

## 35 Combined management report for PWO AG

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#### Forecast of the financial position, net assets and capital expenditure

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

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

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

#### Outlook for orders

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

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

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

#### Forecast of non-financial key figures

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

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

#### Overall statement on future development

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

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

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

#### Dependency report

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

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

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

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

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

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

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

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

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

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

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

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

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

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