencies are translated using the average spot exchange rate as of the reporting date. The realization principle (section 252(1) no. 4, 2nd half-sentence HGB) and the historical cost convention (section 253(1) sentence 1 HGB) were complied with for remaining terms of more than one year.

the hedging instrument of the hedged risk are recognized). If the gross hedge presentation method is applied, only the spot component of the underlying hedging instrument is designated, while the forward component is recognized as a standalone derivative in accordance with general accounting policies. By contrast, when hedging highly probable forecast transactions, the hedging instrument as a whole (spot and forward components) is included in the hedge.

	Closing rate		Average rate	
	2025	2024	2025	2024
EUR/CAD	1.61	1.49	1.57	1.48
EUR/CNY	8.23	7.58	8.10	7.80
EUR/CZK	24.24	25.19	24.73	25.12
EUR/USD	1.18	1.04	1.13	1.08
EUR/MXN	21.12	21.55	21.71	19.71
EUR/RSD	117.28	117.01	117.19	117.10

The accounting policies under section 254 HGB apply if hedge accounting is used. If future cash flows are hedged, the net hedge presentation method (where offsetting changes in value of the hedged risk are not recognized) is used. In all other cases, they are recognized using the gross hedge presentation method (where offsetting changes in the value of the hedged item and

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Balance sheet disclosures

2 FIXED ASSETS

The statement of changes in fixed assets is as follows:

EURk	Contract and customer-related development services	Purchased industrial property rights and similar rights	Intangible assets	Land and buildings	Technical equipment and machinery	Other plant, factory and office equipment	Prepayments made and assets under construction	Property, plant, equipment	Shares in affiliated companies	Loans to affiliated companies	Financial assets
Cost											
As of January 1, 2024	10,774	15,983	26,757	62,816	153,130	22,591	1,259	239,796	54,372	91,910	146,282
Additions	345	3,149	3,494	265	674	811	1,239	2,989	39,148	48,476	87,624
Disposals	-	-	-	-	-5,701	-199	-	-5,900	-	-61,298	-61,298
Reclassifications	-	-19	-19	-	648	19	-648	19	-	-	-
As of December 31, 2024	11,119	19,113	30,232	63,081	148,751	23,222	1,850	236,904	93,520	79,088	172,608
Additions	246	3,885	4,131	246	1,511	460	714	2,931	4,671	48,558	53,229
Disposals	-	-	-	-	-4,208	-1,967	-	-6,175	-	-39,912	-39,912
Reclassifications	-	30	30	-	760	76	-867	-31	-	-	-
As of December 31, 2025	11,365	23,028	34,393	63,327	146,814	21,791	1,697	233,629	98,191	87,734	185,925
Depreciation/amortization											
As of January 1, 2024	8,598	13,483	22,081	35,710	141,736	20,139	-	197,585	4,800	-	4,800
Additions	624	925	1,549	1,561	3,460	740	-	5,761	1,869	-	1,869
Disposals	-	-	-	-	-5,701	-199	-	-5,900	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-	-	-
As of December 31, 2024	9,222	14,408	23,630	37,271	139,495	20,680	-	197,446	6,669	-	6,669
Additions	500	1,015	1,515	1,512	2,818	751	-	5,081	1,943	-	1,943
Disposals	-	-	-	-	-4,208	-1,963	-	-6,171	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-	-	-
As of December 31, 2025	9,722	15,423	25,145	38,783	138,105	19,468	-	196,356	8,612	-	8,612
Carrying amounts											
As of December 31, 2024	1,897	4,705	6,602	25,810	9,256	2,542	1,850	39,458	86,851	79,088	165,939
As of December 31, 2025	1,643	7,605	9,248	24,544	8,709	2,323	1,697	37,273	89,579	87,734	177,313

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In the past fiscal year, no impairment losses as referred to by section 277(3) sentence 1 HGB were made due to expected permanent impairments of intangible assets (p/y: EUR 79k). In the reporting year, an unscheduled write-down of EUR 1,942k was made on the carrying amount of the investment in PWO High-Tech Metal Components (Suzhou) Co., Ltd., Suzhou, China. Furthermore, the remaining carrying amount of the investment in PWO Holding Co., Ltd., Hong Kong, China, amounting to EUR 1k, was derecognized after completion of the deregistration process (see note 19).

3 INVENTORIES

EURk	2025	2024
Raw materials, consumables and supplies	14,050	14,947
Work in progress	12,643	12,541
Finished goods	9,283	11,740
Total	35,976	39,228

Raw materials, consumables and supplies include customized spare parts for tools in the amount of EUR 6,777k (p/y: EUR 7,092k). Write-downs on tools in accordance with section 253(4) HGB of EUR 590k, (p/y: EUR 584k) were also taken into account in finished goods in the reporting year. Development services were written down by EUR 29k in the reporting year (p/y: EUR 10k).

4 RECEIVABLES AND OTHER ASSETS

Receivables from affiliated companies include trade receivables of EUR 7,615k (p/y: EUR 7,030k) and current loans of EUR 4,000k (p/y: EUR 11,813k).

EURk	2025	thereof remaining term > 1 year	2024	thereof remaining term > 1 year
Trade receivables	6,164	–	6,151	–
Receivables from affiliated companies	11,615	–	18,843	–
Other assets	5,611	145	4,438	67
Total	23,390	145	29,432	67

5 PREPAID EXPENSES

Prepaid expenses include primarily license fees for software paid in advance in the amount of EUR 1,437k (p/y: EUR 882k).

6 DEFERRED TAXES

Deferred taxes were calculated on the basis of the German income tax rate of 29.83% (p/y: 29.13%). 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, tangible assets and financial assets	–	–	953	1,061
Inventories	–	345	–	–
Other assets	30	232	–	–
Provisions	10,287	11,051	–	–
Other equity and liabilities	–	–	–	–
Loss carryforwards	1,945	361	–	–
Subtotal	12,262	11,989	953	1,061
Offset	-953	-1,061	-953	-1,061
Total according to balance sheet	11,309	10,928	–	–

The netting of deferred tax assets and liabilities resulted in net deferred tax assets.

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7 EQUITY

EURk	Issued capital	Capital reserves	Legal reserve	Other revenue reserves	Net accumulated losses/net retained profits	Equity of PWO AG
As of January 1, 2025	9,375	38,690	204	63,985	8,245	120,499
Dividend payment					-5,469	-5,469
Net income					6,474	6,474
As of December 31, 2025	9,375	38,690	204	63,985	9,250	121,504

Issued capital

The share capital of PWO AG amounts to EUR 9,375,000 (p/y: EUR 9,375,000) as of December 31, 2025, and is still divided into 3,125,000 no-par bearer shares, each granting one vote. The share capital is fully paid in. The notional interest of each no-par share in share capital is EUR 3.00. The distribution of profits is governed by section 60 AktG in conjunction with Article 18 of the Articles of Association.

Authorized capital

By way of resolution of the Annual General Meeting of June 3, 2025, the Executive Board is authorized, with the approval of the Supervisory Board, to increase the share capital of the company by up to EUR 4,687,500 in total by issuing new no-par bearer shares in return for cash or non-cash contributions on 1 or several occasions (Authorized Capital 2020) by June 2, 2030 (inclusively).

The Executive Board has not utilized this authorization to date.

Retained earnings and other equity

The net retained profits for fiscal year 2025 of EUR 9,250k include the profit carried forward from the previous year of EUR 2,776k.

Notifications in accordance with section 33 WpHG

PWO AG had received the following notifications as of December 31, 2025. There may have been changes to the voting rights shown after the stated dates that did not have to be reported to the company.

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

Consult Invest Beteiligungsberatungs-GmbH, Böblingen, Germany, notified us on May 23, 2012, that it held between 30% and 50% of the voting rights in PWO AG.

8 PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

Provisions for defined benefit plans are calculated using the projected unit credit method and applying the 2018 G Heubeck RT mortality tables.

The discount rate used for the valuation is based on the average market interest rate over the past 10 years with an assumed remaining term of 15 years. In this case, use was made of the option to determine the interest rate up to three months

before the balance sheet date. The discount rate was set on October 1, 2025, based on existing interest rate forecasts for December 31, 2025. An adjustment of the interest rate on December 31, 2025, was not necessary due to the high accuracy of the forecasts.

The difference according to Section 253 (6) HGB in the amount of EUR -1,563k (p/y: EUR -795k) is negative as of December 31, 2025, and was not taken into account when determining the restriction on distribution.

The defined benefit obligations are measured as of the reporting date based on the following actuarial assumptions:

in %	2025	2024
Interest	2.06	1.90
Turnover rate	2.50	2.00
Future salary trend < 40 years	3.75	3.75
Future salary trend > 40 years	2.75	2.75
Future pension adjustments	2.00	2.10

9 OTHER PROVISIONS

Other provisions include required obligations for personnel expenses of EUR 8,696k (p/y: EUR 7,489k). These essentially comprise provisions for profit participation of EUR 3,066k (p/y: EUR 3,056k), provisions for vacation and flex-time of EUR 1,114k (p/y: EUR 2,144k), provisions for partial retirement obligations of EUR 1,777k (p/y: EUR 1,382k) and anniversary bonuses of EUR 484k (p/y: EUR 507k). The provisions for partial early retirement are based on an interest rate of 1.85% (p/y: 1.51%), while the provisions for the anniversary bonuses are based on an interest rate of 2.21% (p/y: 1.97%).

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Other discernible risks and obligations for which provisions must be recognized in accordance with commercial law essentially comprise provisions for onerous contracts of EUR 1,323k (p/y: EUR 3,095k), provisions for retrospective material price adjustments of EUR 3,412k (p/y: EUR 3,546k), and provisions for outstanding invoices of EUR 1,988k (p/y: EUR 2,127k).

In the previous year, other provisions also included a warranty provision for risks arising from a potentially defective product delivered in the amount of EUR 2,400k. As no defective parts were reported in the past fiscal year, the provision was reversed due to the absence of a sufficient risk of a claim being made.

10 LIABILITIES

Liabilities to affiliated companies include trade payables amounting to EUR 1,322k (p/y: EUR 793k).

Other liabilities include lease liabilities from movable and immovable property leases amounting to EUR 1,506k (p/y:

EUR 2,223k). These are secured by the transfer of ownership of intangible assets. There were also the usual retentions of title from the supply of raw materials, consumables and supplies, and goods. Other liabilities also include license liabilities from software leases amounting to EUR 350k (p/y: EUR 0k).

A supply chain program was implemented in the past fiscal year to optimize working capital management. Under this agreement, trade payables are settled in full on the due date with the assistance of a payment service provider. Payment processing and the provision of liquidity give rise to a liability to the payment service provider, which is reported under other liabilities. The payment term granted by the payment service provider is 60 days and is within the usual payment terms agreed by the company in its normal business transactions. Liabilities from supply chain programs amounted to EUR 10,000k as of the balance sheet date (p/y: EUR 0k).

EURk	2025	of which remaining term			2024	of which remaining term		
		< 1 year	> 1 year	> 5 years		< 1 year	> 1 year	> 5 years
Liabilities to banks	65,157	3,376	61,781	–	57,187	26,562	30,625	–
Payments received on account of orders	2,056	2,056	–	–	2,828	2,828	–	–
Trade payables	19,771	19,688	83	–	22,502	22,335	167	–
Liabilities to affiliated companies	1,322	1,322	–	–	793	793	–	–
Other liabilities	15,736	14,692	1,044	–	4,218	2,712	1,506	–
thereof taxes	742	742	–	–	592	592	–	–
Total	104,042	41,134	62,908	–	87,528	55,230	32,298	–

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11 REVENUE

Revenue breaks down as follows:

Revenue by region (by customer's registered office)

EURk	2025	2024
Germany	116,164	131,629
Rest of Europe	62,057	67,369
North America	24,640	25,563
Other countries	9,603	11,251
Total	212,464	235,812

Revenue by business unit

EURk	2025	2024
Electronic, Chassis & Airbag Components	114,488	130,505
Steering & Seat Components	8,799	13,665
Body & Instrument Panel Carrier Components	66,429	66,309
Other revenue	22,748	25,333
Total	212,464	235,812

Other revenue mainly comprises revenues from intercompany transactions and scrap sales.

12 OTHER OWN WORK CAPITALIZED

In addition to order/customer-related development services, capitalized own work primarily includes internal costs for the modernization and expansion of existing technical equipment and machinery.

13 OTHER OPERATING INCOME

Other operating income mainly includes currency gains of EUR 3,363k (p/y: EUR 2,319k) and income from prior periods of EUR 7,379k (p/y: EUR 6,448k). An income from prior periods of EUR 6,316k (last year: EUR 5,205k) is attributable to the

reversal of provisions. EUR 698k (last year: EUR 651k) of the income from prior periods are related to the disposal of non-current assets.

14 STAFF COSTS AND EMPLOYEES

Staff costs

EURk	2025	2024
Wages and salaries	59,044	58,703
Social security and post-employment expenses	10,250	8,763
of which in respect of pensions	-1,260	-2,230
Total	69,294	67,466

Average headcount for the year by area of employment

	2025	2024
Development and Sales	128	130
Production and Materials Management	502	519
Tool center	74	80
Administration	73	68
Core workforce	777	797
Temporary employees	84	129
Trainees	14	18
Inactive employees/passive stage of partial retirement	50	52
Total staff	925	996

15 OTHER OPERATING EXPENSES

Other operating expenses essentially comprise expenses for temporary employees of EUR 5,205k (p/y: EUR 7,253k), currency translation expenses of EUR 4,170k (p/y: EUR 2,420k), IT costs of EUR 3,529k (p/y: EUR 3,482k) and maintenance expenses of EUR 1,557k (p/y: EUR 1,444k). In addition, other operating expenses also include legal, audit and consulting fees, rental and lease expenses and outgoing freight. In fiscal year 2025, other

operating expenses were also affected by additions to provisions for anticipated losses from executory contracts of EUR 712k (p/y: EUR 2,405k).

Other operating expenses also include prior-period expenses of EUR 22k (p/y: EUR 388k) and expenses resulting from the application of sections 66 and 67(1) to (5) EGHGB (BilMoG transitional provisions) of EUR 0k (p/y: EUR 445k).

16 INCOME FROM EQUITY INVESTMENTS

The income from equity investments resulted from dividend payments by PWO Canada Inc., Kitchener, Canada, PWO Czech Republic a.s., Valašské Meziříčí, Czech Republic, PWO de México S.A. de C.V., Puebla, Mexico, and PWO Holding Co., Ltd., Hong Kong, China.

17 INCOME FROM LONG-TERM LOANS

This item comprises income from loans to affiliated companies reported in financial assets.

18 OTHER INTEREST AND SIMILAR INCOME

Other interest and similar income includes EUR 668k (p/y: EUR 2,137k) from affiliated companies.

19 WRITE-DOWNS OF LONG-TERM FINANCIAL ASSETS

In the reporting year, an unscheduled write-down of EUR 1,942k was made on the carrying amount of the investment in PWO High-Tech Metal Components (Suzhou) Co., Ltd., Suzhou, China. Furthermore, the remaining carrying amount of the investment in PWO Holding Co., Ltd., Hong Kong, China, amounting to EUR 1k, was derecognized after completion of the deregistration process. In the previous year, an unscheduled write-down of EUR 1,869k was made on the carrying amount of the investment in PWO Canada Inc., Kitchener, Canada.

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20 INTEREST AND SIMILAR EXPENSES

Interest and similar expenses include interest expenses from interest on provisions of EUR 1,209k (p/y: EUR 1,228k).

21 TAXES ON INCOME

Taxes on income include deferred taxes of EUR 381k (p/y: expenses from deferred taxes amounting to EUR 1,713k), extraordinary income from the recognition of deferred taxes amounting to EUR 0k (p/y: EUR 125k) and expenses relating to other periods amounting to EUR 522k (p/y: EUR 100k).

The application of the Minimum Taxation Act and comparable regulations abroad do not have any impact on the company.

Other disclosures

22 CONTINGENT LIABILITIES

There are contingent liabilities from guarantees of EUR 33,133k (p/y: EUR 21,087k) for loan liabilities of PWO Canada, PWO Czech Republic, PWO High-Tech Metal Components (Suzhou, China) and PWO de México. No risk of utilization is discernible at this time based on the current financial position, net assets and results of operations or forecasting by the subsidiaries.

23 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 12,993k (p/y: EUR 14,721k) had been sold as of December 31, 2025, and were thus removed from the balance sheet. As of the reporting date, there were receivables from the factoring company of EUR 1,959k (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. Receivables of EUR 477k (p/y: EUR 626k) had been transferred to the factor as of December 31, 2025.

24 RELATED PARTIES

PWO AG is the parent company of the PWO Group. The main shareholder of PWO AG is Consult Invest Beteiligungsberatungs-GmbH, Böblingen, whose majority shareholder is Dr. Klaus-Georg Hengstberger. There were no business transactions between the PWO Group and Consult Invest Beteiligungsberatungs-GmbH, Böblingen, or their related parties in the reporting year.

25 OTHER FINANCIAL COMMITMENTS

As of December 31, 2025, other financial commitments, including the purchase commitments, amounted to EUR 10,795k (p/y: EUR 10,582k).

The maturities of other financial liabilities are shown in the table below:

EURk	from 2026	of which remaining term			from 2025	of which remaining term		
		< 1 year	> 1 year	> 5 years		< 1 year	> 1 year	> 5 years
Obligations under rental and leasing agreements	5,953	3,176	2,756	21	6,988	3,677	3,311	–
Purchase commitment from investment contracts granted	3,653	2,260	1,393	–	1,929	1,877	52	–
Miscellaneous other financial obligations	1,189	476	713	–	1,665	476	1,189	–
Total	10,795	5,912	4,862	21	10,582	6,030	4,552	–

Leases entered into to leverage cash flow benefits in conjunction with necessary investments include the risks typical for leases.

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26 DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are used to hedge currency and interest rate risks and not for speculative purposes. They are therefore only acquired in conjunction with a hedged item. The risk management and hedging strategy is governed by a uniform treasury policy and other internal guidelines; it is subject to regular internal risk analysis.

Currency risks

Currency hedges are used to hedge the currency risks arising from operating activities. These currency hedge contracts are measured at fair value on a standalone basis as of the balance sheet date.

Hedge accounting was used for the following hedges on loans to affiliated companies, designating the spot component. The gross hedge presentation method was used. The currency hedge contracts end in 2028:

Hedged item/ hedging instrument	Risk/type of hedge	Nominal volume	Amount of hedged risk
Loans in foreign currency/ currency hedging instrument	Currency risk/ micro hedge	CADk 1,000	EURk 58
Loans in foreign currency/ currency hedging instrument	Currency risk/ micro hedge	USDk 25,800	EURk 1,104

In accordance with the general requirements, negative results of remeasurement are recognized in profit or loss for derivatives outside hedge accounting and result in the recognition of a provision for expected losses, whereas positive results of remeasurements remain unrecognized. As of the balance sheet date, this exclusively affects the forward component of the currency hedge contracts listed above, which is accounted for as a standalone derivative. The derivatives mature in 2028. Nominal volumes and the market and book value of these derivatives are as shown in the table below:

Balance sheet item	Hedging instrument	Nominal volume	Market value	Carrying amount
Provision for expected losses from executory contracts	Currency derivatives	CADk 1,000	EURk -16	EURk -16
Provision for expected losses from executory contracts	Currency derivatives	USDk 25,800	EURk -466	EURk -466

Given the reliably plannable scope and expected timing, hedge accounting has been used for the currency hedging instruments in connection with planned sales in foreign currency. The net hedge presentation method was used. These hedges cover the stipulated amount of the expected risk and run until 2028.

Hedged item/ hedging instrument	Risk/type of hedge	Nominal volume	Amount of hedged risk
Expected foreign currency receivable/ currency hedging instrument	Currency risk/ micro hedge	CADk 5,394	EURk 91
Expected foreign currency receivable/ currency hedging instrument	Currency risk/ micro hedge	USDk 9,017	EURk 358
Expected foreign currency receivable/ currency hedging instrument	Currency risk/ micro hedge	CNYk 12,271	EURk 8

The critical terms match method is used for the prospective assessment of hedge effectiveness. As the factors relevant for measuring the hedged items and hedges are identical, opposing changes in value are expected to be fully offset.

Hedge ineffectiveness is quantified retrospectively using the dollar offset method in the form of the hypothetical derivative method.

The fair values of the derivative financial instruments reflect the estimated amounts that the company would receive or have to pay to close out the contracts on the reporting date. The fair value of foreign currency hedging instruments is calculated by discounting the expected future cash flows over the respective remaining term of the contracts using the respective market interest rates and spot rates.

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Interest rate risks

Interest rate and currency swaps have been entered into to hedge non-current loans to affiliated companies in foreign currency. These derivatives are measured at fair value on a standalone basis as of the balance sheet date.

Hedge accounting was used for the following hedges on loans to affiliated companies, designating the spot component. The gross hedge presentation method was used:

Hedged item/ hedging instrument	Risk/type of hedge	Nominal volume	Term	Amount of hedged risk
Loans in foreign currency/interest and currency swaps	Interest and currency risk/ micro hedge	EURk 4,255	until 2026	EURk 32

In accordance with the general requirements, negative results of remeasurement are recognized in profit or loss for derivatives outside hedge accounting and result in the recognition of a provision for expected losses, whereas positive results of remeasurements remain unrecognized. As of the balance sheet date, this affects the forward component of the interest and currency swaps listed above, which is accounted for as a standalone derivative. The derivatives mature in 2026. The nominal volumes and market and book values of interest and currency swaps outside hedge accounting as of the balance sheet date are as shown in the table below:

Balance sheet item	Hedging instrument	Nominal volume	Market value	Carrying amount
Provision for expected losses from executory contracts	Interest and currency swaps	USDk 5,000	EURk 5	EURk 0

In March 2023, a syndicated loan was concluded with a volume of EUR 155m and a term of 3 years plus an extension option for up to 2 years. This comprises a EUR 25m bullet loan and a revolving credit facility of EUR 130m. To hedge the interest rate risk from the bullet loan, hedge accounting was used in line with the net hedge presentation method.

Hedged item/ hedging instrument	Risk/type of hedge	Nominal volume	Term	Amount of hedged risk
Long-term loans/ interest rate swaps	Interest rate risk/micro hedge	EURk 25,000	until 2028	EURk 130

The critical terms match method is used for the prospective assessment of hedge effectiveness. As the factors relevant for measuring the hedged items and hedges are identical, opposing changes in value are expected to be fully offset.

Hedge ineffectiveness is quantified retrospectively using the dollar offset method in the form of the hypothetical derivative method.

The fair values of the derivative financial instruments reflect the estimated amounts that the company would receive or have to pay to close out the contracts on the reporting date. The fair value of interest-hedging instruments is calculated by discounting the expected future cash flows over the respective remaining term of the contracts using the respective market interest rates.

27 RESTRICTION ON DISTRIBUTION

The total amount barred from distribution in accordance with section 268(8) HGB is EUR 12,952k (p/y: EUR 12,826k). Capitalized internally generated intangible assets of EUR 1,643k (p/y: EUR 1,897k) and deferred tax assets of EUR 11,309k (p/y: EUR 10,928k) are barred from distribution. The difference in accordance with section 253(6) HGB of EUR -1,563k (p/y: EUR -795k) was negative as of December 31, 2025, and was excluded when determining the amount barred from distribution.

28 RESEARCH AND DEVELOPMENT EXPENSES

Of the costs in connection with development services amounting to EUR 9,114k (p/y: EUR 11,069k), EUR 245k (p/y: EUR 345k) were capitalized under intangible assets. No development costs were capitalized in inventories during the reporting year.

29 AUDITOR'S FEE

The fee for the auditor expensed in accordance with section 285(1) no. 17 HGB breaks down as follows:

EURk	2025	2024
Audit	476	447
Other assurance services	44	15
Tax consultancy services	-	-
Other services	8	100
Total	528	562

The auditor's fee does not include any expenses relating to other periods (p/y: EUR 7k). Other assurance services that go beyond the audit of the financial statements mainly include the fee for the formal audit of the remuneration report, the fee for the EMIR audit and the fee for auditing the key figures to be reported under the credit agreement. Other services contain the fee for preparatory audit procedures in connection with CSRD reporting.

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30 TOTAL REMUNERATION OF THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD

The total remuneration of the Executive Board amounts to EUR 1,580k in fiscal year 2025 (p/y: EUR 1,812k); this includes performance-based components of EUR 725k (p/y: EUR 983k). The total remuneration of the Supervisory Board amounted to EUR 376k (p/y: EUR 319k). No loans or advances were granted to the members of executive bodies.

Part of the variable remuneration in the amount of EUR 5k (p/y: EUR 263k) is issued in the form of 171 virtual shares (p/y: 9,182 virtual shares) at a price of EUR 29.14 per share (p/y: EUR 28.66 per share).

Former members of the Executive Board of PWO AG and their surviving dependents received pension payments of EUR 354k (p/y: EUR 339k). The corresponding pension provision (HGB) amounted to EUR 5,721k (p/y: EUR 6,019k) on the balance sheet date.

31 SHARES IN AFFILIATED COMPANIES

PWO AG holds shares in the companies listed below as of December 31, 2025. The disclosures on equity and net income/loss for the year are based on the IFRS figures of the subsidiaries for fiscal 2025 (net income) or at December 31, 2025 (equity).

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

¹ Indirect holding of 0.15% through PWO Canada Inc.

32 CONSOLIDATED FINANCIAL STATEMENTS

The annual financial statements are included in the consolidated financial statements of the parent company PWO AG, Oberkirch, which are the consolidated financial statements for the smallest and largest group of consolidated companies.

33 DECLARATION OF CONFORMITY WITH THE GERMAN CORPORATE GOVERNANCE CODE

The declaration of compliance with the German Corporate Governance Code, as amended on April 28, 2022, issued by the Executive Board and the Supervisory Board in December 2025 in accordance with section 161 AktG, is permanently available to shareholders on the company's website at → www.pwo-group.com/en/pwo-group/corporate-governance/.

34 EVENTS AFTER THE END OF THE REPORTING PERIOD

In January 2026, a promissory note loan with a nominal volume of EUR 7.5m and a term of 5 years was issued as part of a private placement. The cash inflow is reported under Liabilities to banks and results in a corresponding increase in Liabilities to banks at the time of disbursement. The placed promissory note loan is used for general corporate financing and to strengthen the Group's liquidity and financial position.

With the stated goal of avoiding terminations for operational reasons and preserving jobs at its main plant, the company reached an agreement with the works council in January 2026 to reduce working hours and remuneration at its location in Oberkirch. This will enable the German plant 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 in personnel expenses in the 2026 fiscal year.

Furthermore, there were no other reportable events of particular significance for the net assets, financial position and results of operations after the end of the reporting period.

35 COMPOSITION AND MANDATES OF THE SUPERVISORY BOARD AND THE EXECUTIVE BOARD

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	–
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	–
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	–
Dr. Jochen Ruetz , Stuttgart		Managing Director/CFO and member of the Administrative Board of GFT Technologies SE, Stuttgart	–

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 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 Executive Board // Sparkasse Offenburg/Ortenau Member of the Advisory Board // Offenburg University of Applied Sciences Member of the Board of Trustees
Jochen Lischer , Brühl	CFO	<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 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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36 PROPOSAL FOR THE APPROPRIATION OF PROFITS

It will be proposed to the Annual General Meeting to utilize the net retained profits of PWO AG of EUR 9.250k as reported as of December 31, 2025 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 such event, a suitably amended proposal for the appropriation of profits will be submitted to the Annual General Meeting by the Executive Board and the Supervisory Board, still with the intention of a total distribution of EUR 1.65 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

An die PWO AG, Oberkirch

Report on the Audit of the Annual Financial Statements and of the Combined Management Report

OPINIONS

We have audited the annual financial statements of PWO AG, Oberkirch, which comprise the balance sheet as at December 31, 2025, and the statement of profit and loss for the financial year from January 1 to December 31, 2025, and notes to the financial statements, including the recognition and measurement policies presented therein. 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 annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at December 31, 2025 and of its financial performance for the financial year from January 1 to December 31, 2025 in compliance with German Legally Required Accounting Principles, and
- the accompanying combined management report as a whole provides an appropriate view of the Company's position. In all material respects, this combined management report

is consistent with the annual 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 [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the combined management report.

BASIS FOR THE OPINIONS

We conducted our audit of the annual 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 Annual Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the Company 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 annual financial statements and on the combined management report.

KEY AUDIT MATTERS IN THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual 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 annual financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Recoverability of financial assets

For the accounting policies applied, please refer to Note 1 in the notes to the financial statements. Explanations regarding business performance can be found in the combined management report in the section "Business Performance of PWO AG".

THE FINANCIAL STATEMENT RISK

In the annual financial statements of PWO AG as at 31 December 2025, shares in affiliated companies amounting to EUR 89.6 million and loans to affiliated companies amounting to EUR 87.7 million are reported under financial assets. Financial assets account for a total of 58.5% of the balance sheet total and thus have a significant impact on the company's financial position.

Financial assets are carried at acquisition cost or, in the event of an impairment expected to be permanent, at the lower fair value. The company determines the fair value using the income approach.

The cash flows used for the income approach are generally based on individual investment plans for the next five years, which are extrapolated using assumptions regarding long-term growth rates. The applicable capitalization rate is derived from the return on a risk-adjusted alternative investment. If the fair value is lower than the carrying amount, qualitative and quantitative

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criteria are used to assess whether the impairment is expected to be permanent. If the fair value exceeds the carrying amount, a write-up is made – in the event of a previous impairment loss – up to a maximum of the original cost, provided that the reasons for the impairment loss no longer apply.

The calculation of fair value using the income approach is complex and, in terms of the assumptions made, is highly dependent on the Company's estimates and judgements. These include, amongst other things, the estimation of future earnings trends and long-term growth rates, the determination of capitalization rates, and the assessment of whether the impairment is permanent or whether the reasons for the impairment have ceased to exist.

In the 2025 financial year, the Company recognized an impairment loss of EUR 1.9 million on its shares in an affiliated company in China.

There is a risk to the financial statements that the financial assets may not be recoverable.

OUR AUDIT APPROACH

With the involvement of our valuation specialists, we assessed the appropriateness of the Company's key assumptions and valuation method. To this end, we discussed the expected earnings trends and the assumed long-term growth rates with those responsible for planning. We also carried out reconciliations with other internally available forecasts and the budget prepared by the legal representatives and approved by the Supervisory Board. Furthermore, we assessed the consistency of the assumptions with external market assessments.

Furthermore, we have satisfied ourselves as to the quality of the company's forecasts to date by comparing plans from previous financial years with the results actually achieved and analysing any deviations.

We compared the assumptions and data underlying the capitalization rate, in particular the risk-free interest rate, the market risk premium and the beta factor, with our own assumptions and publicly available data, with the involvement of our valuation specialists.

To account for the existing forecast uncertainty, we examined the effects of possible changes in the capitalization rate and the expected results on the fair value by calculating alternative scenarios and comparing them with the company's valuation results (sensitivity analysis).

To ensure the mathematical accuracy of the valuation method used, we have verified the company's calculations on the basis of risk-oriented selected elements.

OUR OBSERVATIONS

The approach underlying the impairment test of the shares in and loans to affiliated companies is appropriate and consistent with the valuation principles. The Company's assumptions and data 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
- the information extraneous to the combined management report and marked as unaudited.

Our opinions on the annual 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 annual 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 ANNUAL FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual 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 annual financial statements, management is responsible for assessing the Company'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

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going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, management is responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual 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.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the combined management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the annual 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 Company's position and, in all material respects, is consistent with the annual 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 annual 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 annual 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 annual 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 controls.
- Obtain an understanding of internal control relevant to the audit of the annual 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 Company'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 the 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 Company'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 annual 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 Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the combined management report with the annual financial statements, its conformity with [German] law, and the view of the Company'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

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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 annual 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 ANNUAL 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 annual financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic „JA_v4.zip“ (SHA256-Hash value: 1dec13400b4f221f107761ce8b3ad9d31f8ff0a456442982febb6b86355154cd) made 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 annual financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the annual 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 annual 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 Annual 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 annual 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 "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 renderings of the annual financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB.

In addition, the Company's management is responsible for such internal control as 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.

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.

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// Evaluate the technical validity of the ESEF documents, i.e. whether the file made available, containing the ESEF documents meets the requirements of Commission 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 annual financial statements and the audited combined management report.

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as 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 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 (longform audit report).

Other matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited annual financial statements and the audited combined management report as well as the examined ESEF documents. The annual financial statements and the combined management report converted into ESEF format – including the versions to be entered in the company register – are merely electronic renderings of the audited annual financial statements and the combined audited 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 provided in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Martin Armbruster.

Stuttgart, March 19, 2026

KPMG AG
Wirtschaftsprüfungsgesellschaft

Armbruster	Rupperti
German Public Auditor	German Public Auditor

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RESPONSIBILITY STATEMENT

“We declare to the best of our knowledge and in accordance with the applicable accounting standards, the annual financial statements provide a true and fair view of the company’s net assets, financial position and results of operations and the management report of PWO AG, which is combined with the group management report, includes a fair review of the company’s business performance, including the results and the financial position, together with a description of the principal opportunities and risks associated with the company’s expected development.”

Oberkirch, March 19, 2026

The Executive Board



Carlo Lazzarini
Chairman / CEO



Jochen Lischer
CFO

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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

Berichtsmanufaktur GmbH, Hamburg

PWO AG

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