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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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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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							
		EURk	Issued capital	Capital reserves	Retained earnings	Other reserves			Total
Defined benefit plans	Foreign exchange differences					Cash flow hedge			
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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CONSOLIDATED STATEMENT OF CASH FLOWS**64 Consolidated financial statements**

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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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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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/ 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	–

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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.

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		
		IFRS 9	2025	2024	2025	2024
ASSETS						
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/CFO 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	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 (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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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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116 RESPONSIBILITY STATEMENT**RESPONSIBILITY STATEMENT**

"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