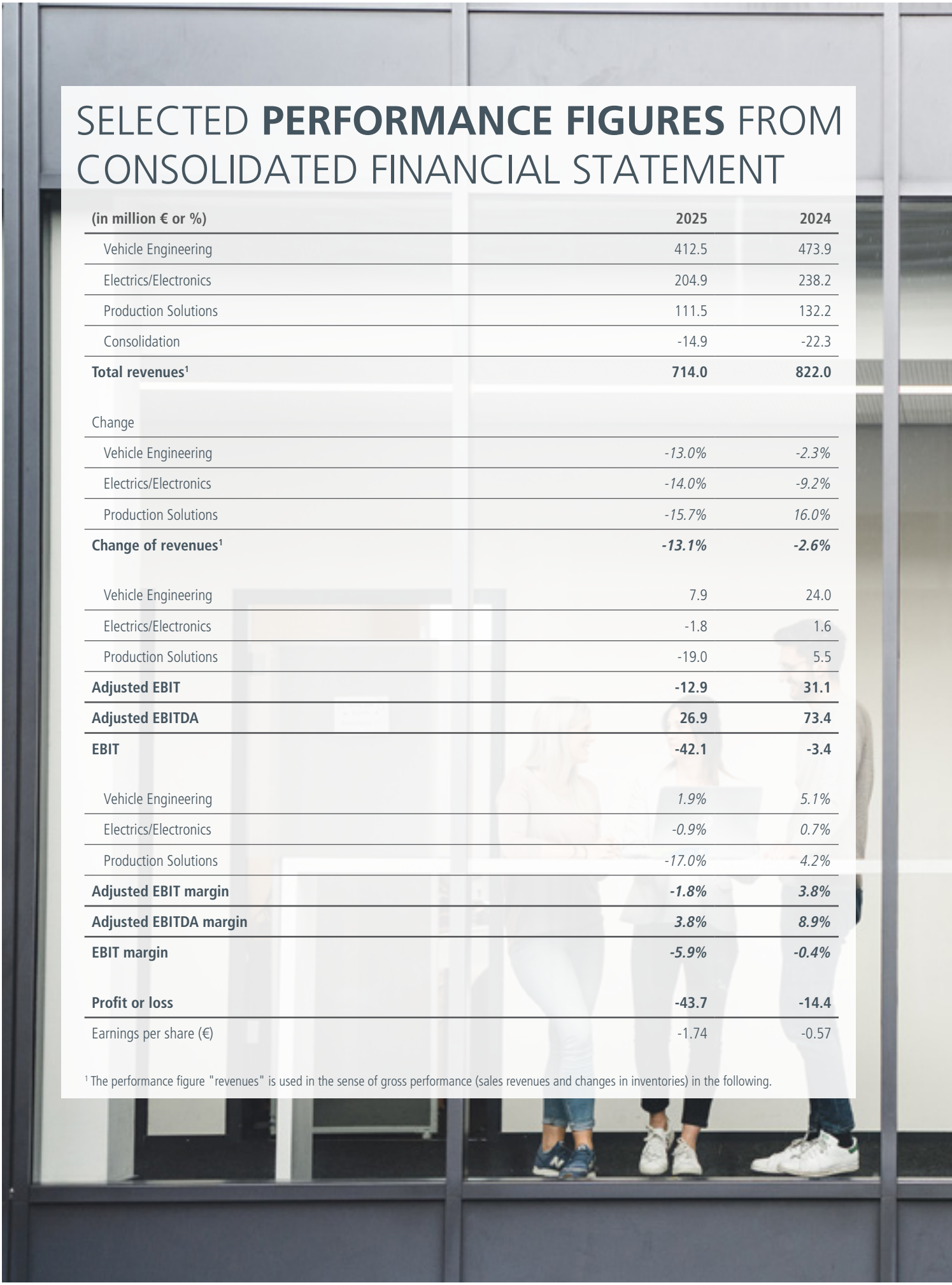
# REINVENT ENGINEERING – REINVENT YOURSELF
# EDAG ANNUAL REPORT 2025

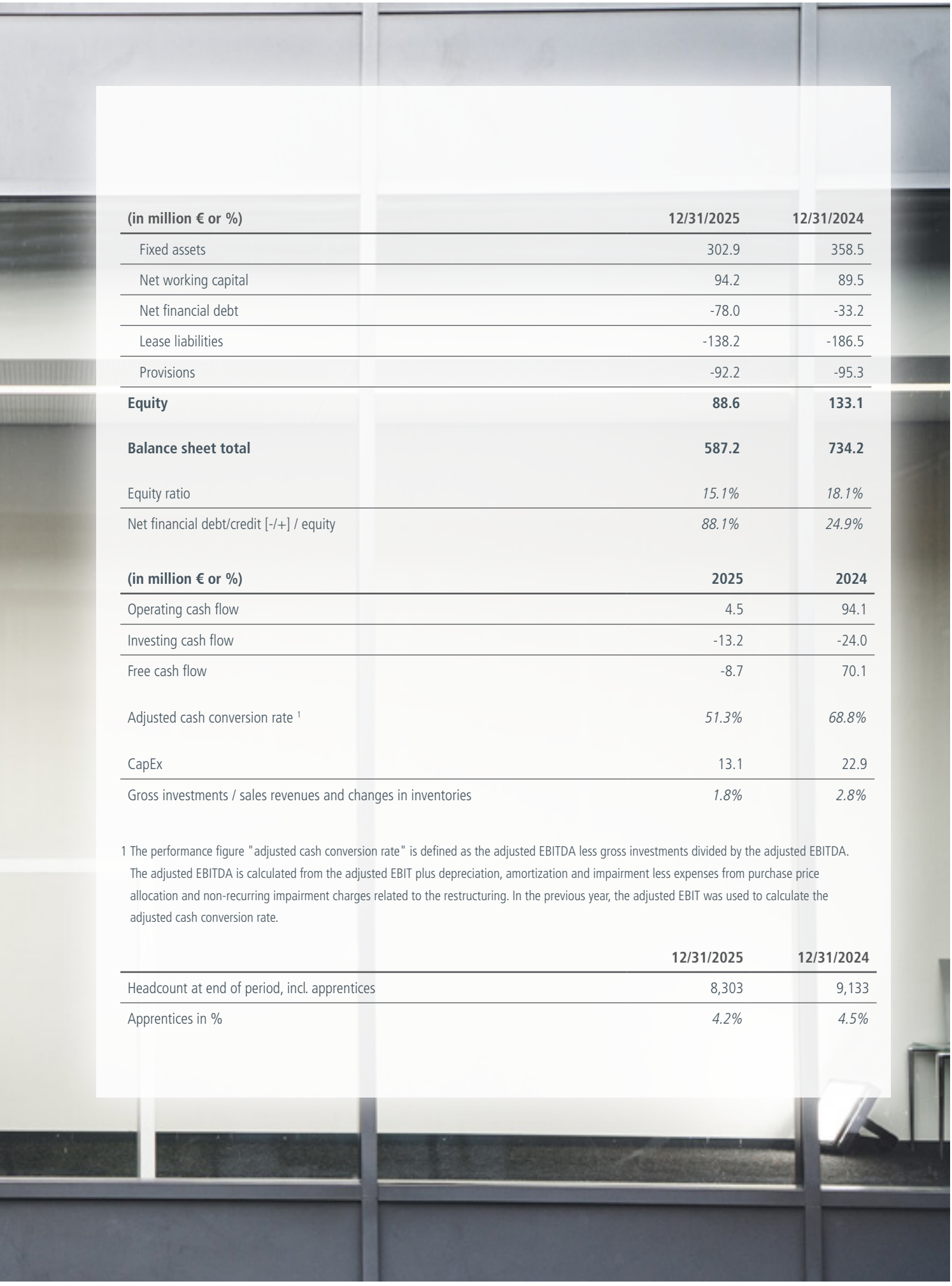




# SELECTED **PERFORMANCE FIGURES** FROM CONSOLIDATED FINANCIAL STATEMENT

| (in million € or %) | 2025 | 2024 |
|---|---|---|
| Vehicle Engineering | 412.5 | 473.9 |
| Electrics/Electronics | 204.9 | 238.2 |
| Production Solutions | 111.5 | 132.2 |
| Consolidation | -14.9 | -22.3 |
| **Total revenues[1]** | **714.0** | **822.0** |
| | | |
| Change | | |
| Vehicle Engineering | *-13.0%* | *-2.3%* |
| Electrics/Electronics | *-14.0%* | *-9.2%* |
| Production Solutions | *-15.7%* | *16.0%* |
| **Change of revenues[1]** | ***-13.1%*** | ***-2.6%*** |
| | | |
| Vehicle Engineering | 7.9 | 24.0 |
| Electrics/Electronics | -1.8 | 1.6 |
| Production Solutions | -19.0 | 5.5 |
| **Adjusted EBIT** | **-12.9** | **31.1** |
| **Adjusted EBITDA** | **26.9** | **73.4** |
| **EBIT** | **-42.1** | **-3.4** |
| | | |
| Vehicle Engineering | *1.9%* | *5.1%* |
| Electrics/Electronics | *-0.9%* | *0.7%* |
| Production Solutions | *-17.0%* | *4.2%* |
| **Adjusted EBIT margin** | ***-1.8%*** | ***3.8%*** |
| **Adjusted EBITDA margin** | ***3.8%*** | ***8.9%*** |
| **EBIT margin** | ***-5.9%*** | ***-0.4%*** |
| | | |
| **Profit or loss** | **-43.7** | **-14.4** |
| Earnings per share (€) | -1.74 | -0.57 |

[1] The performance figure "revenues" is used in the sense of gross performance (sales revenues and changes in inventories) in the following.



| (in million € or %) | 12/31/2025 | 12/31/2024 |
|---|---|---|
| Fixed assets | 302.9 | 358.5 |
| Net working capital | 94.2 | 89.5 |
| Net financial debt | -78.0 | -33.2 |
| Lease liabilities | -138.2 | -186.5 |
| Provisions | -92.2 | -95.3 |
| **Equity** | **88.6** | **133.1** |
| **Balance sheet total** | **587.2** | **734.2** |
| Equity ratio | *15.1%* | *18.1%* |
| Net financial debt/credit [-/+] / equity | *88.1%* | *24.9%* |

| (in million € or %) | 2025 | 2024 |
|---|---|---|
| Operating cash flow | 4.5 | 94.1 |
| Investing cash flow | -13.2 | -24.0 |
| Free cash flow | -8.7 | 70.1 |
| Adjusted cash conversion rate [1] | *51.3%* | *68.8%* |
| CapEx | 13.1 | 22.9 |
| Gross investments / sales revenues and changes in inventories | *1.8%* | *2.8%* |

1 The performance figure "adjusted cash conversion rate" is defined as the adjusted EBITDA less gross investments divided by the adjusted EBITDA. The adjusted EBITDA is calculated from the adjusted EBIT plus depreciation, amortization and impairment less expenses from purchase price allocation and non-recurring impairment charges related to the restructuring. In the previous year, the adjusted EBIT was used to calculate the adjusted cash conversion rate.

| | 12/31/2025 | 12/31/2024 |
|---|---|---|
| Headcount at end of period, incl. apprentices | 8,303 | 9,133 |
| Apprentices in % | *4.2%* | *4.5%* |





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# DEAR SHAREHOLDERS,

Economically, 2025 was marked by a continuing challenging environment. Growing geopolitical tensions and ongoing economic uncertainty influenced developments in various regions. Against this backdrop, the major economic areas showed very different developments: while the United States continued to be carried by robust domestic demand and substantial investment in artificial intelligence, and China was able to maintain its growth trajectory albeit with diminishing momentum, Europe and the Euro area as a whole fell short of expectations. Germany continued to struggle with restrained industrial growth and structural headwinds. In addition, trade political conditions involving tariffs further dampened markets and curbed business investment.

For the EDAG Group, the 2025 fiscal year was characterized by the widely discussed structural and economic challenges affecting the automotive industry. As in the previous year, major OEMs and system suppliers remained reluctant to invest, leading to delays and reductions in new orders during the reporting year. The EDAG Group's Order intake amounted to €688 million in the 2025 financial year and were thus approx. 11 percent lower than the previous year. Declining demand from the automotive sector could not be fully offset by projects in other industries, as these also showed a reluctance to invest, with the exception of the defence sector. Nevertheless, the EDAG Group’s growth in other industries was once again above average. Revenues from customers outside the mobility industry amounted to approx. €100 million in the reporting year, which signifies a growth of around 21 percent compared to the previous year. This confirmed the strategic value of diversification as a stabilizing factor in the challenging market environment.

Revenues of the EDAG Group in the 2025 fiscal year fell by 13 percent to €714 million. Despite significant declines in revenues across all segments, an even steeper decline at the Group level could be avoided by taking targeted countermeasures and increasing the share of projects outside the mobility industry. Considering underutilization and to sustainably enhance efficiency and competitiveness, the EDAG Group implemented a comprehensive restructuring program which included measures to increase productivity, including the accelerated expansion of its Global Delivery locations, particularly in India.

The 2025 fiscal year adjusted EBIT amounted to €-12.9 million, with a margin of -1.8 percent, while the Net income for the year was €-43.7 million due to the aforementioned one-time effects totaling approx. €30 million. The Board of Directors will recommend to the Annual General Meeting that no dividend be paid for the 2025 fiscal year. The EDAG Group's stock price fell by 27 percent over the course of 2025. On the last trading day of the year, the stock closed at €5.04.

EDAG’s business segments were affected to varying degrees by economic developments. Vehicle Engineering, the largest segment, recorded a 12.9 percent decline in total revenue to €412.5 million. This is in particular due to projects being postponed and orders not being called up under framework agreements with the automotive industry. Although the adjusted segment EBIT declined compared with the previous year, it remained positive at 7.9 million euros and a margin of 1.9 percent due to the processed project portfolio and despite the market conditions.

The Electrics/Electronics segment also saw a year-over-year decline in total revenue of 14.0 percent to 204,9 million euros in the reporting year. This development is mainly attributable to the continued slump in demand from our automotive customers in the areas of software and digitalization. The resulting adjusted EBIT for the segment stood at €-1.8 million, with a margin of -0.9 percent.

The Production Solutions segment was unable to sustain the growth it had achieved in previous years, even though it successfully continued to diversify the portfolio into other industrial sectors. Total revenue in this segment reported a decrease of 15.7 percent to €111.5 million. The adjusted segment EBIT fell significantly short of expectations, primarily due to the value adjustment of a large-scale project in the mobility sector, and totaled €-19.0 million, with a margin of -17 percent.

The strategic expansion of the defence business, in particular, had a positive impact on the performance of the Vehicle Engineering and Electrics/Electronics segments.

## Looking ahead

Before the recent escalation of geopolitical risks, the International Monetary Fund projected global growth of 3.3 percent. In this macroeconomic environment, the global automotive market is also expected to gradually enter a phase of moderate recovery, with an expected sales volume of around 81.2 million vehicles.

Electrification becomes increasingly important, with China and Europe remaining key drivers. At the same time, the changing legal landscape indicates a longer-term coexistence of a variety of powertrain technologies in the market. Regulatory requirements, intense price competition, and geopolitical tensions continue to shape a challenging market environment, requiring a greater focus on margin discipline and operational efficiency.

The ongoing transformation in the mobility industry toward software-defined vehicles and the increasing shift toward electrification are defining the market environment for our customers. EDAG is addressing these developments with a clear strategy for innovation, growth, and efficiency to strategically strengthen its market position and long-term value creation.

With extensive experience in integrated complete vehicle development and the established use of virtual tools, EDAG has been significantly reducing development times for many years. Our targeted expansion of expertise in software-defined vehicles, automated driving, alternative powertrains, and digital mobility concepts continues to focus on key growth drivers.

At the same time, we are strengthening our efficiency, scalability, and competitive position by strategically expanding our Global Delivery Centers and systematically implementing AI-based development tools. These initiatives serve as key drivers to continuously optimize our development processes and further strengthen EDAG's market position for customers in the mobility industry.

EDAG's strategic diversification into other industrial sectors, particularly defence as well as medical technology, semiconductors, chemicals, and energy, was successfully expanded in 2025 and is contributing significantly to reducing our dependence on the mobility industry and expanding our business model. By deliberately consolidating our expertise, we were able to develop industry-specific service offerings across the segments for newly addressable markets.

Innovations from EDAG's existing service portfolio can be directly transferred to the defence sector, especially regarding software-defined defence as well as efficient investment and development processes. Given the attractive growth prospects in the defence sector, we were also able to appoint a highly experienced expert to our Board of Directors in the 2025 fiscal year with the election of Frank Leidenberger, retired Lieutenant General.

A major step in showcasing our expertise to companies in other industries was EDAG's successful appearance at the 2025 Hannover Fair. The event gave EDAG its opportunity to present its comprehensive portfolio of services related to the Industrial Metaverse to an international audience for the first time. The Industrial Metaverse enables end-to-end digitalization of products, production plants and facilities, and their integration with AI-powered use cases with data from real production environments. Feedback has been very positive, indicating that our expertise is being met with great interest also outside the automotive industry, prompting us to showcase it further at our own international innovation summits in 2026.

Our employees are the foundation on which EDAG builds innovation and sustainable value creation. Thanks to their dedication, our global team will continue to strengthen our position as a leading development partner, even in a challenging environment.

In light of escalating geopolitical risks and ongoing uncertainties, 2026 will remain a challenging year. This will make the consistent implementation of our strategic agenda even more important in order to return the EDAG Group to a path of sustainable growth with solid performance.

We would like to conclude by thanking all our employees for their dedication, our customers for their trust, and our shareholders for their continued support.

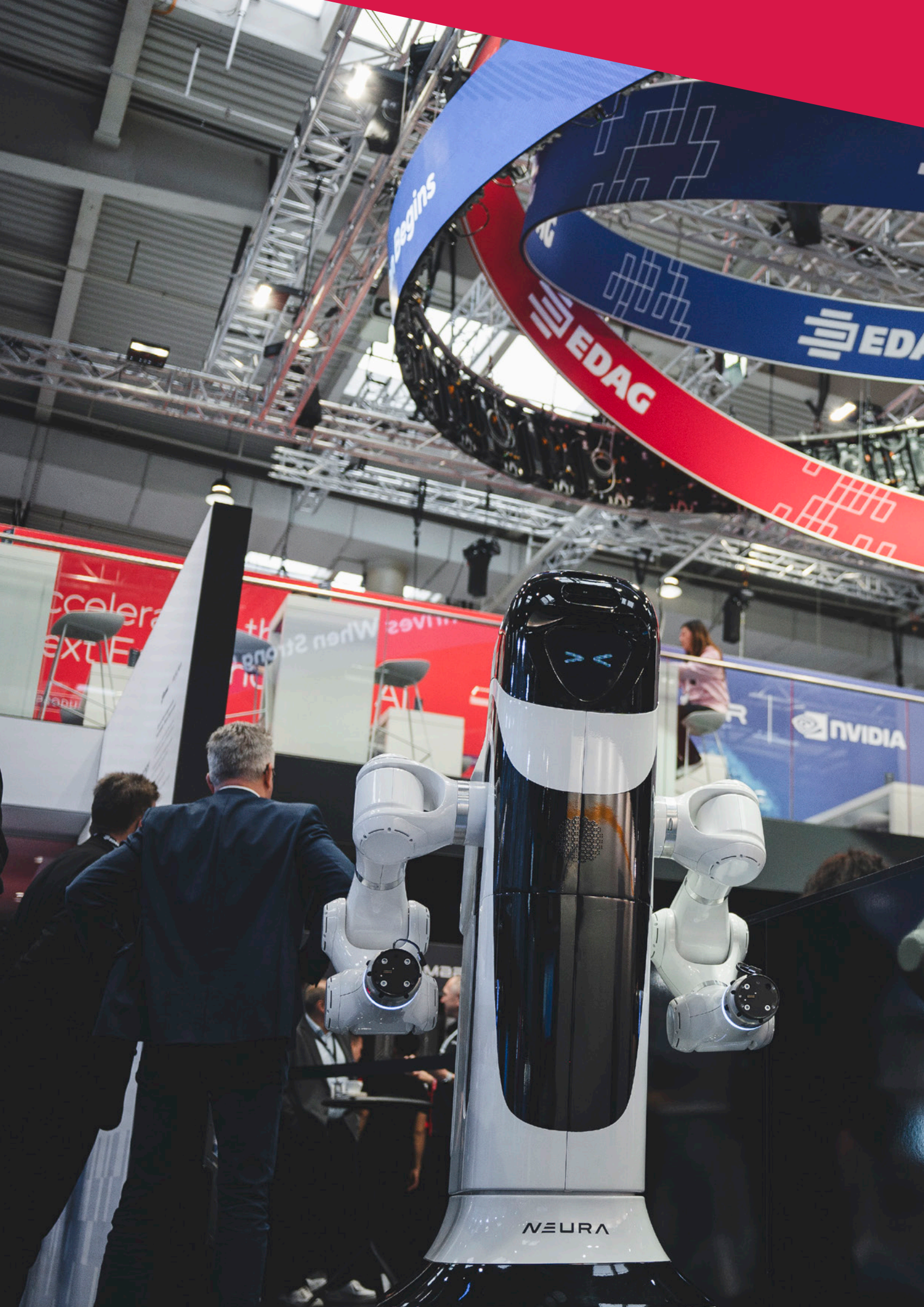
With best regards





Georg Denoke
Chairman of the Board of Directors

Harald Keller
CEO


EDAG
NVIDIA
NEURA

# HIGHLIGHTS IN 2025






## January

In 2025, the EDAG Group again received an award for its outstanding human resources management.

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The EDAG Group announces an extensive diversification of its portfolio to consolidate its market position and meet the dynamic requirements of a range of different industries.

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In 2025, EDAG Group continues to support HOLON in developing and constructing prototypes.

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## February

At the DVN Munich Workshop, the EDAG Group presents its global portfolio in the field of Lighting & Display Systems and showcases its newly opened Light Lab and EDLight for AI-based lighting function testing for the complete validation of modern lighting systems.




## March

At the Hannover Messe, the leading industrial trade fair, the EDAG Group showcases innovative technologies and future-oriented solutions in the fields of automation, energy, digitalization, and Industry 4.0.

---

EDAG Spain joins the SELAB project to promote energy efficiency measures in the industrial sector. The project, which is co-funded by the EU, aims to develop an innovative solution that will enable the reuse of electric vehicle batteries, giving them a second life in the management of energy storage systems.



## April

Thomas Klingner takes charge of the Vehicle Engineering segment.

---

The EDAG Group wins the prestigious Factory Innovation Award 2025 for its collaboration platform for the Industrial Metaverse.

---

SAP SE and EDAG Engineering GmbH announce a strategic partnership aimed at developing and implementing innovative solutions for supply chain management (SCM).

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EDAG China is honored for efficient cooperation at the 4th Supplier Conference of Volkswagen Anhui and Volkswagen China Technology Company (VCTC) in Hefei.

---

The Stuhr site builds an internationally unique hydrogen testing and filling facility under global patent protection, which achieves 80 percent capacity utilization in commercial vehicle projects for German OEMs in its first year of operation. The investment highlights both the high market demand and the technological leadership of the EDAG Group.

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## May

Dr. Gabriel Seiberth takes charge of the "Electrics/Electronics" segment.

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EDAG wins the NVIDIA Industry Innovation Award. The award honors the innovative platform, which enables customers to create advanced industrial metaverse applications and digital twins.

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The EDAG Group participates in the VI-GRADE Summit in Udine, Italy, and gains insights into the future of virtual vehicle development, driving dynamics, and sustainable mobility.

EDAG Türkiye celebrates its fifth anniversary as an R&D and engineering location for automotive development in Kocaeli. Since 2020, the team and technical expertise are being expanded strategically, and contributions to international projects – particularly in Europe – have increased significantly.

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The EDAG Group presents itself at FEINDEF in Madrid, Spain, one of Europe's leading international trade fairs for defense and security.

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In collaboration with Vossloh, the EDAG Group automates a manual assembly process – from concept development and construction of the grinding stone assembly system to successful commissioning on site.




## June

EDAG Group supports AIR in the development and production of the eVTOL AIR ONE, a versatile aircraft available as both an unmanned cargo model and a pilot-controlled model.

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EDAG Engineering Polska Sp.z.o.o. celebrates its 35th anniversary. Today, around 300 employees at four Polish locations can look back on a proud development over the last decades.

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The first international Smart Industry Summit takes place in New Delhi. At the event, numerous national and international guests from industry, research, and technology gain in-depth information about the digital transformation of industry.

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The EDAG Group takes part in the World Mobility Conference in Barcelona, an internationally renowned platform for the exchange of forward-looking mobility solutions and technological innovations in the automotive industry.



## July

EDAG Group becomes strategic development partner of Volvo Cars. With a local presence in the manufacturer's key regions, the company combines local automotive expertise with international engineering know-how.

The E/E division successfully completes the demanding ISO 26262 certification and renews its existing ISO/SAE 21434 certification. The dual certification underscores the company's comprehensive expertise in functional safety and cybersecurity.

## August

Our cross-border collaboration with Germany, Poland, Austria, and Switzerland on the development of a new e-truck series strengthens our position as a reliable development partner. The "Special-Purpose Vehicle Development" business segment continues to expand, opening up additional potential for related divisions.




## September

Over 400 visitors attend the third Smart Industry Summit Europe in Fulda. Under the motto "Building the Smarter Future," they learn about the EDAG Group's industrial topics at the trade exhibition, during keynotes and panel discussions, and in informal exchanges.

At RÜ.NET, an important exchange platform for the German Armed Forces, the Federal Ministry of Defense, research, and industry, the EDAG Group showcases its expertise in modern defense technology.

The EDAG Group presents itself at the IAA 2025 as a competent and reliable engineering service provider for the mobility industry.



## October

By relocating and merging several regional offices into a new, consolidated location in Böblingen, the company strengthens interdisciplinary collaboration and reinforces the region's role as a hub for innovation.

EDAG Engineering GmbH signs a partnership agreement with the State Command of Hesse. EDAG goes beyond its legal obligations in this regard – for example, by granting leave to employees who serve as reservists.

Double award winner: The EDAG Group receives the Platinum Award in the IOT Software category from Big Data Insider and, together with its partners in the EU project RECREATE, wins first place in the AVK Innovation Award 2025.



## November

At the Indo-German Chamber of Commerce (IGCC) Couch Talk in Delhi, the EDAG Group presents insights into the digital future of manufacturing – from smart factories and the industrial metaverse to sustainable, cross-border cooperation between Germany and India.

The EDAG Group presents its engineering expertise in medical technology development for the first time at MEDICA, the international medical technology and healthcare trade fair.

The EDAG Zero Prototype Lab hosts the 11th Symposium on Vehicle Simulation. Industry leaders, researchers, and technological innovators gather here to discuss advances in virtual vehicle simulation, driving dynamics, ADAS and sensor technologies, and autonomous driving systems, and to learn about the EDAG Group's expertise in numerous presentations.



## December

The EDAG Group is represented at the Global Airports Forum in Riyadh, where it showcases innovative industrial solutions for airport and aviation technologies in the German Pavilion.

Working closely together, the 3S team in Hungary and Engineering Smart Factory (Germany) develop a software-based process for the fully automated generation of 2D drawings from 3D data, supported by Digital Manufacturing Solutions (India). The solution significantly reduces throughput times, minimizes errors, and creates measurable cost advantages.





# A STRATEGY TO BUILD ON

## OPERATING EFFECTIVELY IN A CHANGING ENVIRONMENT

For the EDAG Group, 2025 was a year of implementation. Following last year's strategic readjustment, this year's focus was on operational follow-through – in a market environment characterized by economic caution, geopolitical uncertainty, and structural changes, particularly in the automotive industry.



*"The year 2025 has made it clear that future viability must be shaped actively. "*

*-Harald Keller, CEO*

"The year 2025 has made it clear that future viability must be shaped actively," explains Harald Keller, CEO of the EDAG Group. "Future viability requires continuous effort and is achieved by setting clear priorities, maintaining operational discipline, and embracing change as an opportunity." It was precisely this commitment that defined the past fiscal year.

## Four Solutions -Sharpened Profile

The restructuring process initiated last year was consistently continued in 2025. The EDAG Group now operates in the market with four clearly defined business units: Mobility, Defense, Industry, and Public.

This structure provides clarity in the service portfolio and promotes strategic cultivation of the market. To further strengthen technological expertise and operational management, Thomas Klingner (Vehicle Engineering) and Dr. Gabriel Seiberth (Electrics/Electronics) have been appointed as the new segment heads. Following Rainer Wittich's retirement, Dirk Keller will now take sole responsibility for continuing the previous years' successful work in the Production Solutions segment.

Meanwhile, the company's organizational structure was streamlined, decision-making processes were shortened, and a group-wide cost-cutting and efficiency program was implemented. The goal was to ensure long-term cost sustainability and capacity to compete, and to equip the organization to thrive in a challenging market environment.

Holger Merz, CFO of the EDAG Group, emphasizes: "Our strategic measures are working. They provide the basis for successful operations even in a declining market environment, while also allowing us to make strategic investments in future-oriented fields."

## Mobility: Expertise in a Tough Market

The mobility sector remained under significant pressure in 2025. Transition costs, reluctance to invest, and structural changes led to project delays and increased competition. EDAG adjusted its capacity and reprioritized its resources as well.

At the same time, the advantages of the integrated approach became clear: EDAG combines engineering expertise, electrical and electronic expertise, software integration, and production solutions into a comprehensive range of services.

The testing and simulation centers opened last year – including the EMC Competence Center in Fulda, and the Zero Prototype Lab and Lighting Lab in Wolfsburg – have become key technological platforms in 2025. They consolidate system expertise in areas critical to safety and functionality, enhance validation depth, and enable end-to-end verification of complex mechatronic systems.

This paves the way for shorter development cycles, greater robustness and reliable certification processes – both in the automotive industry and in safety-critical applications for defense customers.

## Defense: Responsibility, Technological Sovereignty, and New Partnerships

By strengthening its capabilities in the defense sector in terms of capacity and organization, the EDAG Group is responding to the realities of security policy. The increased significance of technological sovereignty and industrial resilience calls for partners who are equally adept at navigating regulatory requirements, ensuring project stability, and delivering technological excellence.

To this end, EDAG sees itself not as a short-term market player, but as an engineering partner with a long-term perspective. Decades of system and integration expertise, along with established customer relationships, form the foundation for projects with high demands in terms of know-how, security, and reliability.

"Defense is not just a convenient business opportunity for us," emphasizes CEO Harald Keller. "It's about taking on responsibility and applying our engineering expertise where technological performance and social stability are closely intertwined."

The division has been organizationally strengthened, its sales operations strategically expanded, and it has been closely integrated with existing areas of expertise.




The collaboration with AIR on innovative air mobility concepts is an example of this strategic expansion. Applications such as eVTOL systems are currently giving rise to a new industrial ecosystem that sets the highest standards for safety, system integration, and regulatory compliance. EDAG supports this development as an engineering partner – from system development through simulation and validation to industrial implementation. Working together with AIR, EDAG is shaping this emerging market and growing in partnership with the technological and organizational demands of this new ecosystem. Thus, diversification does not arise as a break from the core business, but rather as a logical extension of existing expertise.





## Industry and the Public: Diversity as a Stabilizing Factor

In 2025, EDAG also continued to expand into the industrial segment, building on the efforts initiated the previous year. Medical technology, renewable energy, rail transport, and semiconductors remained the focus of the company's diversification strategy. Sales activities were systematically intensified, and projects were carried out across various industries.

With the latest Industry Summits in Fulda, India, and the US, and its successful appearance at the Hannover Messe, the EDAG Group continued its cross-industry dialogue in 2025 and further established itself as a platform for knowledge transfer and industrial networking. The focus was on an industry that is both more efficient and smarter. Today, digital twins, AI-powered workflows, and connected systems are already shaping the way we develop, test, and launch products.

Public Solutions completes the portfolio with services for municipal IT, smart city concepts, and digital administrative structures, also focusing on integrating technological solutions into complex organizational environments.

## Global Presence, Operational Consolidation, and Digital Transformation

The EDAG Group continued to expand its operations in India last year. Its locations in India are becoming increasingly important for the entire EDAG Group, both for engineering as a Global Delivery Center and for working on their own projects in the automotive industry and new sectors.

In Germany, the focus was on location consolidation, the consolidation of activities at the Böblingen site, among others. The goal was to concentrate expertise, leverage synergies, and consistently utilize efficiency potential.

At the same time, EDAG invested in the digitization of internal processes. Using AI-based applications and the company's proprietary tool DARE (**D**ynamic **A**I-Driven **R**evolution in **E**ngineering), workflows were made more efficient and knowledge made more systematically available. Technological excellence begins with in-house structures.

## Stability Through Consistency

2025 was a year characterized by realities and clear decisions. Declining markets required structural adjustments and disciplined responses. The EDAG Group met these challenges with strategic focus, operational efficiency, and targeted diversification.

Mobility remains the core of the business, complemented systematically by Defense, Industry, and Public. This diversity creates resilience – not as an end in itself, but as an expression of corporate responsibility.

"In 2025, we proved that we retain our ability to act – even as the environment becomes more challenging," summarizes CFO Merz. "Stability cannot be achieved by waiting, but through consistent action."

EDAG will carry this attitude into the coming years: proactive in the face of global developments, clear in its strategic positioning, and disciplined in its execution. Transformation is not a finite process. But the structures are in place – and they form the basis for sustainable stability and future growth.





# EDAG ON THE CAPITAL MARKET


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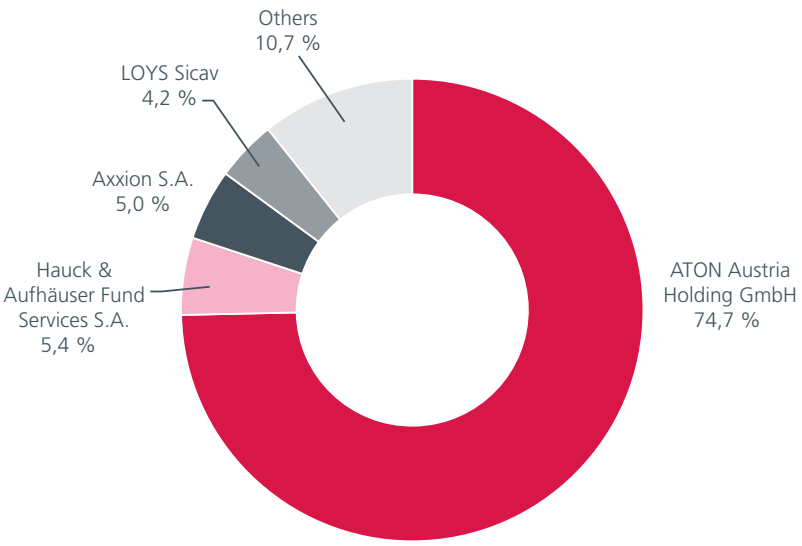
# EDAG ON THE CAPITAL MARKET

## 1 Basic Share Information

| | |
|---|---|
| ISIN | CH0303692047 |
| WKN | A143NB |
| Ticker symbol | ED4 |
| Share capital | CHF 1,000,000 |
| Number of shares | 25,000,000 |
| Market segment | Prime Standard |
| Stock exchanges | Xetra, Frankfurt, Munich, Düsseldorf, Berlin, Stuttgart |

## 2 Shareholder Structure

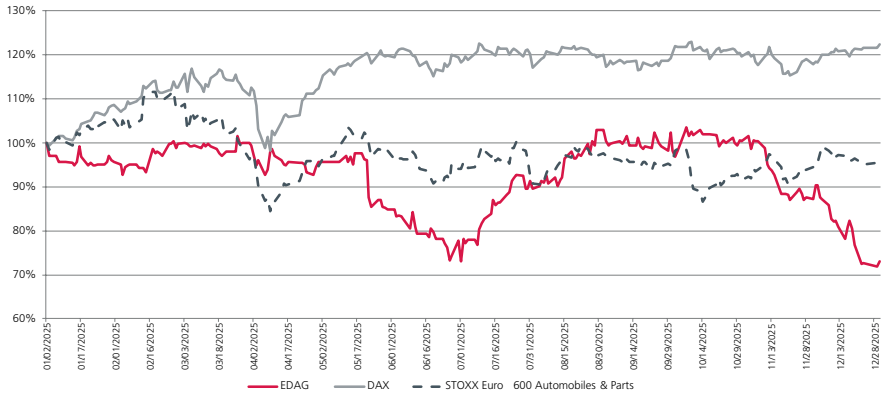
The largest individual shareholder of EDAG Engineering Group AG is ATON Austria Holding GmbH, which holds 74.66 percent. Further shareholders with holdings of more than 3 percent are Hauck & Aufhäuser Fund Services S.A. with 5.4 percent, Axxion S.A. with 4.98 percent and LOYS Sicav with 4.24 percent. This information is based on voting rights notifications as per §§ 33 et seq. of the WpHG (German Securities Trading Law), received by the company on or before December 31, 2025 and the on registered voting rights of ATON Austria Holding GmbH for the Annual General Meeting 2025.



# 3 Price Development

On January 2, 2025, the opening price of the EDAG share in XETRA trading was €6.92. Following a sideways trend in the first few months, the share fell and reached a closing price of €5.04 on July 1, 2025. The share price subsequently recovered, rising to its highest closing rate in the reporting period, namely €7.14, on October 7. The share price then fell again in November and December, reaching its lowest closing price of €4.96 in the reporting period on the penultimate trading day, December 29. The trading year ended on December 30 with a closing price of €5.04. In 2025, the average Xetra trade volume was 6,396 shares a day.

The German Stock Index (DAX) increased by some 23 percent in the course of the year, while STOXX Euro 600 Automobiles & Parts lost some 5 percent in the same period. The current EDAG share price is available on our homepage, at https://ir.edag.com/en/informationen-zur-aktie#aktienkurs.




Source: Comdirect

# 4 Key Share Data

| | 1/1/2025 – 12/31/2025 |
|---|---|
| **Prices and trading volume**[1] | |
| Share price on December 30 (€) | 5.04 |
| Highest closing price (€) | 7.14 |
| Lowest closing price (€) | 4.96 |
| Average daily trading volume (number of shares) | 6,396 |
| **Success per share** | |
| Earnings per share (€) | -1.74 |
| Dividend per share (€)[2] | - |
| Operating cash flow per share (€) | 0.18 |
| Price-earnings ratio | -2.89 |
| Market capitalization on December 30 (€ million) | 126.0 |

[1] In Xetra trading

[2] Proposed by the Board of Directors

# 5 Analyst Recommendations

The following summary contains recommendations and target prices of financial analysts who regularly review EDAG.

| Bank | Analyst | Recommendation | Target price | Published | Source |
|---|---|---|---|---|---|
| Deutsche Bank | Olivia Pulvermacher | Retain | €5.00 | Mar. 12, 2026 | Research report |
| mwb research | Leon Mühlenbruch | Buy | €6.50 | Mar. 3, 2026 | Initial Report |
| M. M. Warburg & CO 1798 | Marc-René Tonn | Retain | €7.00 | Nov. 7, 2025 | Research report |
| Berenberg Privatbankiers seit 1590 | Yasmin Steilen | Retain | €9.00 | Nov. 7, 2025 | Research report |

The summary makes no claim to being complete, nor does it represent the opinions, estimates and forecasts of EDAG or its management. Likewise, the publishing of these recommendations and target prices does not indicate that EDAG or its management share the opinions, estimates and forecasts of the analysts. A current summary of the analysts' recommendations and target prices is available on our homepage, at https://ir.edag.com/en/kennzahlen-und-analysen#analystenempfehlungen.

# 6 Dividends

The Board of Directors will propose to the Annual General Meeting that no dividend should be paid in the 2026 financial year.

# 7 Financial Calendar

| | |
|---|---|
| Mar. 26, 2026 | – Publication of Annual Report for 2025<br>– Analysts' call on 2025 financial year<br>– Press conference on financial statements |
| May 7, 2026 | – Publication of Interim Report for Q1/2026<br>– Analysts' call on Q1/2026 |
| Aug. 26, 2026 | – Publication of Half-Yearly Financial Report 2026<br>– Analysts' call on 1st half of 2026 |
| Nov. 5, 2026 | – Publication of Interim Report for Q3/2026<br>– Analysts' call on Q3/2026 |





# CORPORATE GOVERNANCE REPORT


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# CORPORATE GOVERNANCE REPORT

EDAG regards Corporate Governance as crucial in order to be able to perform successfully in international business and to promote the company's long-term and sustainable profitability.

**Corporate Governance Objectives**

Neither the Swiss Code of Best Practice for Corporate Governance (Swiss Code) nor the German Corporate Governance Codex are directly applicable to EDAG Engineering Group AG. Nonetheless, EDAG Group AG decided to essentially comply with the Swiss Code, unless actual circumstances require a deviation from it.

The principles and objectives of Corporate Governance are stated in the Swiss Code of Obligations, the Articles of Association of the EDAG Engineering Group AG, Organizational Group Regulations, and the complete EDAG Group (hereinafter referred to as EDAG or EDAG Group) Code of Conduct. Articles of Association, Organizational Group Regulations, and the EDAG Group Code of Conduct are regularly reviewed and revised accordingly.

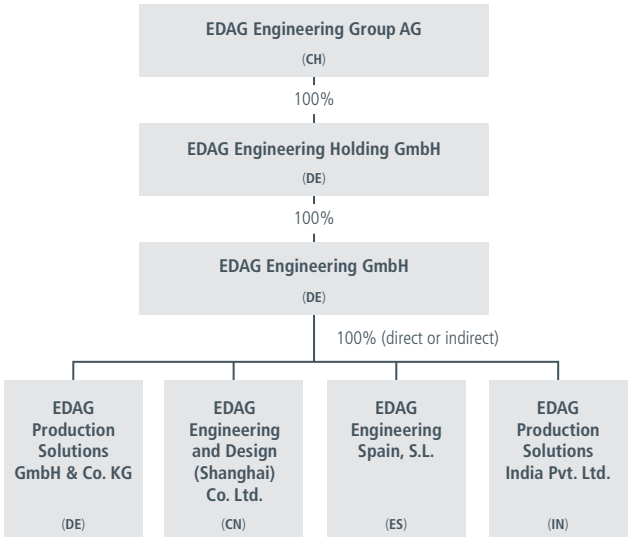
The Articles of Association can be downloaded at https://www.edag.com/fileadmin/Unternehmen/CORPORATE_GOVERNANCE/EDAG-Group-Statuten.PDF, and the Code of Conduct at https://www.edag.com/fileadmin/Unternehmen/Compliance/202407_EDAG_Ethikkodex_online_d_final__1_.pdf.

## 1 Group Structure and Shareholders

The Group is organized into three business segments: Vehicle Engineering, Electrics/Electronics and Production Solutions.

### 1.1 Group Structure

EDAG Group AG is the ultimate parent company of the group. The registered address is Schlossgasse 2 in 9320 Arbon, Switzerland. The company's business operations are conducted through EDAG Group companies. EDAG Group AG is a holding company organized under Swiss law, and directly or indirectly owns all EDAG Group companies worldwide. Along with other companies, the main subsidiaries and the simplified group structure can be shown as follows:




## 1.2 Stocklisted Companies

None of the subsidiaries is is publicly traded. The subsidiaries and affiliated companies are listed in "Shareholdings" in the notes of the Annual Report. The country of origin as defined in § 5 of the German Securities Trading Law (WpHG) is Germany.

## 1.3 Significant Shareholders

The shareholder structure can be seen in the chapter "EDAG on the Capital Market" of this Annual Report.

The shares of ATON Austria Holding GmbH ("ATON") are attributed to their shareholder, Dr. Lutz Helmig.

The notifications of major shareholdings received by EDAG Group AG in the 2025 financial year, each disclosed promptly pursuant to § 40 para. 1 WpHG (German Securities Trading Law), are available at https://ir.edag.com/en/finanznachrichten.

The company does not hold shares in treasury itself.

## 1.4 Cross-Shareholdings

There are no cross-shareholdings.

# 2 Capital Structure

## 2.1 Capital

The share capital of the company on December 31, 2025 amounted to CHF 1,000,000, and was divided into 25,000,000 bearer shares (Inhaberaktien) with a nominal value of CHF 0.04 each. The share capital has been fully paid up. On November 2, 2015, the company was incorporated and was entered into the Commercial Register on November 3, 2015 as a stock corporation under Swiss law. The original share capital of CHF 1,000,000 CHF was procured by the selling shareholder via cash contribution. At the annual shareholders' meeting held on June 25, 2025, a resolution not to change the share capital was passed.

## 2.2 Authorized and Conditional Capital and Capital Band

The company has no authorized or conditional capital, nor does the company have a capital band that would authorize the Board of Directors to increase or decrease the share capital within a range defined by the annual shareholders' meeting.

## 2.3 Transferability of Shares

Legal regulations apply without statutory restrictions.

Any exceptions to the above are described under point 6 "Change of Control and Defensive Measures" of this Corporate Governance Report.

## 2.4 Nominee Registrations

Legal regulations apply without statutory restrictions.

## 2.5 Options

No options program exists.

# 3 Board of Directors

## 3.1 Members of the Board of Directors

All members of the Board of Directors may be reached at the company's offices at Schlossgasse 2, 9320 Arbon, Switzerland (Tel. +41 71 544 33 01).

### Georg Denoke, German Citizen

Non-executive member
Born in: 1965
First elected: 2018

Georg Denoke is the President of the Board of Directors of EDAG Engineering Group AG, Arbon. He is the CEO and Managing Director of ATON GmbH, Munich. ATON GmbH, Munich, is the sole shareholder of ATON Austria Holding GmbH. Between 2004 and 2017, Georg Denoke was employed by Linde AG, first serving as a member of the Divisional Management of Linde Gas and Engineering (2004 to 2006), and then for a decade as the group's CFO and Employment Director (2006 to 2016). Prior to this (2001 to 2004), he was CEO of Apollis AG, a venture capital and investment company of General Atlantic LLC and McKinsey & Company. From 1986 until 1990 and from 1993 until 2001, Georg Denoke worked for the Mannesmann Group, among other things as the Head of Group Controlling and Head of the Corporate Communications und Investor Relations division, and also, following acquisition of the company by Vodafone in 2000, as the Divisional Director of Vodafone TeleCommerce and IT, and as a member of the European Board of Vodafone Group Plc. He began his career in 1986, working for Mannesmann Kienzle GmbH, parallel to his first degree course in business administration and business information technology. He holds a degree in Business Administration (Diplom-Betriebswirt) from the Baden-Württemberg Cooperative State University (1989), and one in Information Science (Diplom-Informationswissenschaftler) from the University of Konstanz (1992).

He currently holds the following offices in supervisory boards and other management committees outside of the EDAG Group:
In accordance with Article 23 paragraph 1.1 of the Articles of Association (listed):

- SGL Carbon SE (listed, Wiesbaden, Germany) member of the supervisory board, vice-chairman of the supervisory board

In accordance with Article 23 paragraph 1.2 of the Articles of Association (non-listed):

- Redpath Mining Inc. (North Bay, Canada), member of the board of directors
- Ziehm Imaging GmbH (Nurenberg, Germany), Chairman of the Supervisory Board

## Frank Leidenberger, German Citizen

Non-executive member since June 25, 2025
Born in: 1958
First elected: 2025

Frank Leidenberger, a business administration graduate and retired lieutenant general, looks back on a career spanning more than 40 years in the German Armed Forces. After joining the armed forces in 1977 and studying economics at the University of the German Armed Forces in Munich, he held a variety of management and staff positions in Germany and abroad, including in Bosnia-Herzegovina and Afghanistan. After his promotion to brigadier general in 2008, he served as brigade commander of the Airborne Brigade, including deployments in Afghanistan, and as commander of the EU Battlegroup. He was promoted to lieutenant general in 2015 and severed once more in Afghanistan as Chief of Staff of the ISAF follow-on mission Resolute Support. He then served as commander of the army's basic military organization and the German contingent of the multinational corps, where he was responsible for the conceptual development of the army. From 2018, he took a leave of absence from his duties in the German Armed Forces to serve as managing director of BWI GmbH, the IT service provider for the German Armed Forces. After retiring from the German Armed Forces in 2023, he took over as Chairman of the Management Board at BWI GmbH, a position he resigned from on September 30, 2025. On November 30, 2025, Mr. Leidenberger finally left the BWI GmbH.

He currently holds no offices in supervisory boards and other management committees outside of the EDAG Group:
In accordance with Article 23 paragraph 1.2 of the Articles of Association (non-listed):

- Dynamit Nobel Defence GmbH (Burbach, Germany), member of the supervisory board, vice-chairman of the supervisory board (until September 30, 2025)

## Dr. Philippe Weber, Swiss Citizen

Non-executive member
Born in: 1965
First elected: 2015

Dr. Philippe Weber holds a degree in law and a doctoral degree in law from the University of Zürich and an LL.M. from the European University Institute (EUI) in Fiesole, Italy. He is admitted to the bar (Rechtsanwalt) in Zurich. From 1990 to 1992 he was a research assistant at the University of Zurich, before joining the foreign affairs committees of two chambers of the Swiss parliament as a legal clerk. In 1994, he joined the law firm Niederer, Kraft Frey AG, Zurich, where he became an associate in 1996. In 2002, he was made a partner at Niederer, Kraft Frey AG. From 2009 until March 2021, he was a member of the executive committee of Niederer, Kraft Frey AG, which he chaired (Managing Partner) from 2015 until March 2021.

He currently holds the following offices in supervisory boards and other management committees outside of the EDAG Group:
In accordance with Article 23 paragraph 1.1 of the Articles of Association (listed):

- Medacta Group AG (Castel San Pietro, Switzerland), member of the board of directors and chairman of the compensation committee
- Leonteq AG (Zürich, Switzerland), vice chairman of the board of directors and member of the compensation committee
- PolyPeptide Group AG (Baar (ZG), Switzerland), member of the board of directors and chairman of the compensation committee

In accordance with Article 23 paragraph 1.2 of the Articles of Association (non-listed):

- Banca del Ceresio SA (Lugano, Switzerland), member of the board of directors
- Niederer Kraft Frey AG (Zurich, Switzerland), member of the board of directors
- NorthStar Holding AG (Schindellegi, Switzerland), member of the board of directors
- Leonteq Securities AG (Zurich, Switzerland), vice chairman of the board of directors

In accordance with Article 23 paragraph 1.3 of the Articles of Association (non-listed):

- Newron Suisse SA (Zurich, Switzerland), member of the board of directors

## Sylvia Schorr, German Citizen

Non-executive member
Born in: 1980
First elected: 2015

Sylvia Schorr holds a degree in Business Administration from the Furtwangen University (previously University of Applied Sciences), and was appointed as an auditor in 2010. From 2005 to 2010, she worked at Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft in Eschborn, before joining PHOENIX Pharmahandel GmbH & Co. KG in Mannheim until 2011. From 2011 to 2013, Sylvia Schorr worked at Fresenius Medical Care AG & Co. KGaA in Bad Homburg before joining ATON GmbH, where, after holding managerial positions in Group Accounting and Treasury, she has been working as an investment manager since 2017.

## Clemens Prändl, German Citizen

Non-executive member
Born in: 1964
First elected: 2019

Clemens Prändl has been employed as the Senior Vice President at SAP SE since 2011. He was the Senior Vice President and Global General Manager SAP Analytics until 2016, and Senior Vice President und Head of the Business Analytics Region EMEA Division between 2011 and 2014. From 1999 to 2011 he held various

positions at MicroStrategy Inc., most recently that of Senior Vice President and General Manager Region EMEA. He was Vice President Region EMEA until 2010, Managing Director Central Europe between 2001 and 2005, and Managing Director Germany from 1999 to 2001. From 1996 to 1999, Clemens Prändl worked as Head of the Data Warehouse Division at Oracle and from 1995 to 1996 as Country Manager Central Europe at Planning Services Ltd. In 1992, after graduating from the University of Konstanz with a degree in Information Science, he joined IRI Software as Head of Consulting. Clemens Prändl also holds a degree in industrial engineering (Diplom Wirtschaftsingenieur) from the University of Applied Sciences in Esslingen.

### Manfred Hahl, German Citizen

Non-executive member until June 25, 2025
Born in: 1962
First elected: 2019

Manfred Hahl joined EDAG as a planning engineer after graduating as a mechanical engineer, and, having served as Head of the Planning Department at EDAG from 1992 to 1996, accepted the position of Head of Sales and Project Management at FFT Flexible Fertigungstechnik GmbH & Co. KG, Mücke. He was CEO of FFT GmbH & Co. KGaA from 2001, and a member of the Extended Executive Management of EDAG (Manufacturing Equipment segment) from 2006. In 2008 he was promoted to COO of EDAG, where he remained until the carve-out of the FFT Group from the EDAG (2012). Manfred Hahl held the position of CEO of the FFT Group until 2020, and has since been working as an independent consultant.

He currently holds the following offices in supervisory boards and other management committees outside of the EDAG Group:
In accordance with Article 23 paragraph 1.2 of the Articles of Association (non-listed):

- Autotest Südtirol GmbH (Franzensfeste/Mittewald, Italy), chairman of the board of directors

## 3.2 Cross-Involvements

There are no cross-involvements.

## 3.3 Composition, Election and Duration

The members of the Board of Directors were individually elected at the company's annual shareholders' meeting held on June 25, 2025. The members of the Board of Directors were individually elected at the company's annual shareholders' meeting held on June 19, 2024; this also applies to the office of President of the Board of Directors and to the members of the Nomination and Compensation Committee. Only members of the Board of Directors are eligible for election to these offices.

## 3.4 Internal Organizational Structure

The Board of Directors consists of one president and at least three other members, in accordance with Art. 15 of the Articles of Association. The President has the casting vote pursuant to Art. 18 of the Articles of Association. Any significant business relationships between non-executive members and the company are mentioned in "Related Parties" and "Compensation of the Members of the Board of Directors and the Group Executive Management" in chapter 5.7 "Other Notes". Reference is made here to these chapters of the Consolidated Financial Statements of this Annual Report.

The Board of Directors meets at least six times a year, in accordance with 2.2.1 of the Organizational Group Regulations. The members of the Executive Management or other guests may participate in the meetings of the Board of Directors at the discretion of the President.

### Committees

The members of the Board of Directors constitute the following committees:

- Audit Committee
- Nomination and Compensation Committee

#### Audit Committee (AC)

The AC consists of three members of the Board of Directors. The term of office of the members ends at the next ordinary annual shareholders' meeting. Re-election is possible. The AC meets as often as is deemed necessary, usually before the regular meetings of the Board of Directors. The AC supports the Board of Directors in its function to supervise, namely with respect to completeness of the financial statements, compliance with legal regulations, enabling the auditors and performance of the internal revision and the external auditors.

The AC assesses the expedience of the financial reporting, of the internal control system and the general supervision of business risks. It ensures the continuous communication to external auditors and internal revision concerning the financial situation and general course of business of the EDAG Group.

#### Nomination and Compensation Committee (NCC)

The NCC consists of two members of the Board of Directors. The term of office of the members ends at the next ordinary annual shareholders' meeting. Re-election is possible. The NCC meets as often as is deemed necessary, usually before the regular meetings of the Board of Directors.

The NCC reviews and proposes to the Board of Directors the compensation and benefits policies and programs, reviews the performance criteria relevant to compensation and defines the individual executive compensation and benefits of the members of the Board of Directors and the Executive Committee, subject to approval of the total compensations by the annual shareholders' meeting.

## 3.5 Authority and Responsibility

In accordance with the law and the Articles of Association, the Board of Directors is the ultimate decision-making authority for EDAG Group AG in all matters except those decisions reserved by law or the Articles of Association for the shareholders. The Board of Directors has sole authority particularly for the following, in accordance with and supplementary to article 716a of the Swiss Code of Obligations (non-transferable and inalienable duties of the Board of Directors) and Article 17 of the Articles of Association:

- To ultimately direct the company and issue the necessary directives
- To determine the organization
- To organize the accounting, the internal control system (ICS), the financial control and the financial planning, the approval of the annual budget and the business plans, and to perform a risk assessment
- To appoint and recall the persons entrusted with the management and representation of the company and to grant signatory power
- To ultimately supervise the persons entrusted with the management of the company, in particular with respect to compliance with the law, the Articles of Association, regulations and directives
- To prepare the business report and the annual shareholders' meeting, and to implement the latter's resolutions
- To prepare the compensation report
- To submit an application for a debt restructuring moratorium and inform the judge in the event of over-indebtedness
- To pass resolutions regarding the subsequent payment of capital with respect to non-fully paid-in shares
- To pass resolutions on modifications to capital, provided these are within the competence of the Board of Directors, and the resulting amendments to the Articles of Association
- To examine compliance with legal requirements regarding the appointment, election and professional qualifications of the auditors
- To execute the agreements pursuant to Articles 12, 36 and 70 of the Merger Act
- Performance of other non-transferable and inalienable duties as prescribed by law.

## 3.6 Working Method

The Board of Directors met on the following days in 2025:

January 30, 2025, March 26, 2025, May 7, 2025, June 25, 2025, July 24, 2025, August 11, 2025, August 27, 2025, September 25, 2025, November 5, 2025 and December 9, 2025. The members were either present in person, or took part via Microsoft Teams. Nine meetings personally attended by the members were held in 2025, and one meeting using Microsoft Teams. A strategy meeting was also held on June 26 and 27, 2025.

The AC met on March 25, 2025, May 6, 2025, August 26, 2025, November 4, 2025 and December 10, 2025. Two of the meetings held in 2025 were personally attended by the members, while three were held using Microsoft Teams.

The NCC met on March 26, 2025. This meeting was personally attended by the members. On May 5, 2025 and August 22, 2025 two more meetings were held by phone.

## 3.7 Information and Control Instruments of the Board of Directors relating to Group Management

The Board of Directors ensures that it receives sufficient information from the Group Executive Management to perform its supervisory duties and make decisions that are reserved for the Board of Directors.

The Board of Directors obtains the information required to perform its duties in various ways:

- The CEO and CFO regularly inform all members of the Board of Directors about current developments
- The CEO, CFO and President of the Board of Directors hold informal meetings and teleconferences as required
- The CEO and CFO are invited to attend meetings of the Board of Directors on a regular basis to report on current issues.
- The members of the Board of Directors are entitled to request information from the members of the Group Executive Management or any other senior EDAG Group managers.

### Risk management

The AC regularly informs itself about the group-wide risk management system. For details, please see chapter "Risk Management System and Internal Control System" of the Group Management Report in the Annual Report.

### Internal Control System and Financial Reporting

The AC regularly informs itself about the group-wide internal control system (ICS) and financial reporting. For details, please see chapter "Internal Control System and Risk Management System in Relation to the Group Accounting Process" of the Group Management Report in he Annual Report.

### Compliance management

The AC regularly informs itself about the group-wide compliance management system.

### Internal Revision

The AC regularly informs itself about the results of group-wide internal revision assessments.

# 4 Group Executive Management

## 4.1 Members of the Group Executive Management

The Group Executive Management currently consists of the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO). For any additional activities of the members of the Group Executive Management within the EDAG Group and in other companies, please see chapter "Compensation Report" of the annual report.

### Harald Keller, German Citizen

Chief Executive Officer (CEO)
Born in: 1963

Harald Keller holds a degree in Mechanical Engineering (Diplom-Ingenieur Maschinenbau) from the University of Hannover. He began his career in 1992 at Schimanski Lenktechnik, where he worked in the fields of logistics and profit center management, before joining EDAG, where he held various positions between 1995 and 2007. From 2007 to 2010, he was Managing Director at the Frimo Group, from 2011 to 2013 Managing Director at F.S. Fehrer GmbH and from 2013 to 2016 Managing Director (CEO) at MBtech Group GmbH & Co. KGaA, and at AKKA Germany. From 2017 to 2019, Harald Keller took charge of the "Vehicle Engineering" segment at EDAG. Since January 1, 2019, Harald Keller has been a director of EDAG Engineering GmbH. Since July 1, 2024 he is a member of the Group Executive Management (CEO) of EDAG Engineering Group AG.

### Holger Merz, German Citizen

Chief Financial Officer (CFO)
Born in: 1975

Holger Merz holds a degree in Business Administration (Diplom-Betriebswirt) from the University of Fulda, after which he did a postgraduate course at the University of Koblenz, and gained an MBA at the FOM University for Economy and Management in Frankfurt am Main. He has worked for EDAG since 2000: first as an investment controller, then from 2001 as the Head of the Investments and Balance Sheet Accounting, following which he was Head of Group Accounting & Tax from May 2004 until the end of 2014, and Divisional Manager of Group Accounting & Tax from the beginning of 2015 until the end of 2018. Since January 1, 2019, Holger Merz has been a director of EDAG Engineering GmbH, and a member of the Group Executive Management (CFO) of EDAG Engineering Group AG.

## 4.2 Management Contracts

### Management Contracts with Third Parties

The members of the Group Executive Management do not hold management contracts with third parties. Likewise, EDAG Engineering Group AG does not hold management contracts with third parties.

### Contractual Arrangements with Members of the Group Executive Management

Each member of the Group Executive Management has a contract with EDAG Engineering Group AG in Switzerland and in accordance with Swiss law. As they also fulfill duties as managing directors of EDAG Engineering GmbH at the same time, they hold contracts with this Group company as well. However, care has been taken to ensure that their periods of notice do not exceed 12 months in either of these contracts, and that other mandatory requirements of Swiss law are are fulfilled by the contracts with EDAG Engineering GmbH.

### Compensation, Shareholdings and Loans

Please refer to the "Compensation Report", and the chapters "Related Parties" and "Compensation of the Members of the Board of Directors and the Group Executive Management" in the notes of this Annual Report.

# 5 Shareholders' Participation Rights

Each registered share entitles the shareholder to one vote at the annual shareholders' meeting. Shareholders have the right to receive dividends, and such other rights as are granted by the Swiss Code of Obligations.

In order to exercise their rights, shareholders are required to provide evidence of their shareholdings in the company.

## 5.1 Voting Right Restrictions

At the present time, there are no restrictions on voting rights for the shareholders.

## 5.2 Proxy Voting

Pursuant to the Compensation Ordinance and the Articles of Association, the annual shareholders' meeting elects the independent proxy for a term ending at the conclusion of the next annual shareholders' meeting. Re-election is possible.

At the annual shareholders' meeting held on June 25, 2025, ADROIT Attorneys at-law, Kalchbühlstrasse 4, 8038 Zürich, Switzerland were elected as the independent proxy for the term ending at the conclusion of the next annual shareholders' meeting.

## 5.3 Statutory Quorums

In accordance with Article 13 of the Articles of Association, a quorum of at least two thirds of the represented share votes and the absolute majority of the represented shares par value is mandatory for cases listed in Article 704 paragraph 1 CO and Articles 18 and 54 of the Federal Act on Merger, Demerger, Transformation and Transfer of Assets (Merger Act) or any change to the provisions of this Article 13 of the Articles of Association.

## 5.4 Convocation of the Annual Shareholders' Meeting

The Articles of Association do not contain any rules that differ from the standard terms proposed by law.

## 5.5 Agenda

In accordance with Art. 9 of the Articles of Association, shareholders individually or jointly representing at least 0.5 percent of the share capital or votes of the company may request that the Board of Directors add an item to the agenda or include proposals for items to be discussed in the convocation of the Annual Shareholder Meeting. Such requests must be submitted to the President of the Board of Directors at least 45 days before the date of the annual shareholders' meeting. They must be in writing, and/or specify the item and the proposals. Shareholders may submit a brief explanatory statement with the item to be added to the agenda or the proposals.

# 6 Change of Control and Defensive Measures

There are no clauses on changes of control in agreements with members of the Board of Directors and the Group Executive Management, or with other management executives.

# 7 Information Policy

In accordance with Article 31 of the Articles of Association, the publication instruments of the company are the Swiss Official Gazette of Commerce and the German electronic Federal Gazette or the electronic company register during the period of admission of the shares on the Frankfurt Stock Exchange or any other German stock exchange. The Board of Directors may designate further means of publication. Notifications by the company to the shareholders and other announcements shall be published in the Swiss Official Gazette of Commerce and, for all notices and other announcements during the period of admission of the shares on the Frankfurt Stock Exchange or any other German stock exchange, in the electronic Federal Gazette or company register.

Currently, EDAG regularly informs its shareholders and the financial market about important business developments. This policy is implemented mainly via regular press releases, quarterly reporting and information published on the websites of the EDAG Group (www.edag.com/en and https://ir.edag.com/en). In addition, there are regular discussions with financial analysts and investors at investor conferences, among others.

## 7.1 Financial Calendar

The financial calendar is reported in the chapter "EDAG on the Capital Market" in this Annual Report.

## 7.2 Annual Shareholders' Meeting

The date for the next regular annual shareholders' meeting will be published on the EDAG Group website (www.edag.com/en or https://ir.edag.com/en).

## 7.3 Publications

All information pertaining to press releases or investor updates can be obtained online via https://ir.edag.com/en/finanznachrichten or from the following contact address:

EDAG Engineering Group AG
Schlossgasse 2
9320 Arbon
Switzerland
ir@edag-group.ag
Tel.: +41 71 544 33 -01
Fax: +41 71 544 33 -10

Voting rights announcements, ad hoc releases and directors‘ dealings are distributed Europe-wide via EQS/DGAP and are available at https://ir.edag.com/en/finanznachrichten. It is possible to subscribe to new information via e-mail. To use this service, please fill out the contact form at https://ir.edag.com/en/ir-kontakt-verteiler .

# 8 Auditors

## 8.1 Duration of the Mandate and Term of Office of Lead Auditor

Deloitte AG has held the mandate since the annual shareholders' meeting on May 31, 2017. The auditors were elected for the 2025 fiscal year until the end of the next annual shareholders' meeting.

The principle of rotation applies to the lead auditor, Chris Krämer, who was appointed in 2024. The Audit Committee ensures that the position of lead auditor is changed regularly. The shareholders must confirm the appointment of the auditors on an annual basis at the annual shareholders' meeting.

## 8.2 Auditing Fees

The fee received by Deloitte AG for auditing the consolidated financial statements for 2025 and annual financial statements for 2025 is shown in the notes of this Annual Report.

## 8.3 Additional Fees

All other fees for additional services performed by Deloitte AG are shown in the notes of this Annual Report.

## 8.4 Supervisory and Control Instruments Regarding the Auditors

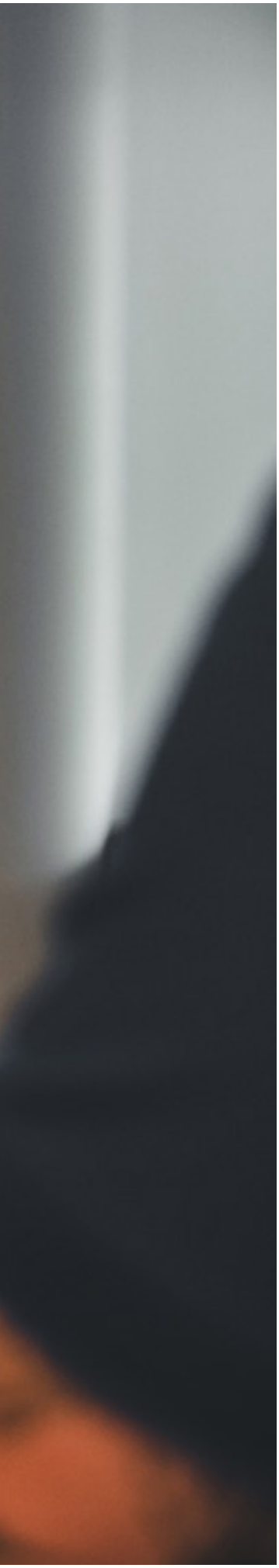
The AC of the Board of Directors is responsible for overseeing and evaluating the performance of the external auditors on behalf of the Board of Directors and recommends the Board of Directors whether Deloitte should be proposed for re-election at the annual shareholders' meeting.

Criteria applied for the performance assessment of Deloitte include technical and operational competence, independent and objective view, employment of sufficient resources, focus on areas of significant risk to the EDAG Group, ability to provide effective and practical recommendations, and open and effective communication and coordination with the AC, Group Accounting, Internal Revision and the management.

In 2025, two meetings were held with the representatives of Deloitte AG, the external auditors. These meetings were attended by members of the AC, partners and Director of Deloitte AG, and the CFO. Telephone calls were also made between the representatives of the auditors Deloitte AG, the members of the AC, and the CFO.

The auditors communicate audit plans and findings to the AC, and issue reports to the Board of Directors and the annual shareholders' meeting in accordance with Article 728b of the Swiss Code of Obligations.





# COMPENSATION REPORT


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# COMPENSATION REPORT

The Compensation Report explains the principles underlying the compensation policy, and provides information about the procedure for establishing compensation and the compensation of the Board of Directors and Group Executive Management. It also contains information on the compensation of the Board of Directors and the Group Executive Management for the financial year 2025, on the functions exercised by the members of the Board of Directors and the Group Executive Board in other companies with a commercial purpose, and on the number of shares in EDAG Engineering Group AG ("EDAG Group AG") held by each member of the Board of Directors and the Group Executive Management. The compensation report follows the laws and regulations in force as of December 31, 2025. It meets the requirements of articles 734 et seq. of the Swiss Code of Obligations (OR), the SIX Swiss Exchange's Directive on Information relating to Corporate Governance, the principles of the Swiss Code of Best Practice of Economiesuisse, and is based on the Articles of Incorporation of EDAG Engineering Group AG (EDAG Group AG).

According to article 734 paragraph 2 of the Swiss Code of Obligations (OR), among other things, the specifications for financial reporting set out in articles 958c, 958d paragraphs 2-4 and 958f of the Swiss Code of Obligations (OR) apply accordingly for the compensation report. According to article 958d No. 3 in conjunction with article 734 paragraph 2 of the Swiss Code of Obligations (OR), if the house currency is not the Swiss franc, values in the compensation report must also be given in the national currency. The following conversion rates were used here:

| | | 2025 | 2024 | |
|---|---|---|---|---|
| Flow variables | EUR into CHF | 0.9371 | 0.9526 | (average exchange rate for the financial year) |
| Stock variables | EUR into CHF | 0.9314 | 0.9412 | (spot exchange rate at the end of the financial year) |

Differences may occur in the amounts given in the compensation report due to rounding.

# 1 Compensation Principles of the Company

In accordance with Article 698 paragraph 3 No. 4 of the Swiss Code of Obligations (OR), Article 12 of the Articles of Association prescribes that each year the shareholders' meeting must vote separately on the proposals by the Board of Directors regarding the aggregate amounts for:

- The **fixed compensation of the Board of Directors** for the period until the next ordinary annual shareholders' meeting and any possible additional reimbursement of the Board of Directors for the financial year just ended, as defined in article 25 paragraph 1 of the Articles of Association (i.e. at the 2025 ordinary annual shareholders' meeting, the shareholders decided on the compensation of the Board of Directors and on the period between the 2025 ordinary annual shareholders' meeting and the 2026 ordinary annual shareholders' meeting, and authorized this up to a maximum amount of €1,100 thousand [CHF 1,031 thousand])
- The **fixed compensation of the Group Executive Management** for the subsequent financial year, as defined in article 26, paragraph 1 of the Articles of Association (i.e. at the 2025 ordinary annual shareholders' meeting, the shareholders decided on the fixed compensation of the Group Executive Management for the 2026 financial year, and authorized this up to a maximum amount of €1,300 thousand [CHF 1,218 thousand]), and
- The **variable compensation of the Group Executive Management**, based on the results and targets achieved in the previous year (in accordance with article 26, paragraph 2 f. of the Articles of Association), which is generally paid once it has been approved (i.e. at the 2025 ordinary annual shareholders' meeting, the shareholders decided on the variable compensation of the Group Executive Management for 2024, and authorized this to the amount of €529 thousand [CHF 496 thousand])

If the annual shareholders' meeting does not approve the amount of the proposed fixed and proposed variable compensation, the Board of Directors may either convene a new extraordinary shareholders' meeting with new proposals for approval or submit the proposals regarding compensation for retrospective approval at the next annual shareholders' meeting. Further, the Board of Directors can submit proposals to the annual shareholders' meeting with regard to (i) the total amounts and/or part of the compensation for other periods and/or (ii) additional amounts for certain elements of the compensation.

The aggregate compensation amounts are deemed to be inclusive of all social insurance and pension contributions by the members of the Board of Directors, the Group Executive Management and by the Company (i.e. contributions by employee and employer).

Article 24 of the Articles of Association of EDAG Group AG covers the contracts governing the compensation for members of the Board of Directors and the

Group Executive Management. Subject to resignations or recalls, the mandate agreements of the members of the Board of Directors contain a time limit ending at the conclusion of the next ordinary annual shareholders' meeting. As a rule, the employment contracts of the members of the Group Executive Management are open-ended. Should a fixed term contract be deemed appropriate by the Board of Directors, a term of no more than one year may be specified. The period of notice for open-ended employment contracts must not exceed 12 months.

With regard to the employment contracts of the Group Executive Management, Article 24 stipulates that the agreement of non-competition clauses for the time following termination of an employment contract is permissible, provided this is justified for business reasons. Article 24 of the Articles of Association also provides that, to counterbalance any such non-competition clause, compensation may be paid in an amount not exceeding the average compensation paid to this member during the last three financial years prior to his or her leaving the company.

Article 28 of the Articles of Association provides that the Company shall not grant loans, credits or securities to the members of the Board of Directors or the Group Executive Management. Further, the company or other Group companies may organize pension benefits other than occupational pensions for the members of the Board of Directors. For each member of the Executive Management concerned, the value of the pension benefits other than occupational benefits must not exceed ten times the fixed annual salary paid in the case of a one-off capital payment, or the fixed annual salary paid in the case of a pension.

Article 28 of the Articles of Association further provides that the Company shall not make any payments to pension funds or similar institutions for the members of the Board of Directors. In exceptional cases, however, such payments may be made upon request of the Nomination and Compensation Committee, subject to the approval by the annual shareholders’ meeting, if the members in question do not have other insurable income from paid employment, or if required by mandatory applicable law.

Article 29 of the Articles of Association of EDAG Group AG provides for a possible additional amount for compensation for new members of the Group Executive Management. Should new members of the Group Executive Management be nominated and take up their position after the annual shareholders' meeting has approved the maximum total compensation for members of the Group Executive Management for the coming financial year, then these new or promoted members may, for the period until the next ordinary annual shareholders' meeting, be paid a total compensation of a maximum of 50 percent of the total payment most recently approved for the Group Executive Management by the annual shareholders' meeting.

A further restriction imposed by Article 29 in this respect states that an additional amount of this type may only be applied if the total compensation for the Group Executive Management decided by the annual shareholders' meeting for the period until the next ordinary annual shareholders' meeting is not sufficient for the new members. The annual shareholders' meeting does not vote on the additional amount applied.

# 2 Compensation of the Board of Directors

Article 25 of the Articles of Association sets out the principles for the compensation of the members of the Board of Directors.

The members of the Board of Directors receive a fixed compensation and additional fixed compensation for memberships in committees of the Board of Directors that is determined by the full Board of Directors at its discretion based on the proposal of the Nomination and Compensation Committee and subject to and within the limits of the aggregate amounts approved by the shareholders' meeting. Compensation is paid in cash. In exceptional cases and subject to and within the limits of the approval by the annual shareholders' meeting, the members of the Board of Directors may be awarded an additional bonus. The annual fixed compensation of the members of the Board of Directors has been set at €300 thousand (CHF 281 thousand) for the President and €100 thousand (CHF 94 thousand) for each other member, plus €50 thousand (CHF 47 thousand) for each committee membership.

At the annual shareholders' meeting in 2025, held on June 25, 2025, Frank Leidenberger was elected as new member of the Board of Directors of the EDAG Group. Manfred Hahl, on the other hand, left the Board of Directors on June 25, 2025.

For the financial year ended December 31, 2025, the fixed compensation of the members of the Board of Directors therefore amounted to €350 thousand (CHF 328 thousand) for the President and €150 thousand (CHF 141 thousand) for each other member of the Board of Directors (plus Swiss social insurance contributions, if applicable). It also includes the compensation for each committee membership during that period. Departing from the above, if members of the Board of Directors were not in office for the entire period of the financial year, the fixed compensation is shown pro rata temporis.

The President of the Board of Directors, Georg Denoke, is also the Chairman of the Supervisory Board of EDAG Engineering Holding GmbH and of EDAG Engineering GmbH. Sylvia Schorr, Manfred Hahl und Clemens Prändl, all members of the Board of Directors, are also members of the Supervisory Board of EDAG Engineering Holding GmbH and of EDAG Engineering GmbH. As such, they each receive a fixed compensation in accordance with the Articles of Association.

The following was set by shareholder resolution for the members of the Supervisory Board of EDAG Engineering Holding GmbH and of EDAG Engineering GmbH:

- The fixed compensation for the members of the Supervisory Board of EDAG Engineering Holding GmbH and of EDAG Engineering GmbH will continue to be €0 thousand (CHF 0 thousand) in each case.

- The additional attendance fee received by the members of the Supervisory Board of EDAG Engineering GmbH amounts to €0.5 thousand (CHF 0.5 thousand) per physical participation. For EDAG Engineering GmbH, this will continue to amount to €1 thousand (CHF 1 thousand) per physical participation.
- Should the Chairman of the Supervisory Board schedule a virtual session instead of a physical session for an ordinary or extraordinary meeting, the attendance fee will, by way of exception, also be paid for virtual participation. Excluded from this arrangement are urgent extraordinary meetings scheduled within three working days.

For the period from January 1, 2025 until December 31, 2025, the total amount of the additional compensation paid to Georg Denoke, Sylvia Schorr, Manfred Hahl and Clemens Prändl for membership in the Supervisory Board of EDAG Engineering GmbH and of EDAG Engineering Holding GmbH amounted to €28 thousand (CHF 26 thousand) (2024: €18 thousand [CHF 18 thousand]).

Based on the above, the total fixed compensation paid to the members of the Board of Directors for their term of office until December 31, 2025 (incl. Swiss social insurance contributions, where applicable) amounted to €982 thousand (CHF 920 thousand). (For further details, see the table "Compensation of Board of Directors"). In accordance with the Articles of Association of EDAG Group AG, the compensation paid to the members of the Board of Directors for their term of office until the ordinary annual shareholders' meeting in 2026 was already approved by the shareholders' meeting in 2025, and the annual shareholders' meeting in 2026 will be asked to approve a maximum aggregate amount of fixed compensation of the members of the Board of Directors for the period from the annual shareholders' meeting in 2026 until the annual shareholders' meeting in 2027.

Members of the Board of Directors providing consulting services to the Company or other group companies in a function other than as members of the Board of Directors may be compensated in cash at standard market rates, subject to approval by the annual shareholder's meeting. The Company may indemnify members of the Board of Directors for any damage or other losses they might incur in connection with any proceedings, disputes and settlements relating to their activity for the EDAG Group, and also make related advance payments and provide insurance cover.

# 3 Compensation of the Group Executive Management

Article 26 of the Articles of Association sets out the principles for the compensation of the members of the Group Executive Management. The compensation of the members of the Group Executive Management consists of a fixed compensation and a variable performance and success-based compensation ("**variable compensation**"), each payable in cash.

The variable compensation is based on the level of achievement of specific pre-defined targets for a one-year performance period. The targets can depend by at least 50 percent (i) on financial performance indicators -i.e. revenues, EBIT, net income -and by up to another 50 percent (ii) on the achievement of special projects, other company-related and/or individual target values, and also on financial key figures. In particular, goals (ESG = environmental, social, governance) for sustainable corporate development can also be taken into account appropriately. At the proposal of the Nomination and Compensation Committee, the Board of Directors is responsible for the selection and weighting of target categories at its discretion.

The level of the variable compensation is determined by the Board of Directors for each member of the Group Executive Management as a percentage of the fixed compensation, and may not exceed an amount equal to 100 percent of such compensation. The targets for each member of the Group Executive Management are determined annually by the Board of Directors, at the request of the Nomination and Compensation Committee, at the beginning of the one-year performance period.

For the twelve-month period ended December 31, 2025, the fixed and variable compensation for services rendered by the members of the Group Executive Management for all entities of the EDAG Group amounts to an aggregate of €925 thousand (CHF 867 thousand) for the fixed part and €333 thousand (CHF 312 thousand) for the variable part.

Of these amounts, €585 thousand (CHF 548 thousand) (fixed) and €183 thousand (CHF 171 thousand) (variable) apply to Harald Keller in his function as CEO of EDAG Group AG, which is the highest total compensation paid to an individual member of the Group Executive Management. In addition, €340 thousand (CHF 319 thousand) (fixed) and €150 thousand (CHF 141 thousand) (variable) apply to Holger Merz in his function as CFO of EDAG Group AG (all amounts including social insurance contributions). The amount of the fixed compensation is determined at the discretion of the Nomination and Compensation Committee.

The total amounts given above cover the compensation for services to EDAG Group AG and to other EDAG Group companies for the period January 1, 2025 to December 31, 2025.

The compensation of the Group Executive Management includes non-cash benefits (including non-cash benefits for company cars). It does not include the aggregated expenses for accident, legal protection and D&O insurance in the amount of €220 thousand (CHF 206 thousand) (2024: €224 thousand [CHF 213 thousand]). Furthermore, EDAG Group AG did not grant the members of the Group Executive Management credits or loans. As of December 31, 2025, the present value of current pension obligations for active members of the Executive Management totaled €63 thousand (CHF 59 thousand) (2024: €62 thousand [CHF 58 thousand]). For members of the Group Executive Management leaving the company in previous years there are no pension obligations as of December 31, 2025. For active members of the Group Executive Management, the current service cost for the pension obligations according to IFRS amounted to €3 thousand (CHF 3 thousand) in 2025 (2024: €3 thousand [CHF 3 thousand]).

No equity related securities or options are allocated, and no additional compensation is awarded for activities in the companies that are directly or indirectly controlled by the Company.

The Company may indemnify members of the Executive Management for any damage or other losses they might incur in connection with any proceedings, disputes and settlements relating to their activity for the EDAG Group, and also make related advance payments and provide insurance cover.

According to Article 12 of the Articles of Association, in 2026 the annual shareholders' meeting will be required to approve (i) the variable compensation of the Group Executive Management for the business year 2025; and (ii) the fixed compensation of the Group Executive Management to be paid for the business year 2027.

# 4 Relationships with Members of the Board of Directors

Dr. Philippe Weber is a member of the Board of Directors and partner of the law firm Niederer Kraft Frey AG, Zurich, which provides certain legal advisory services for the company.

The income realized in conjunction with these relationships with the Board of Directors is shown as "Additional income" in the table "Compensation to the Board of Directors" and in the case of Dr. Philippe Weber in the 2025 financial year cover legal consulting services amounting to €24 thousand (CHF 22 thousand) (2024: €37 thousand [CHF 35 thousand]).

# 5 Functions Exercised by the Members of the Board of Directors in Other Companies with a Commercial Purpose

In accordance with article 626 paragraph 2 No. 1 of the Swiss Code of Obligations (OR), article 23 of the Articles of Association prescribes that the members of the Board of Directors may each perform the following activities in comparable functions at other companies with a commercial purpose, provided that these are not controlled by the company, do not control the company or are not occupational pension institutions that insure employees of the Group:

- A maximum of 10 mandates as a member of the Board of Directors or as a member of other management or administrative bodies of companies that are considered public companies pursuant to article 727 paragraph 1 No. 1 of the Swiss Code of Obligations (OR); and additionally
- A maximum of 15 mandates as a member of the Board of Directors or as a member of other supreme management or administrative bodies of companies within the meaning of article 727 paragraph 1 No. 2 of the Swiss Code of Obligations (OR); and additionally
- A maximum of 20 mandates as a member of the Board of Directors or as a member of other supreme management or administrative bodies of legal entities that do not meet the above criteria; and additionally
- A maximum of 10 mandates in associations, charitable foundations and employee welfare foundations.

Several activities at companies that are under common control or have the same beneficial ownership are considered one mandate for the purposes of the Articles of Association.

In accordance with article 734e of the Swiss Code of Obligations (OR), the members of the Board of Directors exercised the following functions in other companies with a commercial purpose as at December 31, 2025:

**Georg Denoke**
Member of the supervisory board, vice-chairman of the supervisory board of SGL Carbon SE

**Sylvia Schorr**
Managing director of FS V-Bank Holding GmbH
Managing director of M23 Immobilien GmbH
Managing director of ATON MedTech GmbH
Managing director of ATUM GmbH

**Dr. Philippe Weber**
Member of the board of directors and chairman of the compensation committee of Medacta Group AG
Vice chairman of the board of directors and member of the compensation committee of Leonteq AG
Member of the board of directors and chairman of the compensation committee of PolyPeptide Group AG
Member of the board of directors of Banca del Ceresio SA
Member of the board of directors of Niederer Kraft Frey AG
Member of the board of directors of NorthStar Holding AG
Vice chairman of the board of directors of Leonteq Securities AG
Member of the board of directors of Newron Suisse SA

**Clemens Prändl**
Senior vice president of SAP SE

**Frank Leidenberger (since June 25, 2025)**
Managing director of BWI GmbH [until September 30, 2025];
Member of the supervisory board of DND GmbH [until September 30, 2025]

**Manfred Hahl (until June 25, 2025)**
Managing director of Autotest Eisenach GmbH

# 6 Functions Exercised by the Members of the Group Executive Management in Other Companies with a Commercial Purpose

In accordance with article 626 paragraph 2 No. 1 of the Swiss Code of Obligations (OR), Article 23 of the Articles of Association prescribes that the members of the Group Executive Management may each, subject to the approval of the Nomination and Compensation Committee, perform the following activities in comparable functions at other companies with a commercial purpose, provided that these are not controlled by the company, do not control the company or are not occupational pension institutions that insure employees of the Group:

- A maximum of 2 mandates as a member of the Board of Directors or as a member of other management or administrative bodies of companies that are considered public companies pursuant to article 727 paragraph 1 No. 1 of the Swiss Code of Obligations (OR); and additionally
- A maximum of 3 mandates as a member of the Board of Directors or as a member of other supreme management or administrative bodies of companies within the meaning of article 727 paragraph 1 No. 2 of the Swiss Code of Obligations (OR); and additionally
- A maximum of 5 mandates as a member of the Board of Directors or as a member of other supreme management or administrative bodies of legal entities that do not meet the above criteria

Several activities at companies that are under common control or have the same beneficial ownership are considered one mandate for the purposes of the Articles of Association.

The members of the Group Executive Management did not exercise any functions in other companies with a commercial purpose as at December 31, 2025 (article 734e of the Swiss Code of Obligations).

## Compensation paid to the Board of Directors

| in € thousand | Fixed compensation[1] | |
|---|---|---|
| **Members of the Board of Directors as per December 31, 2025** | **2025** | **2024** |
| Georg Denoke | **356** | **355** |
| Chairman of the board of directors of EDAG Engineering Group AG [Chairman of the nomination and compensation committee] | 350 | 350 |
| Supervisory Board membership: EDAG Engineering Holding GmbH | 1 | 1 |
| Supervisory Board membership: EDAG Engineering GmbH | 5 | 4 |
| Sylvia Schorr | **157** | **154** |
| Member of the board of directors of EDAG Engineering Group AG [chairman of the audit committee] | 150 | 150 |
| Supervisory Board membership: EDAG Engineering Holding GmbH | 2 | 1 |
| Supervisory Board membership: EDAG Engineering GmbH | 5 | 3 |
| Dr. Philippe Weber | **150** | **150** |
| Member of the board of directors of EDAG Engineering Group AG [member of the nomination and compensation committee] | 150 | 150 |
| Legal advisory services performed by Niederer Kraft Frey AG | - | - |
| Clemens Prändl | **158** | **155** |
| Member of the board of directors of EDAG Engineering Group AG [member of the audit committee] | 150 | 150 |
| Supervisory Board membership: EDAG Engineering Holding GmbH | 2 | 1 |
| Supervisory Board membership: EDAG Engineering GmbH | 6 | 4 |
| Frank Leidenberger (since June 25, 2025) | **81** | **-** |
| Member of the board of directors of EDAG Engineering Group AG [member of the audit committee] | 81 | - |
| **Subtotal** | **902** | **814** |
| **Members who left the Board of Directors in 2025** | | |
| Manfred Hahl | **70** | **154** |
| Member of the board of directors of EDAG Engineering Group AG (until June 25, 2025) [member of the audit committee] | 63 | 150 |
| Supervisory Board membership: EDAG Engineering Holding GmbH | 2 | 1 |
| Supervisory Board membership: EDAG Engineering GmbH | 5 | 3 |
| **Subtotal** | **70** | **154** |
| **Total** | **972** | **968** |

[1] Attendance fees for Supervisory Board activities are also included in the fixed compensation.

*Table: Compensation paid to the Board of Directors*

| Employer's social security contributions | | Total fixed compensation | | Additional income | | Total compensation | |
|---|---|---|---|---|---|---|---|
| 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| **-** | **-** | **356** | **355** | **-** | **-** | **356** | **355** |
| - | - | 350 | 350 | - | - | 350 | 350 |
| - | - | 1 | 1 | - | - | 1 | 1 |
| - | - | 5 | 4 | - | - | 5 | 4 |
| **-** | **-** | **157** | **154** | **-** | **-** | **157** | **154** |
| - | - | 150 | 150 | - | - | 150 | 150 |
| - | - | 2 | 1 | - | - | 2 | 1 |
| - | - | 5 | 3 | - | - | 5 | 3 |
| **10** | **10** | **160** | **160** | **24** | **37** | **184** | **197** |
| 10 | 10 | 160 | 160 | - | - | 160 | 160 |
| - | - | - | - | 24 | 37 | 24 | 37 |
| **-** | **-** | **158** | **155** | **-** | **-** | **158** | **155** |
| - | - | 150 | 150 | - | - | 150 | 150 |
| - | - | 2 | 1 | - | - | 2 | 1 |
| - | - | 6 | 4 | - | - | 6 | 4 |
| **-** | **-** | **81** | **-** | **-** | **-** | **81** | **-** |
| - | - | 81 | - | - | - | 81 | - |
| **10** | **10** | **912** | **824** | **24** | **37** | **936** | **861** |
| | | | | | | | |
| **-** | **-** | **70** | **154** | **-** | **-** | **70** | **154** |
| - | - | 63 | 150 | - | - | 63 | 150 |
| - | - | 2 | 1 | - | - | 2 | 1 |
| - | - | 5 | 3 | - | - | 5 | 3 |
| **-** | **-** | **70** | **154** | **-** | **-** | **70** | **154** |
| **10** | **10** | **982** | **978** | **24** | **37** | **1,006** | **1,015** |

**Compensation paid to the Group Executive Management**

| in € thousand | Fixed compensation | |
|---|---|---|
| **Members of the Group Executive Management on December 31, 2025** | **2025** | **2024** |
| Harald Keller | **550** | **692** |
| CEO of EDAG Engineering Group AG (from July 1, 2024) | 83 | 63 |
| CEO of EDAG Engineering GmbH (from July 1, 2024) | 467 | 362 |
| COO of EDAG Engineering GmbH (until June 30, 2024) | - | 267 |
| Holger Merz | **300** | **300** |
| CFO of EDAG Engineering Group AG | 45 | 45 |
| CFO of EDAG Engineering GmbH | 255 | 255 |
| **Subtotal** | **850** | **992** |
| **Members of the Group Executive Management who left the company in 2024** | | |
| Cosimo De Carlo (until June 30, 2024) | **-** | **375** |
| EDAG Engineering Group AG | - | 56 |
| EDAG Engineering GmbH | - | 319 |
| **Subtotal** | **-** | **375** |
| **Total** | **850** | **1,367** |

[1] The compensation shown here relates to the compensation for the financial year 2025, which was deferred as of the balance sheet date.
The actual total amount of the variable compensation of the Group Executive Board will be decided separately by the annual shareholder meeting 2026 in accordance with Article 12 of the Articles of Association.

*Table: Compensation paid to the Group Executive Management*

| Employer's social security contributions | | Non-cash benefits -company car | | Total fixed compensation | | Variable compensation[1] | | Total compensation | |
|---|---|---|---|---|---|---|---|---|---|
| 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| **17** | **15** | **18** | **18** | **585** | **725** | **183** | **204** | **768** | **929** |
| 9 | 4 | - | - | 92 | 67 | 27 | 15 | 119 | 82 |
| 8 | 5 | 18 | 9 | 493 | 376 | 156 | 87 | 649 | 463 |
| - | 6 | - | 9 | - | 282 | - | 102 | - | 384 |
| **23** | **20** | **17** | **23** | **340** | **343** | **150** | **150** | **490** | **493** |
| 7 | 6 | - | - | 52 | 51 | 22 | 22 | 74 | 73 |
| 16 | 14 | 17 | 23 | 288 | 292 | 128 | 128 | 416 | 420 |
| **40** | **35** | **35** | **41** | **925** | **1,068** | **333** | **354** | **1,258** | **1,422** |
| | | | | | | | | | |
| **-** | **4** | **-** | **6** | **-** | **385** | **-** | **175** | **-** | **560** |
| - | 4 | - | - | - | 60 | - | 26 | - | 86 |
| - | - | - | 6 | - | 325 | - | 149 | - | 474 |
| **-** | **4** | **-** | **6** | **-** | **385** | **-** | **175** | **-** | **560** |
| **40** | **39** | **35** | **47** | **925** | **1,453** | **333** | **529** | **1,258** | **1,982** |

## Compensation paid to the Board of Directors -CHF

| in CHF thousand | Fixed compensation[1] | |
|---|---|---|
| **Members of the Board of Directors as per December 31, 2025** | **2025** | **2024** |
| Georg Denoke | **334** | **338** |
| Chairman of the board of directors of EDAG Engineering Group AG [Chairman of the nomination and compensation committee] | 328 | 333 |
| Supervisory Board membership: EDAG Engineering Holding GmbH | 1 | 1 |
| Supervisory Board membership: EDAG Engineering GmbH | 5 | 4 |
| Sylvia Schorr | **148** | **147** |
| Member of the board of directors of EDAG Engineering Group AG [chairman of the audit committee] | 141 | 143 |
| Supervisory Board membership: EDAG Engineering Holding GmbH | 2 | 1 |
| Supervisory Board membership: EDAG Engineering GmbH | 5 | 3 |
| Dr. Philippe Weber | **141** | **143** |
| Member of the board of directors of EDAG Engineering Group AG [member of the nomination and compensation committee] | 141 | 143 |
| Legal advisory services performed by Niederer Kraft Frey AG | - | - |
| Clemens Prändl | **149** | **148** |
| Member of the board of directors of EDAG Engineering Group AG [member of the audit committee] | 141 | 143 |
| Supervisory Board membership: EDAG Engineering Holding GmbH | 2 | 1 |
| Supervisory Board membership: EDAG Engineering GmbH | 6 | 4 |
| Frank Leidenberger (since June 25, 2025) | **76** | **-** |
| Member of the board of directors of EDAG Engineering Group AG [member of the audit committee] | 76 | - |
| **Subtotal** | **848** | **776** |
| **Members who left the Board of Directors in 2025** | | |
| Manfred Hahl | **66** | **147** |
| Member of the board of directors of EDAG Engineering Group AG (until June 25, 2025) [member of the audit committee] | 59 | 143 |
| Supervisory Board membership: EDAG Engineering Holding GmbH | 2 | 1 |
| Supervisory Board membership: EDAG Engineering GmbH | 5 | 3 |
| **Subtotal** | **66** | **147** |
| **Total** | **914** | **923** |

[1] Attendance fees for Supervisory Board activities are also included in the fixed compensation.

*Table: Compensation paid to the Board of Directors -CHF*

| Employer's social security contributions | | Total fixed compensation | | Additional income | | Total compensation | |
|---|---|---|---|---|---|---|---|
| 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| **-** | **-** | **334** | **338** | **-** | **-** | **334** | **338** |
| - | - | 328 | 333 | - | - | 328 | 333 |
| - | - | 1 | 1 | - | - | 1 | 1 |
| - | - | 5 | 4 | - | - | 5 | 4 |
| **-** | **-** | **148** | **147** | **-** | **-** | **148** | **147** |
| - | - | 141 | 143 | - | - | 141 | 143 |
| - | - | 2 | 1 | - | - | 2 | 1 |
| - | - | 5 | 3 | - | - | 5 | 3 |
| **9** | **10** | **150** | **153** | **22** | **35** | **172** | **188** |
| 9 | 10 | 150 | 153 | - | - | 150 | 153 |
| - | - | - | - | 22 | 35 | 22 | 35 |
| **-** | **-** | **149** | **148** | **-** | **-** | **149** | **148** |
| - | - | 141 | 143 | - | - | 141 | 143 |
| - | - | 2 | 1 | - | - | 2 | 1 |
| - | - | 6 | 4 | - | - | 6 | 4 |
| **-** | **-** | **76** | **-** | **-** | **-** | **76** | **-** |
| - | - | 76 | - | - | - | 76 | - |
| **9** | **10** | **857** | **786** | **22** | **35** | **879** | **821** |
| | | | | | | | |
| **-** | **-** | **66** | **147** | **-** | **-** | **66** | **147** |
| - | - | 59 | 143 | - | - | 59 | 143 |
| - | - | 2 | 1 | - | - | 2 | 1 |
| - | - | 5 | 3 | - | - | 5 | 3 |
| **-** | **-** | **66** | **147** | **-** | **-** | **66** | **147** |
| **9** | **10** | **923** | **933** | **22** | **35** | **945** | **968** |

**Compensation paid to the Group Executive Management -CHF**

| in CHF thousand | Fixed compensation | |
|---|---|---|
| **Members of the Group Executive Management on December 31, 2025** | **2025** | **2024** |
| Harald Keller | **516** | **659** |
| CEO of EDAG Engineering Group AG (from July 1, 2024) | 78 | 60 |
| CEO of EDAG Engineering GmbH (from July 1, 2024) | 438 | 345 |
| COO of EDAG Engineering GmbH (until June 30, 2024) | - | 254 |
| Holger Merz | **281** | **286** |
| CFO of EDAG Engineering Group AG | 42 | 43 |
| CFO of EDAG Engineering GmbH | 239 | 243 |
| **Subtotal** | **797** | **945** |
| **Members of the Group Executive Management who left the company in 2024** | | |
| Cosimo De Carlo (until June 30, 2024) | **-** | **357** |
| EDAG Engineering Group AG | - | 53 |
| EDAG Engineering GmbH | - | 304 |
| **Subtotal** | **-** | **357** |
| **Total** | **797** | **1,302** |

1 The compensation shown here relates to the compensation for the financial year 2025, which was deferred as of the balance sheet date and in coordination with the NCC. The actual total amount of the variable compensation of the Group Executive Board will be decided separately by the annual shareholder meeting 2026 in accordance with Article 12 of the Articles of Association.

*Table: Compensation paid to the Group Executive Management -CHF*

| Employer's social security contributions | | Non-cash benefits -company car | | Total fixed compensation | | Variable compensation[1] | | Total compensation | |
|---|---|---|---|---|---|---|---|---|---|
| 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| **15** | **15** | **17** | **18** | **548** | **692** | **171** | **194** | **719** | **886** |
| 8 | 4 | - | - | 86 | 64 | 25 | 14 | 111 | 78 |
| 7 | 5 | 17 | 9 | 462 | 359 | 146 | 83 | 608 | 442 |
| - | 6 | - | 9 | - | 269 | - | 97 | - | 366 |
| **22** | **19** | **16** | **22** | **319** | **327** | **141** | **143** | **460** | **470** |
| 7 | 6 | - | - | 49 | 49 | 21 | 21 | 70 | 70 |
| 15 | 13 | 16 | 22 | 270 | 278 | 120 | 122 | 390 | 400 |
| **37** | **34** | **33** | **40** | **867** | **1,019** | **312** | **337** | **1,179** | **1,356** |
| | | | | | | | | | |
| **-** | **4** | **-** | **6** | **-** | **367** | **-** | **167** | **-** | **534** |
| - | 4 | - | - | - | 57 | - | 25 | - | 82 |
| - | - | - | 6 | - | 310 | - | 142 | - | 452 |
| **-** | **4** | **-** | **6** | **-** | **367** | **-** | **167** | **-** | **534** |
| **37** | **38** | **33** | **46** | **867** | **1,386** | **312** | **504** | **1,179** | **1,890** |

## Shares held by Board of Directors and Group Executive Management

At the end of the financial year, the individual members of the Board of Directors and Group Executive Management held the following number of shares in EDAG Group AG.

| Number of shares | 12/31/2025 | 12/31/2024 |
|---|---|---|
| **Board of Directors** | | |
| Georg Denoke | - | - |
| Sylvia Schorr | - | - |
| Dr. Philippe Weber | - | - |
| Manfred Hahl (until June 25, 2025) | - | 13,162 |
| Clemens Prändl | - | - |
| Frank Leidenberger | - | - |
| **Total, Board of Directors** | **-** | **13,162** |
| **Group Executive Management** | | |
| Harald Keller | - | - |
| Holger Merz | 115 | 115 |
| **Total, Group Executive Management** | **115** | **115** |

*Table: Shares Held*

# Report on the Audit of the Compensation Report

Report of the statutory auditor
to the General Meeting of
EDAG Engineering Group AG
Arbon

## Report on the Audit of the Compensation Report in compliance with articles 734a -734f of the Swiss Code of Obligations (OR)

### Audit opinion

We have audited the compensation report of EDAG Engineering Group AG (the company) for the year ended December 31, 2025. The audit was limited to the information according to articles 734a -734f of the Swiss Code of Obligations (OR) contained in the tables on pages 50 to 58 and in the sections "Compensation of the Group Executive Management", "Functions of the members of the Board of Directors in other companies with an economic purpose" and "Functions of the members of the Executive Board in other companies with an economic purpose" on pages 43 to 49 of the compensation report.

In our opinion, the information according to articles 734a -734f of the Swiss Code of Obligations (OR) in the attached compensation report is in conformity with Swiss law and the articles of association.

### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under these provisions and standards are further described in the «Auditor's responsibilities for the audit of the compensation report» section of our report. We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other professional responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables and details explicitly mentioned in the paragraph "Audit opinion", the Combined Management Report, the financial statements, and our auditor's reports thereon.

Our audit opinion on the compensation report does not cover the other information, and we do not express any form of conclusion thereon.

In connection with our audit, it is our responsibility to read the other information and, when doing so, consider whether the other information is materially inconsistent with the audited financial information in the compensation report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, on the basis of the work we have performed, we conclude that there is a material misstatement of this other information, we are obliged to report this fact. We have nothing to report in this regard.

### Board of Directors' responsibility for the compensation report

The Board of Directors is responsible for the preparation of a compensation report in accordance with the provisions of the law and the company's articles of association, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a compensation report that is free from material misstatement, whether as a result of fraud or error. The Board of Directors is also responsible for designing the compensation system and defining individual compensation packages.

### Auditor's responsibilities for the audit of the compensation report

Our objectives are to obtain reasonable assurance as to whether the information according to articles 734a -734f of the Swiss Code of Obligations (OR) contained in the compensation report is free from material misstatement, whether as a result of fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise as a result of fraud or error, and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this compensation report.

As part of our audit in accordance with Swiss law and Swiss Auditing Standards, we exercise due discretion and maintain a critical attitude throughout the audit. We also:

- Identify and assess the risks of material misstatement -arising as a result of fraud or error -in the compensation report, plan and perform audit procedures in response to these risks, and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of failing to detect a material misstatement is greater if it has arisen as a result of fraud than if it has arisen as a result of error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the overriding of internal controls.
- Gain an understanding of the internal control system relevant to the audit, in order to plan audit procedures that are appropriate under the circumstances, though not with the aim of expressing an audit opinion on the effectiveness of the entity's internal control system.

- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates shown in the financial reporting and related disclosures.

We communicate with the Board of Directors or its competent commission on various issues including the planned scope and timing of the audit and significant audit findings, including any significant deficiencies that we identify in the internal control system during our audit.

We also provide the Board of Directors or its competent commission with a statement indicating that we have complied with the relevant ethical requirements regarding the independence of the auditor, and communicate with them about all relationships and other issues which might reasonably be assumed to affect our independence, and – if applicable – about measures to eliminate hazards or protective measures which have been taken.

Deloitte AG



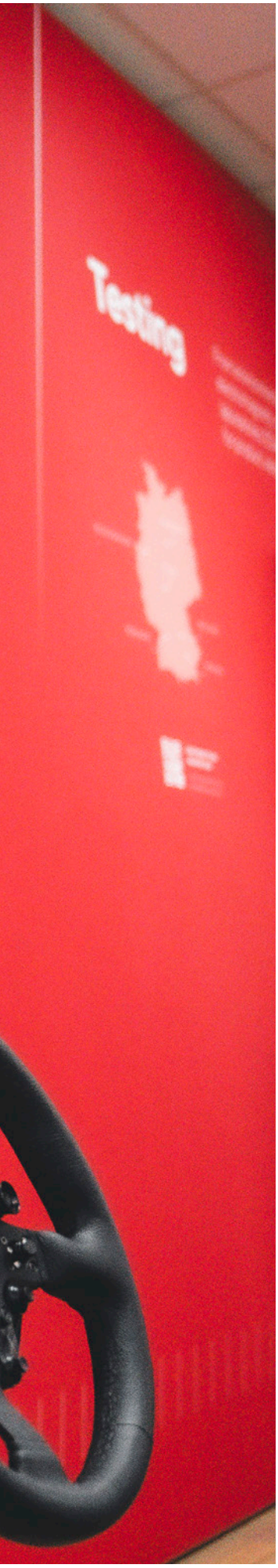
Chris Krämer
Accredited Audit expert
Auditor in charge



Mario Sosic
Accredited Audit expert

Zurich, March 25, 2026


type Lab
EDAG
FANATEC
IPG




# COMBINED MANAGEMENT REPORT


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# COMBINED MANAGEMENT REPORT

Since December 2, 2015, EDAG Engineering Group AG, Arbon ("EDAG Group AG") has been listed for trading on the regulated market of the Frankfurt Stock Exchange with concurrent admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard): According to § 114 of the German Securities Trading Law (WpHG), there is an obligation to prepare a management report for the separate financial statement. According to § 315 paragraph 5 of the German Commercial Code (HGB) in conjunction with § 298 paragraph 2 of the German Commercial Code (HGB), a combined management report will be prepared for the individual and Consolidated Financial Statements. With this management report, the requirements set out in §§ 298 and 315 of the German Commercial Code (HGB) have been met.

The Consolidated Financial Statements of EDAG Group AG and its subsidiaries for December 31, 2025 have been prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), as they are to be applied pursuant to Directive No. 1606/2002 of the European Parliament and Council regarding the application of international accounting standards in the EU. The separate Financial Statements of EDAG Group AG have been prepared in accordance with the Swiss Code of Obligations.

## 1 Basic Information on the Group

### 1.1 Business Model

#### Three Segments

With the parent company, EDAG Engineering Group AG, Arbon (Switzerland), the EDAG Group is one of the largest independent engineering service providers. The entire group of companies will hereinafter be referred to as EDAG Group or EDAG.

Within the framework of its continuous development program, EDAG Group is accelerating the diversification of its portfolio. By taking this step, the company aims to consolidate its market position and meet both the changing needs of customers and the dynamic requirements of a range of different industries. The EDAG Group is focusing its international attention on selected fields of industry in addition to the international mobility industry. This includes an increasing number of customers from the defense sector and, as before, from the energy, semiconductor, chemical, and medical product industries. Due to the growth potential and special requirements in the defense sector, we are currently building up additional resources dedicated to this area. This also includes training, especially for employees who already have significant

skills and experience in the existing specialist areas, particularly in the automotive industry.

As before, the EDAG Group's business is organized into the following segments: Vehicle Engineering, Electrics/Electronics and Production Solutions. We follow the sector-independent principle of production-optimized solutions, ensuring that development results are always tailored to production requirements.

## Presentation of the Vehicle Engineering Segment

The Vehicle Engineering segment (VE) consists of services along the vehicle development process as well as responsibility for modules, derivatives and complete vehicles, from the initial idea through to the finished prototype. The segment is divided into the following divisions:

The **Body Engineering** division offers a wide range of vehicle development services. These include package & ergonomics, body assembly, surface design and interior and exterior development. A further focus is on the development of door, cover and gate systems. In addition, the range of services includes the design and development of glazing and the optical design of vehicle lighting systems including headlamps, rear lamps and small lamps. Innovative technologies and the integration and implementation of lightweight construction concepts play a crucial role in the division

Dimensional management which, by calculating tolerances and using simulation, helps to ensure the reproducibility and geometrical quality of the products, is increasingly gaining importance.

Interface management in the handling of complex module developments is also taking on an increasingly significant role. Systematic process management and close coordination between divisions help to optimize development times and improve product quality.

We regard sustainability and $CO_2$ reduction as our guiding principles.

As an engineering service provider, we already have a major impact on the future carbon footprint of products in the early phases of their design and development. Our team of specialists develops sustainable solutions which take the entire product life cycle into account.

These include:
- Lifecycle assessments (LCA) to assess environmental impact
- Advice on what materials to select, in particular with regard to sustainable and recyclable materials.
- Development of alternative drivetrain technologies and lightweight design solutions
- Strategies for decarbonization in production and supply chains
- Developing and marketing our own software to enable us to provide reliable information on the future $CO_2$ footprint in the early stages of a project

The services offered by the **Vehicle Integration** division range from engineering and simulation to component, system and complete vehicle validation for automobiles, commercial vehicles and motorcycles. We cover the entire spectrum of energy system and powertrain development through to integration with the corresponding energy storage systems (e.g. battery and hydrogen), and also develop intelligent, $CO_2$-saving chassis solutions. Computer-aided engineering (CAE) is used in the functional design of components and systems through to the complete vehicle. To ensure readiness for series production, functionality and durability are validated in our test laboratories. In the new vehicle dynamics simulation center, it is now possible to test prototypes on an entirely virtual basis, so saving resources. Furthermore, our EMC center, which went into operation in 2024, has enabled us to further expand our comprehensive testing capacities. The electromagnetic compatibility (EMC) of components, complete vehicles and products across the various branches of industry is tested and adapted in this center.

Our **Models & Vehicle Solutions** division offers an extensive range of services, from styling to the physical validation of vehicles. We manufacture test vehicles, sub-assemblies, vehicle bodies and special, individual vehicle conversions. We are also one of the leading developers in the series production of high-quality hydrogen storage systems. Progress and the planning of large-scale MEGC (multiple element gas container) storage systems go hand in hand with the increasing demands for safe hydrogen storage solutions. We are continuing the development of our patented filling method to guarantee increased efficiency and safety.

Complete vehicle development and the development of interdisciplinary module packages are managed by the **Project Management** division with the involvement of our international subsidiaries. In this division, we provide support in areas ranging from the definition of the product strategy and concept development to series development and production. Project Management networks and directs all the development departments -internal and external -involved, in this way ensuring continuous design status progress throughout the development.

Just as the conclusion of a business transaction does not mean the end of the customer relationship, start of production (SOP) does not mark the end of the product development process. The **After Sales** division plays a vital role during both the market launch of a product and its life cycle on the market. If after sales requirements are integrated into the product development process at an early stage, overall costs can be reduced and customer satisfaction increased. Our After Sales Quality Management team optimizes development and production processes, ensures that suppliers are qualified, and guarantees the quality of our products. The Technical Editing team draws up legally required documents and literature for all target groups, while our After Sales Digilab maximizes the efficiency of our systems and provides customer-specific solutions.

## Presentation of the Electrics/Electronics Segment

The service portfolio in the Electrics/Electronics segment (E/E) is divided into four divisions which provide comprehensive solutions for all relevant development tasks and the current challenges in electronics development. Systematic innovation management, the use of new agile development processes and rapid customer-oriented development are the basis for a sustainable, high quality cooperation in projects with customers.

Technical Sales in the E/E segment is responsible for the further development of this portfolio. To this end, market trends are identified at an early stage and incorporated into the service portfolio in accordance with customer requirements.

With a constantly evolving organization of excellence in four areas of competence, the structure of the delivery organization of the E/E segment covers all engineering services necessary for a complete system solution. Projects are handled in cooperations across various segments and sites, in global delivery models.

The **Systems Engineering** division develops electrical and electronic systems and functions, through to entire E/E architectures. In this context, the division develops innovative domain or service-oriented E/E architectures on the basis of a fully integrated tool-based E/E architecture development process. Starting with the initial feature list, topology and the vehicle electrical system, through to integration in the corresponding vehicle, EDAG provides support and development services for all development phases through to series production. Both the overall systems and their components, sensors, actuators and controls, are taken into account during the development of electronic systems in all relevant functional groups of the E/E architecture. The core competency centers on the management of the development process throughout the entire development, following either an OEM or EDAG process model. Whereas there is a tendency to perform more specifying activities at the beginning, the focus shifts towards controlling system integration and system validation as the project progresses, concluding with support during the approval phase of the market-ready systems.

The **Integration & Validation** division combines functional E/E validation skills. The key aspects here are the creation of test strategies and test specifications for testing electronic vehicle functions, and carrying out the corresponding tests. These are carried out in virtual test environments, in the laboratory, at a test site, or on the road, in a variety of ways ranging from manual to highly automated. This division also handles the conception and provision of the required testing technology and infrastructure, which involves developing and setting up optimized test facilities in accordance with the relevant test requirements. All E/E aspects relating to prototype and test vehicle construction are also covered by this division.

**E/E Software & Digitalization** develops hardware and software components. EDAG provides support throughout the entire development cycle from the concept phase to series production, and assumes responsibility for all development activities. Development in line with the ASPICE standard in highly automated tool chains and

agile development teams is one of the daily challenges faced in the endeavor to ensure efficient processing with high-quality engineering in the projects. Information technology is another focus of Software & Digitalization. Innovative services are developed here, on behalf of customers. Key aspects involved are the connection of vehicles to the mobility backend, user interfaces and the development of specialized tools for mobility development. The E/E service portfolio also includes agile development processes and distinctive technological expertise in classic software development in the frontend and backend and in special applications in the field of AI and data science.

In its cross-company interdisciplinary function, competence in the field of **Safety & Security** is taking on an increasingly significant role. One of the division's key points of focus is functional safety in line with the ISO 26262 standard. In society's endeavors to minimize risks (Vision Zero), comprehensive security concepts that also cover the infrastructure and monitoring elements, vehicle guidance systems for instance, are being developed. Through legal requirements for the type approval of vehicles (UNECE R 155) and standards such as ISO/SAE 21434, cybersecurity continues to become increasingly important. Here, too, EDAG offers a wide, constantly expanding service portfolio.

Process & Product Data Management (in short: PPDM) provides a key addition to the EDAG service portfolio. Applying its in-depth customer-specific process and systems knowledge, PPDM deals with the project-spanning, cross-divisional management of all process operations, in this way delivering systematic and transparent results which enable the individual milestones in the product development process to be achieved. PPDM services range from classic OEM tasks such as bills of materials and release management, project back office management, version and configuration management, test vehicles and vehicle management, through to homologation, localization and certification management. The fields of consulting & strategy, environmental management and life cycle management round off this wide-ranging field of activity and provide our clients with ideas for a consistent and more efficient design of their operational methods and processes.

## Presentation of the Production Solutions Segment

The Production Solutions (PS) segment is an all-round engineering partner which accepts responsibility for the development and implementation of Smart Factories at nine sites in Germany and at international sites particularly in the USA, India, Hungary and Austria. In addition to handling the individual stages in the product creation process and all factory and production systems-related services, PS is also able to optimally plan and realize complete factories from consulting to general contractor across all sectors, including cross processes. The Industry 4.0 methods and tools serve as the basis for the networked engineering between the product development and plant construction processes.

PS is organized into the following business segments: Automotive Solutions, Industrial Solutions and Smart City Solutions.

The **Automotive Solutions** division offers customers in the automotive industry an extensive portfolio which ranges from planning to virtual commissioning. It has the comprehensive production development competence needed to master all the interfaces between product development, production engineering and plant engineering and construction. In this business field, the focus is on product manufacturing and feasibility, and also on the new technologies within the automotive industry. The new automotive technology innovations encompass everything to do with the battery, eDrive, alternative drive systems and sustainability environments. In the batteries sector, we plan everything from the battery cell to recycling, engineering and implementing the production of electric vehicles and their components in a way that is both sustainable and digitally validated. Another focus of this division is mechatronic engineering in body manufacturing, final assembly and the component. The aim is to utilize standardization and automation to reduce the number of hours in the engineering process for each factory, production line and production cell. Digital factory methods are used in all production lines (digital, virtual and real-life) to guarantee that functional requirements are met and implemented. To meet customers' requirements, the engineering teams develop realistic 3D simulation cells in which the planning, design and technological concepts are implemented and validated, both mechanically and electrically, in line with process requirements. Early involvement during the engineering process makes it possible to systematically improve production processes and ensure an optimized start of production (ramp-up).

In the **Industrial Solutions** division, holistic and independent production solutions are developed, digitally validated and implemented. Starting with analysis and consulting, then the planning and development of production plants through to their realization, support throughout the entire product and production development process is provided for customers in general industry. The key services in this division are the various elements of the smart factory: product design for manufacturability, coordinated technical building equipment and plant layout, individual production solutions, networking through smart logistics, digitalization and networking in production, digital solutions for collaboration, training and innovation and the digital twin in the smart factory. In this way, PS aims to achieve optimum process reliability for its customers, along with a sustainable factory infrastructure, increased productivity, supply chain excellence, complexity control and the effectiveness of networked people, while also improving decision-making reliability and reducing project duration. The portfolio is complemented by Feynsinn, a process consulting and CAx development division. IT-assisted sequences and methods are developed here, as is software for product design, development, production and marketing. Feynsinn also offers consulting, conceptual and realization services in the field of visualization technologies. A range of training opportunities completes the PS industrial solutions portfolio.

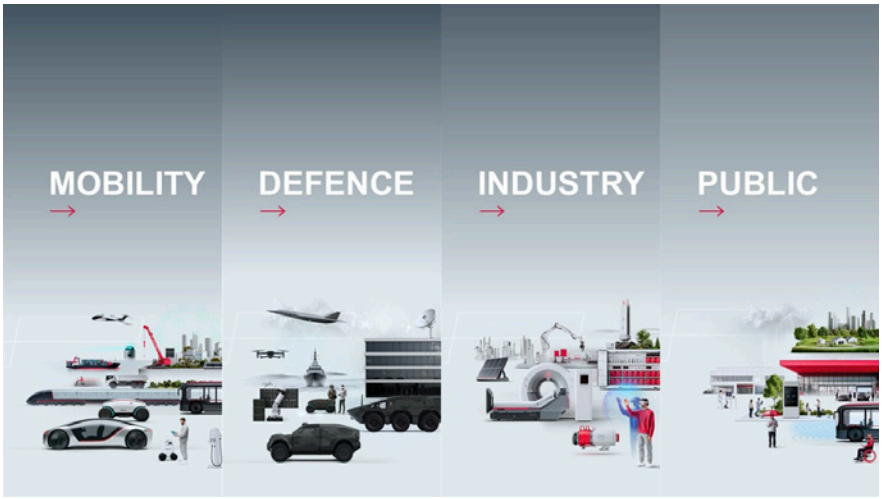
Alongside the core business fields of automotive solutions and industrial solutions, the **Smart City Solutions** division is also being developed to advance digitalization and networking in the public arena. The focus of this division is on intelligent solutions in the fields of smart mobility, smart infrastructure, smart government, smart people and smart health. PS helps cities and municipalities to implement new

mobility solutions and to collect, visualize and intelligently process local information. In addition, PS assists with the digitalization and automation of administrative processes.

## 1.2 Targets and Strategies

In the course of its more than 55-year history, the EDAG Group has undergone continual development. With an interdisciplinary team of some 8,000 employees, the EDAG Group, in its global network spanning approximately 30 international subsidiaries, realizes projects in the fields of mobility solutions, industry solutions and public solutions.

Working across all industries, the EDAG Group develops products and production facilities that take all manufacturing-relevant processes into full account and integrate them into a holistic network. With its own 360-degree development approach, the EDAG Group covers the entire spectrum of modern mobility, combining innovative technologies and future-oriented concepts. Innovative strategies, data integration, and a digital infrastructure form the foundation for development solutions – ranging from highly automated industrial environments and defense applications to sustainable concepts for public sector clients.



### Corporate Purpose

The focus of our activities is always on people and their need for progress. From this, our corporate purpose **"YOUR GLOBAL ENGINEERING & TECHNOLOGY EXPERTS"** is also derived.

This emphasizes our motivation to reinvent ourselves every day and so be in a position to provide our customers, partners and society as a whole with technological solutions that will pave the way for change. The aim is to build on what has already been tried and tested, while at the same time promoting agility, new ideas and further developments. For our employees, "reinvent yourself" creates a balance between stability and change.

### Company Vision and Mission

Our corporate purpose is the basis from which the vision for the EDAG Group is derived:

**"Shaping the future of mobility and industry together. Efficiently. Safely. Sustainable."**

This gives us a clear picture of the future of our company.

EDAG therefore pursues the following goals:
- A talent factory for all employees
- A competence center for new technologies and solutions
- An agile market and future-shaping company
- A source of inspiration and vision based on clear values
- An economically, ecologically and socially sustainable engineering service provider

## 1.3 Internal Management System

A responsible company management that has the aim of achieving a sustainable increase in the company's value calls for the use of a control system. The management of the individual companies is subject to the same principles as the Group, and is based on IFRS standards as applied in the EU.

To this end, EDAG has also drawn up group-internal regulations for the handling of compliance and risk management, and defined financial and non-financial performance figures which display the value system, performance and success of the company. In the following, first the management process is explained, and then the key performance figures of the EDAG Group.

The starting point for controlling the EDAG Group is the annually prepared budget and medium-term planning. This serves to illustrate and safeguard defined targets and long-term strategies from both a technical and an economical point of view. This involves identifying developments on the market and in the segment, i.e. in addition to the firmly contracted orders, anticipated new order volumes are assessed, then these are taken as the basis from which revenue development and earnings

performance targets are derived top-down. Applying the top-down/bottom-up principle, the feasibility of these rough outline plans is first checked bottom-up, and then concretized in the form of partial plans (capacity, personnel, investment and cost planning).

The budget in the first year is planned across individual months, and is binding. Every month, this budget is compared with the actual figures realized, and any deviations are analyzed. If necessary, plans of action are drawn up to safeguard the budgeted targets. While taking the actual values that have already been realized, current estimates for the remainder of the year and any chances and risks reported into account, the projection for the current financial year is adjusted in a forecast. The validity and attainability of the operative targets for the current financial year are therefore at the center of ongoing controlling operations.

To implement the control process at EDAG, the following central key performance figures have been defined on the basis of figures in accordance with IFRS:

- Sales revenues[1]
- (Adjusted) EBIT and (adjusted) EBIT margin[2]

[1] "Revenues" is used in the sense of gross performance (sales revenues and changes in inventories) in the following.

[2] For definition see chapter "[9] Reconciliation of the Adjusted Operating Profit (Adjusted EBIT)" in the notes.

Revenues are the financial reflection of our market success. The adjusted EBIT, i.e. earnings before tax and interest and adjusted for special effects, is indicative of the economic success of our company, and is the Group's central management parameter. The adjusted EBIT margin is calculated from the relationship between the operating profit (adjusted EBIT) and revenues, and helps to compare the performance of the segments, subsidiaries, technical divisions and profit centers.

Alongside the central key performance figures, the following performance indicators are also analyzed:

- Sales pipeline / incoming orders / orders on hand
- Number of employees
- Productivity / capacity utilization
- Age structure of receivables
- Investments

**The sales pipeline, incoming orders and orders on hand** serve as early indicators for changing market requirements and demand patterns, and as indicators for expected sales in the subsequent quarterly periods. They enable us to monitor the extent of our existing orders on the one hand and to manage our sales on the other, with a view to exploiting future market potential as effectively as possible. The **number of employees** is a measured variable for the achievement of growth targets. It is important here to keep a watch not only on the number of new appointments to the technical divisions and subsidiaries, but also on fluctuation. **Productivity** is defined as the quotient obtained when the hours worked on customer projects is divided by the available working hours of our employees. As it highlights utilization peaks and free capacity, it is an important element for managing our technical divisions and group-wide resources. The **age structure of receivables** comprises all outgoing invoices which are still outstanding, i.e.

receivables from our customers. In this area, we pay particular attention to overdue items so as to be able to act promptly and avoid potential defaults on payment. In order to safeguard our innovative strength and competitiveness, it is important to make targeted **investments**. Every month, reports are presented comparing their development with the plans, and adherence to the budget is monitored.

## 1.4 Research and Development

Research and development (R&D) are central components of EDAG's business activities, and shape EDAG's position as one of the largest engineering service providers to the global mobility industry. Through R&D, EDAG aims to develop new technologies, methods and digital solutions for the mobility of the future and to further expand its own expertise continuously. The research activities serve the company's own purposes and support the development projects of automotive and non-automotive customers at the same time.

This involves increasingly decentralized innovation development within the E/E, PS, and VE segments to operate more closely aligned with customer needs, applications, and market trends. The digital transformation, on the other hand, is being managed centrally to ensure group-wide harmonization, efficiency, and strategic management of digital technologies. A special focus in 2025 was on the consistent use of artificial intelligence (AI) for both internal processes and customer solutions.

The intensity of R&D activities is clearly evident in the approximately 40 innovation projects currently underway. As in the previous year, technical experts from a variety of fields were involved in these innovation projects. Our R&D employees drive methodological, technological, and digital developments and collaborate in interdisciplinary and virtual teams. The goal is to use research and development activities to strengthen EDAG's competitiveness and thus lay the groundwork for further technological advancements.

Among other things, the company developed its own Generative Artificial Intelligence (GenAI) platform, "DARE"[3], during the reporting year, to serve as the basis for internal and external AI applications. The platform allows for the safe use of generative AI, consistent data processing, and the development of customer-specific use cases. In addition, the company developed and industrialized AI use cases for automated requirements engineering, software code generation, model-based development, and virtual validation, among others.

[3] DARE = **D**ynamic **A**rtificial Intelligence **R**evolution in **E**ngineering

After the funded development of the EDAG CityBot was successfully completed in 2024, EDAG has continued to drive the concept's further development towards iterative industrialization throughout the reporting year. Subsequently, EDAG, with the CityBot, is part of a consortium being formed at European level for the EU-funded program "HORIZON EUROPE 2025/26 Climate, Energy and Mobility". The goal is to collaborate with leading research and industry partners to develop innovative solutions for sustainable urban mobility and to further scale up the CityBot within a European context.

In the reporting year, research and development expenses amounted to €7,720 thousand (2024: €9,807 thousand). In addition, development costs in the amount of €205 thousand (2024: €0 thousand) were activated.

# 2 Financial Report

## 2.1 Macroeconomic and Industry-Specific Conditions

### Basic Conditions and Overall Economic Development

According to the International Monetary Fund's (IMF) latest outlook on January 19, 2026, the world economy, analogously to the previous year, exhibited 3.3 percent growth in 2025 (2024: 3.3 percent). As can be seen from the regional distribution of sales revenues by continent in the chapter "Segment Reporting and Notes" in the Notes, the development of the markets described below is of particular relevance to EDAG:

**MACROECONOMIC DATA FOR 2025**

Global economic growth:
3.3 percent
Eurozone growth:
1.4 percent
German growth:
0.2 percent

Following the initial estimate, the IMF's economic experts registered an increase in the **German** economy in 2025. Accordingly, the economic performance in Germany increased by 0.2 percent compared to the previous year (2024: 0.5 percent decline). The IMF registered a 1.4 percent increase in economic growth for the **eurozone** last year (2024: increase of 0.9 percent).

According to this estimate, the **US economy** expanded by 2.1 percent in 2025 (2024: 2.8 percent). As in the year before, last year saw an increase of 5.0 percent in **China**, the second largest national economy in the world (2024: 5.0 percent).

Please see 4.2 "Forecast" in the Group Management Report for the forecasts for the year 2026.

### Development of Relevant Industries

According to the VDA [Association of the German Automotive Industry] (as of January 2026), 2025 saw an increase in sales of new vehicles in Germany. At 2.9 million units, this figure was 1.4 percent higher than in the previous year, and so remained at more or less the previous year's level. According to estimates published by the VDA [Association of the German Automotive Industry] on February 10, 2026, global sales of passenger cars (including light vehicles) in 2025 amount to almost 80.8 million vehicles This is equivalent to an increase of 3 percent compared to the previous year.

According to the VDA, the European automobile market (EU + EFTA + Great Britain) recorded a slight increase in 2025. The number of new registrations rose by 2.3 percent from 13.0 million to 13.3 million units. The development of the

five largest individual markets varied widely: whereas the numbers of new vehicles registered in France (-5.0 percent) and Italy (-2.1 percent) were down in 2025, higher numbers of new registrations were recorded in German (+1.4 percent), the United Kingdom (+3.5 percent) and Spain (+12.9 percent). Compared to the European automobile market as a whole, growth in Spain was thus above average.

In Germany, an increase of 49.6 percent in new registrations of electric passenger cars was recorded in 2025. This positive result compared to 2024 can be attributed to the weak performance in the previous year, combined with the continued steady increase in electric vehicle registrations. New BEV registrations increased by 43.2 percent in 20254, while PHEV (plug-in hybrid electric vehicle) registrations increased by 62.3 percent compared to the previous year.

As a result of the increase in the number of electric car registrations (BEV and PHEV), with sales of 856,540 vehicles (previous year: 572.514), the proportion of electric cars in relation to the total number of cars sold rose to 30.0 percent in 2025 (previous year: 20.3 percent). Likewise, the number of hybrid passenger cars rose to 816,111 (28.6 percent) in the reporting year, compared to 755,493 (26.8 percent) in 2024. In contrast, registrations of gasoline-powered passenger cars declined both in terms of absolute sales figures to 777,641 vehicles (previous year: 991,948) and in terms of market share to 27.2 percent (previous year: 35.2 percent). At 395,022 vehicles, the absolute sales figures for diesel-powered passenger cars have likewise fallen compared to the previous year's figure of 483,261 vehicles. The proportion of all diesel-powered cars sold in 2025 was 13.8 percent (previous year: 17.2 percent).

In the USA, the volume on the light vehicle market (passenger cars and light trucks) saw an overall positive development in 2025, increasing by 2.4 percent to 16.2 million vehicles compared to the previous year. The number of new vehicles sold in China in 2025 increased to almost 23.9 million, a market growth of 4.5 approx. percent compared to the previous year. An increase in market volume was also observed in India (+5.0 percent), Brazil (+2.6 percent) and Japan (+3.0 percent) in 2025.

In the latest publication of the ZVEI Economic Barometer dated February 9, 2026, the German Electrical and Digital Manufacturers' Association (ZVEI e. V.) recorded an increase of 6 percent in incoming orders in the German electrical and digital industry for the entire 2025 financial year, compared to the previous year. Orders from Germany increased slightly by 0.8 percent, the increase among foreign customers amounts to 10.2 percent.

## Development of the Engineering Market

The automotive market is still in a period of constant transition, and undergoing major structural changes. Innovation drivers such as autonomous and connected driving, digitalization, eMobility, virtual & augmented reality, sustainability the progressive developments being made in the field of artificial intelligence are having a worldwide impact, and are also affecting the market for engineering services. At the same time, changes in customer requirements and political uncertainties are also having their effect. These trends are continuing to create great momentum, and consequently both opportunities and risks for the engineering service market. In the short term, budget shifts and the reprioritization of investment decisions on the customer side are resulting in a highly volatile market environment. In the medium to long term, an increase in development expenses (primarily in software and electrification) is expected.

According to the VDA, the German automotive industry is driving climate-neutral mobility forward with massive investments. In the years between 2025 and 2029 alone, companies in the German automotive industry are expected to invest some €320 billion in research and development worldwide, particularly in eMobility (including battery technology), autonomous driving and digitalization. To this must be added investments of approx. €220 billion in the construction of new factories, for instance, and the conversion of plants and their equipment.

## Development of the Defense Market

The European defense market is currently undergoing a sustained period of structural growth. Geopolitical developments and binding NATO targets are driving a long-term increase in defense spending. Germany's defense market is emerging as one of the most important and strategically significant in Europe.

At the same time, the demand structure is changing markedly. The focus is shifting from individual platforms to integrated, software-defined, and networked systems. Emphasis is being placed on digital command, information, and reconnaissance systems; cyber capabilities; autonomous platforms; and the modernization and performance enhancement of existing systems. As a result, system complexity is increasing, while innovation and upgrade cycles are shortening.

In the industry, this has led to a disproportionately growing demand for engineering, integration, and industrialization services throughout the entire product lifecycle. Alongside new developments, areas such as modernization, production ramp-ups, production engineering, and long-term lifecycle support are becoming increasingly important.

For EDAG, the defense market represents a strategically attractive growth area. The company’s existing core competencies in systems and vehicle development, software and E/E, virtual development, and production and industrialization excellence can be directly applied to this market. The defense market thus contributes significantly to diversifying the portfolio, increasing resilience, and ensuring the long-term stability of the business model.

# 2.2 Financial Performance, Cash Flows and Financial Position of the EDAG Group

## Financial Performance

### Development of the EDAG Group

**DATA ON THE RESULTS OF THE EDAG GROUP**
Incoming orders:
€688.5 million
Revenues:
€714.0 million
Orders on hand:
€336.2 million
Adjusted EBIT margin:
-1.8 percent

In the reporting year, the EDAG Group generated incoming orders amounting to €688.5 million, which, compared to the previous year (€767.9 million), represents a decrease of €79.4 million. As of December 31, 2025, orders on hand amounted to €336.2 million, compared to €361.4 million as of December 31, 2024. Neither potential call-offs relating to general agreements nor call-offs relating to production orders are included in the orders on hand.

Having fallen to €714.0 million, revenue was €108.0 million or 13.1 percent below the previous year's level (2024: €822.0 million). The decline is primarily caused by lower sales in the mobility segment due to weaker demand in the automotive sector. Despite significant declines in revenue across all segments, an even steeper decline at the Group level could be avoided by taking targeted countermeasures and placing greater emphasis on projects outside the mobility industry. With regard to the overstaffing of some parts of the Group and to sustainably strengthen efficiency and competitiveness, the EDAG Group implemented a comprehensive restructuring program, in addition to other strategic growth initiatives, such as the accelerated expansion of its global delivery structures, particularly in India. The restructuring program included measures to increase productivity and optimize costs, resulting in potential savings.

At €89.1 million, materials and services expenses were 4.6 percent below the level of the previous year (2024: €93.4 million), thus developing at a slower rate than the decline in revenue. At 12.5 percent, the materials and services expenses ratio was above the level of the same period of the previous year (2024: 11.4 percent). At 7.4 percent, the ratio of service expenses in relation to the revenues was below the level of the same period in the previous year (20243: 8.0 percent). At 5.1 percent, on the other hand, the materials expenses ratio was above the previous year's level (2024: 3.3 percent) due to project requirements.

Compared to the same period in the previous year, other income increased by €4.9 million to €26.0 million in the reporting year (2024: €21.1 million). The increase in other operating income is primarily related to restructuring provisions that were established at the end of the previous fiscal year for strategic measures initiated by the EDAG Group in the 2024 fiscal year to drive growth and enhance efficiency and competitiveness. The effect resulting from the adjustment of these provisions during the reporting year amounts to €7.0 million.

Compared to the same period in the previous year, the EDAG Group's personnel expenses decreased by €50.8 million or 9.0 percent to €512.7 million in the reporting period (2024: €563.5 million). This trend is primarily related to the decrease in

the number of employees from 9,071 to 8,656, especially in the German Group companies, and the resulting country-specific employee distribution. At 71.8 percent, the ratio of personnel expenses was slightly above the previous year's level (2024: 68.6 percent).

Depreciation, amortization and impairments totaled €40.5 million (2024: €47.3 million). The 14.3 percent reduction compared to the same period in the previous year is largely due to a reduction of unscheduled depreciation and amortization to €0.6 million (previous year: €4.9 million) in connection with the restructuring measures carried out.

The other expenses decreased by a total of €3.5 million to €137.3 million (2024: €140.8 million). These included further personnel expenses amounting to approx. €34.7 million incurred in connection with the initiated restructuring measures were recognized in other expenses. Excluding the total restructuring expenses incurred during the reporting year (€35.4 million; prior year: €29.6 million), other expenses decreased by €9.4 million. This reduction is attributable to cost-saving measures primarily in the areas of maintenance, administrative, and travel expenses. The ratio of other expenses in relation to revenues was 19.2 percent, and therefore 2.1 percentage points higher than in the previous year (2024: 17.1 percent). Adjusted for the restructuring expenses reported for both fiscal years, the ratio of other expenses in relation to revenues was 14.3 percent in the reporting year, which is slightly higher than in the previous year with 13.5 percent.

Taking the financial performance presented into account, the EBIT decreased by €38.7 million to €-42.1 million compared to the previous year (2024: €-3.4 million). This means that an EBIT margin of -5.9 percent was achieved (previous year: -0.4 percent).

Adjusted for the effect on earnings resulting from the restructuring measures totaling €29.2 million (2024: €34.5 million) and the depreciation, amortization and impairments from the purchase price allocations in the amount of €0.1 million that were recorded in the reporting year and the year before (2024: €0.1 million), the adjusted EBIT figure for the reporting year was €-12.9 million (2024: €31.1 million), which is equivalent to an adjusted EBIT margin of -1.8 percent (2024: 3.8 percent).

The financial result for the reporting year amounted to €-13.3 million (2024: €-14.1 million). The main cause for this change is an impairment of shares in companies valued at equity in the amount of €-1.0 million carried out in the previous year.

In the reporting year, income from income taxes of €11.7 million was recognized (previous year: income of €3.1 million). The increase in tax revenue is primarily related to income from the recognition of deferred taxes (€14.6 million; 2024: €6.6 million), mainly due to additional tax losses carried forward from German group companies that can be utilized in the future.

Overall, with a loss of €43.7 million (2024: loss of €14.4 million), business development of the EDAG Group was unsatisfactory in the reporting year. Both the revenues realized and the EBIT margin represented above are within the range presented in the last forecast in the management report for the third quarter of 2025. Compared to the management report for the 2024 financial year (decrease in revenues of up to around 8 percent, adjusted EBIT margin with a positive result of up to around 3 percent), the forecast was adjusted in inside information pursuant to Article 17 of Regulation (EU) No. 596/2014 and communicated on August 11, 2025 (decrease in revenues of up to around 15 percent, adjusted EBIT margin in range of around -3 percent).

### Development of the Vehicle Engineering Segment

Incoming orders in the reporting year amounted to €399.3 million, which was well below the previous year's level (2024: €423.0 million). At €412.5 million, revenues decreased by 13.0 percent compared to the previous year's level (2024: €473.9 million). All in all, a negative EBIT of €-0.4 million was recorded for the Vehicle Engineering segment in the reporting year (2024: €0.1 million). At -0.1 percent (2024: 0.0 percent), the EBIT margin was at the same level as in the previous year. The adjusted EBIT in the reporting year amounted to €7.9 million (2024: €23.9 million). Compared to the previous year, there was a reduction in the adjusted EBIT margin to 1.9 percent (2024: 5.1 percent). The decline is primarily caused by lower sales in the mobility segment.

**VEHICLE ENGINEERING DATA**

Revenues:
€412.5 million
EBIT: €-0.4 million

### Development of the Electrics/Electronics Segment

Incoming orders decreased by €23.4 million to €201.0 million compared to the previous year (2024: €224.4 million). Revenue decreased by 14.0 percent to €204.9 million compared to the previous year (2024: €238.2 million). The negative EBIT stood at €-13.4 million (2024: €-9.0 million). At -6.6 percent, the negative EBIT margin was below the previous year's level (2024: -3.8 percent), as was the negative adjusted EBIT margin at -0.9 percent (2024: 0.7 percent). The adjusted EBIT in the reporting year was negative and amounted to €-1.8 million (2024: €1.6 million). As with the VE segment, the decline is primarily caused by lower sales in the mobility segment.

**ELECTRICS/ELECTRONICS DATA**

Revenues:
€204.9 million
EBIT: €-13.4 million

### Development of the Production Solutions Segment

In this segment as well, incoming orders decreased by €35.3 million compared to the previous year (2024: €136.1 million), dropping to €100.8 million, which represents a decrease of 26.0 percent. Revenues decreased by 15.7 percent to €111.5 million (2024: €132.2 million). Overall, a negative EBIT of €-28.2 million (2024: €5.5 million) and a negative EBIT margin of -25.3 percent (2024: 4.2 percent) were recorded for the Production Solutions segment in the reporting year. The negative adjusted EBIT amounted to €-19.0 million (2024: €5.5 million). The negative adjusted EBIT margin was -17.0 percent and therefore well below the previous year's level (2024: 4.2 percent). The negative adjusted EBIT primarily includes two one-time effects totaling €16 million. For one, a mobility project had to be written down by €15 million. For the other, a specific valuation allowance had to be made on receivables from a customer unwilling to pay, amounting to approximately €1.0 million.

**PRODUCTION SOLUTIONS DATA**

Revenues:
€111.5 million
EBIT: €-28.2 million

## Cash Flows and Financial Position

**DATA ON THE FINANCIAL POSITION OF THE EDAG GROUP**

Statement of financial position total: €587.2 million
Equity: €88.6 million
Equity ratio: 15.1 percent

At €587.2 million, the EDAG Group's statement of financial position total was €146.9 million or 20.0 percent below the level of December 31, 2024 (12/31/2024: €734.2 million). Non-current assets decreased by €42.0 million to €340.7 million (12/31/2024: €382.7 million). Current assets also decreased compared to the previous year, falling to €246.5 million (12/31/2024: €351.4 million). Both non-current and current assets showed opposing effects. Thus, rights of use from leases decreased by €48.9 million to €116.8 million. This development is attributable to the fact that the carrying amount for rights of use from leases was reduced by €48.0 million due to a reassessment regarding the sufficient probability of exercising contract extension options. The opposite effect was seen in deferred tax assets, which increased by €13.7 million to €36.2 million, primarily due to the recognition of deferred tax assets related to tax losses carried forward in Germany.

For current assets, accounts receivable fell by €8.1 million to €106.9 million (-7.0 percent) as a result of the restrained order situation and thus lower sales revenues. In the same context, contract assets decreased by €5.9 million compared to the previous year to €61.5 million, primarily due to higher customer prepayments recognized as assets.

Cash and cash equivalents decreased from €125.5 million in the previous year to €42.9 million and therefore remain at a sufficient level to cover short-term liquidity needs.

On the equity, liabilities and provisions side, equity decreased by €44.5 million to €88.6 million primarily as a result of the current loss in the reporting year. The equity ratio was 15.1 percent (12/31/2024: 18.1 percent).

Non-current liabilities and provisions decreased by €90.7 million to €215.4 million, (12/31/2024: €306.1 million). This development is primarily a result of the reclassification of a tranche of the promissory note loan in the amount of €51.0 million to current liabilities. At the same time, long-term debt increased due to a reclassification of the loan to VKE-Versorgungskasse EDAG-Firmengruppe e.V., amounting to €15.1 million, which had previously been reported as current debt. Furthermore, long-term lease liabilities decreased by €53.1 million to €115.7 million (December 31, 2024: €168.8 million) due to the previously described reassessment of the use of contract extension options.

Current liabilities and provisions decreased by a moderate €11.8 million to €283.3 million, (12/31/2024: €295.0 million). This is primarily attributable to a decrease in current other non-financial liabilities from €9.2 million to €50.6 million (12/31/2024: €59.8 million). This decline is primarily due to a reduced VAT burden and a decrease in liabilities to employees. Current financial liabilities decreased by €1.8 million. Higher liabilities resulting from the current-term repayment of tranches and interest on the promissory note loan (+ €14.2 million) as well as higher current lease liabilities (+ €4.8 million) are offset by a reduction of €15.8 million

resulting from the reclassification of the loan from the VKE-Versorgungskasse EDAG-Firmengruppe e.V. to the medium-term portion of debt. In addition, contract liabilities decreased by €5.5 million, mainly on account of lower customers' prepayments.

At €4,5 million, the positive operating cash flow achieved in the reporting year was, however, significantly below the level of the previous year (€94,1 million), primarily due to the above-mentioned earnings situation. The decrease in operating cash flow was primarily the result of a higher capital commitment in trade working capital (increase in trade working capital in the reporting period compared to a significant reduction in trade working capital in the same period in the previous year) and lower income tax payments in the reporting year.

The investing cash flow was €-13.2 million (2024: €-24.0 million). At €13.1 million, the gross investments for intangible assets and property, plant and equipment in the reporting year were below the previous year's level (2024: €22.9 million). The ratio of gross investments in relation to revenues was 1.8 percent (2024: 2.8 percent).

The financing cash flow totaled €-72.9 million (2024: €-51.6 million). This primarily includes principal payments for lease liabilities totaling €20.2 million (2024: €19.3 million) and interest payments in the amount of €15.5 million (2024: €17.2 million). In addition, financial liabilities totaling €39.9 million were repaid.

On the reporting date, unused lines of credit with credit institutions, available until further notice, in the amount of €103.6 million currently exist in the Group (12/31/2024: €107.7 million).

The legal representatives have already initiated further measures to secure the lines of credit on a long-term basis until mid-2026 through a syndicated loan agreement with several banks. In addition, the repayment of the portion of the promissory note loan due in July 2026, amounting to €51 million, is also to be refinanced through this syndicated loan agreement. Based on the refinancing process to date with the participating banks, Executive Management expects a syndicated loan to be secured by the end of the first half of 2026.

The Executive Management regards the overall economic situation of EDAG Group AG as challenging. The company was able to meet its payment obligations at all times throughout the reporting period.

# 2.3 Financial Performance, Cash Flows and Financial Position of EDAG Engineering Group AG in accordance with the Swiss Code of Obligations (OR)

## Financial Performance

According to the company's statutes, the company's objective is the holding and administration of domestic and foreign investments. The company performs no operative business activities, and thus generates no sales revenues from operative business.

The salaries of the Executive Management, Board of Directors and administrative employees, which total €1.5 million (2024: €1.5 million), are listed under the personnel expenses of EDAG Group AG.

The other operating expenses in the amount of €0.7 million (2024: €0.7 million) refer primarily to expenses for consulting and auditing.

During the reporting year, an impairment loss of €205.0 million (2024: €0) was recognized on the carrying amount of the investment in EDAG Engineering Holding GmbH, Munich.

Overall, this resulted in an annual loss of €207.3 million (2024: €44.2 million) in the reporting year.

## Cash Flows and Financial Position

The statement of financial position total of EDAG Group AG amounts to €271.4 million (2024: €476.3 million). On the assets side, the investment in EDAG Engineering Holding GmbH decreased by €205.0 million to €271.2 million (2024: €476.2 million) due to an investment write-down. On the equity, liabilities and provisions side, the capital reserves in the amount of €367.1 million (2024: €367.1 million) is the most important item.

In the reporting year, an operating cash flow of €-2,242 thousand (2024: €-3,654 thousand) was realized. Compared to the previous year, investments in the amount of €10 thousand were made. The financing cash flow consists of cash inflows related to financing activities with affiliated companies totaling €2.3 million. No dividend payments were made to shareholders in the reporting year (2024: €13,750 thousand).

The Executive Management regards the overall economic situation of EDAG Group AG as challenging. At 98.0 percent (12/31/2024: 99.3 percent), the equity ratio remains at a very high level, and the company was able to meet its payment obligations at all times throughout the reporting period.

## 2.4 Principles of the Compensation System for the Group Executive Management and Board of Directors

The Compensation Report explains the principles underlying the compensation policy, and provides information about the procedure for establishing compensation and the compensation of the Board of Directors and Group Executive Management. It also contains information on the compensation received by the Board of Directors and the Executive Board in the 2025 financial year, on the functions exercised by the members of the Board of Directors and the Executive Board in other companies with a commercial purpose and on the participation rights in the company held by the members of the Board of Directors and the Executive Board. The compensation report follows the laws and regulations in force as of December 31, 2025. It meets the requirements of articles 734 et seq. of the Swiss Code of Obligations (OR), the SIX Swiss Exchange's Directive on Information relating to Corporate Governance, the principles of the Swiss Code of Best Practice of Economiesuisse, and is based on the Articles of Incorporation of EDAG Engineering Group AG (EDAG Group AG).

The compensation report is a constituent part of the annual report, and is published on the following web site: https://ir.edag.com/en/publikationen-events

## 2.5 Non-Financial Performance Indicators

### Number of employees in the EDAG Group

In light of the difficult market conditions, we were forced to launch another restructuring program during the reporting year, focusing primarily on Germany. This is why, compared to the previous year, the number of employees in the EDAG Group decreased. On December 31, 2025, the EDAG Group employed a worldwide workforce of 8,303 (12/31/2024: 9,133), including 346 trainees and work-study students (12/31/2024: 411).

At the end of the year, 5,205 employees were employed in Germany (12/31/2024: 6,010). 3,098 people were employed at our non-domestic companies (12/31/2024: 3,123).

**DATA ON THE PERSONNEL STRUCTURE OF THE EDAG GROUP**

Employees worldwide: 8,303
Apprentices/
dual system students: 346

### Age Structure and Continuous Employment

Besides pursuing the target of employee skill building, EDAG also strives to maintain a diversified workforce. Having a mix of experienced and young employees is an integral part of our personnel strategy. The average age of the employees at our key German companies is 38.6 years (2024: 37.8 years), which is representative of a young, dynamic team. At 8.2 years, the average length of service continues at a high level (2024: 7.4 years), and is an indication of high employee satisfaction and identification with the company.

The voluntary fluctuation rate in Germany was further reduced in 2025, and stood at 7.1 percent (2024: 8.0 percent). In the rest of the world, it increased and stood at 12.7 percent (2024: 11.1 percent).

The proportion of female employees throughout the Group remained constant and stood at about 21.3 percent (2024: 21.3 percent).

# 3 Non-Financial Report and Corporate Social Responsibility (CSR)

At EDAG, particular importance is attached to sustainability. This involves both long-term business alignment and the integration of ecological and social aspects into the management system, and is part of our corporate culture which is built upon shared values such as trust, transparency, reliability and fairness in dealings with our business partners. We see sustainability as a contribution towards safeguarding the future of our company and towards economic and social development.

It is our responsibility to ensure that our services are provided within a value chain that is consistent with international standards and principles governing corporate activity. For this reason, we have outlined our requirements with regard to working conditions, health and safety, the environment and business ethics in our EDAG Supplier Code of Conduct.

Any and all companies in our supply chain, and from which we purchase products or services, are expected to observe relevant national laws, the principles set out in the United Nations Global Compact and our EDAG Supplier Code of Conduct when carrying out their activities. We therefore regard adherence to these principles as an essential condition for a lasting business relationship with our suppliers.

By committing to the UN Global Compact, EDAG has undertaken to ensure compliance with human rights and recognized labor standards.

In its Group Sustainability Report (available no later than April 30, 2026, at: https://ir.edag.com/en/publikationen-events), EDAG presents a report on its environmental, social, and corporate governance activities. The target groups of the report comprise our employees, our customers and suppliers, as well as investors and analysts, and interested members of the general public. It is our intention to inform these target groups about the impact of the activities we undertake in terms of corporate responsibility and sustainability. Climate-related risks and opportunities for the EDAG Group are assessed in the report, and have also been taken into due account within the scope of the financial reporting.

According to amendment §§ 289b et seq. of the CSR Guidelines Implementation Act in the German Commercial Code (HGB), capital market-oriented companies in Germany are obliged to publish a non-financial statement. EDAG meets this obligation within the above-mentioned report. The reporting period is the 2025

financial year (January 1 to December 31). The information relates to the group of combined or consolidated companies of EDAG Group AG that are part of this annual report. Any deviations have been identified as such.

For the first time ever, sustainability reporting for the 2024 financial year is to be standardized throughout the EU, and governed by the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

Due to the fact that the CSRD Implementation Act (CSRD-UmsG) was still not implemented in Germany in 2025, there is still no legal obligation for the EDAG Group to apply the CSRD and the ESRS in the 2025 financial year. The legal framework for non-financial (group) reporting obligations established by the CSR-RUG of 2017 therefore continues to apply to the EDAG Group for 2025.

The EDAG Group prepares the non-financial group report for 2025 in accordance with the CSRD and the ESRS, and will publish it separately in the form of a sustainability statement by April 30, 2026 at the latest. The sustainability declaration is subjected a voluntary audit, to obtain limited assurance.

With this Sustainability Report, the EDAG Group meets the legal requirements under German and Swiss law. This also includes its obligation to prepare an annual report on non-financial matters in accordance with Art. 964a of the Swiss Code of Obligations.

# 4 Forecast, Risk and Reward Report

## 4.1 Risk and Reward Report

### Risk Policy

EDAG Group AG is a globally positioned and internationally operating company. Any form of entrepreneurial activity opens up not only new business opportunities, but also numerous risks. In order to be able to achieve growth, profitability, efficiency and sustainable behavior in the future, the risk policy of the EDAG Group is aimed at securing the existence of the company, and at increasing the long-term company value.

Commercial success is conditional on opportunities being taken and put to optimum use. Risks must be spotted at an early date, evaluated and proactively managed, provided this will bring about a reasonable enhancement in value. Risks that might jeopardize the existence of the company must be avoided.

We define risks as any events and possible developments, both inside and outside the company, which may have a negative effect on the planned economic success

of the company. Risks which cannot be directly measured in figures, e.g. risks to our reputation, also fall under this definition.

We see opportunities as possibilities to realize planned targets as a result of events, developments or activities.

## Risk Management and Internal Control System

The sustained success of our company also depends on how early we identify opportunities and risks in our operating activities, and how much foresight we employ in managing them. In the EDAG Group, the responsible handling of opportunities and risks is supported by an internal control system and an extensive risk management system.

### Internal Control System

The internal control system ("ICS") is the sum total of all systematically defined controls and monitoring activities aimed at guaranteeing accounting accuracy, and ensuring correctness and effectiveness.

The accounting tasks are for the most part carried out independently by the consolidated companies. In Germany, there is a central shared service centre for all the German companies within EDAG Engineering GmbH. Content-wise, it depicts information that includes accounting-related data as well as key performance indicators and risks and rewards. The system is organized in such a way that the subsidiaries are requested to provide relevant and up-to-date information each month, and this information is then verified, summarized and presented to the Group Executive Management by the group's specialist departments.

The accounting-related part primarily consists of the single-entity financial statements of each subsidiary, drawn up in accordance with the relevant national laws, then, for the purposes of the Consolidated Financial Statements of EDAG Group AG, converted to IFRS and consolidated on a quarterly basis, taking into account corporate, valuation and accounting directives.

Apart from commenting on economic performance, with the key performance data, we concentrate on future, market-related information and prospects for personnel development and productivity.

Special requirements arise as a result of our project business. These are dealt with by means of "project steering committees". Moreover, a project acceptance process has also been established. Depending on the volume of tenders, certain procedures and formalities that are defined in the corresponding directives must be followed. As soon as the relevant conditions have been met, and before binding quotations are submitted or contracts entered into, specialists from various departments first perform detailed checks on the commercial and contractual contents, and then present these to the Group Executive Management. The aim of this procedure is to avoid any uncontrollable risks being accepted. This procedure therefore commences even before risks arise, by critically reviewing the risk and reward profile of any

tenders. Should the risk and reward profile prove to be unacceptable, the Group Executive Management will not permit a contract sign-off.

As an independent supervisory body, the internal revision department also helps to ensure the correctness of the established internal accounting control system on a random basis using system and function checks. By carrying out risk-oriented audits, the department assists company management and the administrative bodies in their monitoring and risk management tasks, with the aim of ensuring correctness and effectiveness, and in this respect complements the internal control system.

### Risk Management System

The risk management system includes organizational rules and measures for detecting opportunities and risks and for how to manage entrepreneurial risks. As risk management is anchored in operative and strategic controlling, it is possible for this system to be integrated in the planning and reporting processes. The aim of the risk management system is to increase awareness of opportunities and risks throughout the company, and so establish a culture that enables us to identify opportunities and risks at an early date, and realistically assess them so as to minimize or completely avoid risks, and/or take advantage of opportunities. Foresighted risk management also serves the interests of investors and other stakeholders.

Procedural guidelines and directives guarantee the uniform implementation of the risk management process. All operating units and key central departments of the EDAG Group and all company employees in all company divisions and at all hierarchical levels are integrated in this process. Furthermore, executive staff receive regular training on the subject of risk management.

The first stage of the risk management process involves first of all identifying and then recording and evaluating the major opportunities for and risks to the company. This is done on the basis of the knowledge of the operative units in the divisions or local international branches, with regular meetings being held with the Group Executive Management to closely coordinate the opportunity and risk contents with the countermeasures undertaken.

An opportunity or risk is evaluated on the basis of the potential effect and/or extent of loss, i.e. the gross risk without any account being taken of measures to reduce and manage it, or the gross opportunity. Building on this, there follows an evaluation of the net risk, taking into account the effects of any countermeasures, or the net opportunity. The expected value of either the net risk or the net opportunity is calculated by multiplying the expected probability of occurrence by the expected loss value of a risk or benefit value of an opportunity.

The following categories exist for the probabilities of occurrence:

- Low: probability of occurrence < 25%
- medium: 25% ≤ probability of occurrence < 50%
- High: 50% ≤ probability of occurrence < 75%
- Very high: probability of occurrence ≥ 75%

Risks are to be reported by the departments and companies if their calculated net risk is greater than or equal to €500 thousand or the determined loss expectancy leads to a deviating result exceeding €100 thousand. For existing opportunities, the reporting threshold also lies at a net opportunity greater than or equal to €500 thousand or an opportunity expectation value of €100 thousand.

The following categories based on the expected value of an individual risk or opportunity have been classified:

- Low Corresponds to an expected value < €0.50 million
- Medium Corresponds to an expected value ≥ €0.50 million and < €1.25 million
- High Corresponds to an expected value ≥ €1.25 million

Aggregated at EDAG Group level, risks/opportunities are classified into A, B or C risks/opportunities

- A corresponds to an expected value ≥ €2.50 million
- B corresponds to an expected value ≥ €1.25 million and < €2.50 million
- C corresponds to an expected value < €1.25 million

EDAG's risk management system covers all fully consolidated companies and segments in the EDAG Group.

The EDAG Group's risk management system thus covers all opportunities and risks which might seriously affect the group's financial performance. The reward and risk profile of the EDAG Group is regularly updated and represented in an aggregated report which enables the Group Executive Management to get a general idea of the risk situation of the EDAG Group. New risks that occur ad hoc and are deemed sufficiently important are reported to the Group Executive Management immediately.

The rewards and risks to which EDAG Group is exposed on account of its wide and international range of services are listed in the following.

## Reward and Risk Profile

### Macroeconomic Rewards and Risks

According to the International Monetary Fund's (IMF) outlook issued on January 19, 2026, the world economy exhibited 3.3 percent growth in 2025. Global growth is projected at 3.3 percent again in 2026 and 3.2 percent in 2027, which is below the historical (2000-2019) average of 3.7 percent.

The overall economic development is currently characterized by an ambivalent environment. On the positive side, we continue to see a pronounced investment boom in the field of artificial intelligence, which is providing additional growth momentum in the areas of Mobility Solutions, Industry Solutions, and Defense Solutions, and is driving technological and productivity advancements across numerous industries.

This is offset, however, by several headwinds. A renewed escalation of existing trade conflicts remains a key risk and could significantly dampen global economic momentum. Added to this are ongoing geopolitical tensions in various parts of the world, including the Near and Middle East, Ukraine, and parts of Asia, which are exacerbating both uncertainty in the commodities and energy markets and disruptions to global trade. Another factor weighing on the market is the high level of government debt in many major economies, which limits fiscal policy flexibility and could undermine confidence in the sustainability of public finances in the long term. Finally, there is a risk of a potential market correction with regard to AI stocks, which are currently trading at high valuations. Such a correction could lead to volatility in the financial markets and dampen investment sentiment.

Overall, this results in a macroeconomic environment characterized by major opportunities, but also by significant uncertainties.

Germany shows a significant deviation from the global moderate growth forecast. Growth in 2025 stood at just 0.2 percent, and for 2026, the IMF forecasts growth of 1.1 percent. The ifo Institute, on the other hand, published a growth forecast on December 11, 2025, predicting growth of just 0.8 percent for Germany in 2026. The main reasons for this tepid development, according to the ifo, are the slow and costly adaptation of the German economy to ongoing structural change, bureaucratic burdens, and outdated infrastructure. In addition, the ongoing burdens caused by US customs policy are dampening exports, further reducing growth, particularly in 2025 and 2026. German companies are barely benefiting from the moderate growth of the global economy and are increasingly losing competitiveness.

According to the ifo Institute, these government investments and relief measures are slow to show their effects, meaning that structural weaknesses such as the decline in the labor force, sluggish investment activity, and low productivity growth remain noticeable.

February 2026 saw positive signals emerging from various indicators and from the barometers for the German economy. The economic barometer of the German Institute for Economic Research made a leap and, for the first time in nearly three years, rose above the neutral 100-point mark, which indicates average growth in the German economy. Likewise, incoming orders have risen sharply recently, and the business climate has also improved, according to ifo surveys. This can be attributed to significantly improved assessments of the current business situation. The Purchasing Managers' Index for German industry climbed above the 50-point expansion threshold for the first time in nearly four years.

In the long term, the EU trade agreements with Mercosur and India, currently under negotiation, could mark significant milestones in European trade policy while also opening up substantial opportunities for the German economy. For European, especially German, industrial sectors such as the automotive, pharmaceutical, and mechanical engineering industries, the planned elimination of tariffs offers great potential. Both agreements could serve as a strategic lever to strengthen the

international competitiveness of Germany's export-oriented economy, tap into new markets, optimize cost structures, and make supply chains both broader and more resilient. Ratification of both agreements is still pending, though.

According to the IMF forecast, global inflation is likely to keep declining, with headline inflation falling to 3.8 percent in 2026 and 3.4 percent in 2027. The Eurozone expects to reach the 2 percent target as early as 2026. The divergence between the United States and most other countries persists. As the effects of higher tariffs gradually take hold, core inflation in the US is not expected to return to the country's 2 percent target until sometime in 2027.

From a macroeconomic point of view, the projected development of both the global and domestic economy could create opportunities for EDAG. However, the current increase in political uncertainty and the possibility of trade conflicts between the major economies still pose risks to both the global economy and to EDAG. Further, geopolitical escalations and conflicts continue to pose significant risks. We are monitoring the relevant country-specific conditions very closely, so as to be able to quickly implement measures to minimize risks, should the need arise (for more details, see chapter 2.1 "Macroeconomic and Industry-Specific Conditions").

Due to the ongoing complexity of the situation, we estimate that the macroeconomic risks and rewards for our business are category A risks (2024: A risks), with an unchanged high probability of occurrence (2024: high).

## Industry Risks and Rewards

### Automotive

According to a VDA press release dated January 27, 2026, the majority of international automobile markets exhibited growth (+3 percent) in 2025. China remained the largest market and is growing strongly at 4.5 percent, though the past few months have seen a slight downward trend. The US and Europe are considered mature markets; their growth in 2025 was moderate but stable at 2.4 percent each, although the increase in Europe is primarily due to the weak level of the previous year used for comparison. India, on the other hand, is clearly on an upward trend for 2025, growing at 5 percent, which makes it the fourth-largest market behind Europe.

In its sales forecasts dated January 30, 2026, and February 10, 2026, the VDA expects the global market to remain virtually unchanged in 2026 compared to 2025. The outlook for regional markets, however, is more varied. The European and German passenger car markets are expected to see a moderate increase of about 2 percent, while the US market is forecast to decline by 4 percent. China, on the other hand, is expected to show only very modest growth of just 1 percent.

A major task lies ahead of the traditional OEMs and Tier 1 suppliers, namely the transformation of their product portfolios. Already, the growing orientation towards and focus on eMobility are leading to extensive restructuring and even job cuts. In addition, they will have to redefine their existing working methods and priorities, while at the same time optimizing their cost structures, in order to survive in the

marketplace in the face of increasing innovation pressure and tough competition from other competitors, some of them new. On top of this, the EU has decided to ease its policy of approving almost exclusively low-emission vehicles for registration starting in 2035. This openness to technology continues to be accompanied by the uncertainty that the OEMs' product portfolios will no longer be geared entirely to electric vehicles, but that combustion engines that run on eFuels will also be developed, as there is no political pressure to go 100 % electric. This development, however, is not necessarily a disadvantage for an engineering service provider like EDAG, as a wide range of variants entails increased development activity.

This is one of the reasons why sustainability is playing an increasingly important role in the automotive industry. This results on the one hand from the aforementioned requirements for low $CO_2$ emissions of the products during use, while on the other, it also concerns sustainability and the orientation and design of the entire value chain and company processes. This development is being driven by legal requirements and regulations, but also by the demands and increased sustainability awareness of the population, and this is also reflected in changing consumer preferences.

The above-mentioned market factors give rise to both opportunities and risks for EDAG. Opportunities for EDAG arise due to the fact that OEMs are increasingly having to focus on their core competencies as a result of rising cost pressure, thus increasing the demand for the adoption of development volumes. To facilitate additional cost savings and to ensure compliance with legal regulations, the size and scope of award packages can be increased. However, the transformation of the portfolio and the company's processes towards greater eMobility and sustainability calls for high investment volumes for development and infrastructure on the part of the OEMs. This gives rise to savings programs, which could also lead to cutbacks in the volume of development services awarded. Further, the less complex production processes for electric vehicles mean that, in the medium term, production looks set to become less labor-intensive, which will also have an effect on the planning and implementation of the production plants. In principle, risks to EDAG may arise as a result of the transformation of the automotive industry if the company's own service portfolio cannot be adapted to market trends quickly enough.

To handle this challenge, we are applying a systematic cost management system and a diversified 360-degree development portfolio. Standardized development orders are continually being transferred within the group to countries where wage levels are lower. Local presence is maintained for the coordination of and responsibility for the projects, to ensure that the customer is served properly. In our estimation, this is a lasting development which will continue. Our strategic concept for increasing the workforce is geared specifically to these requirements in Germany and abroad, and focuses on the expansion of the existing Global Delivery Centers. Continuous attention is also paid to the development of future supply points for resources. The core competency of being able to independently handle work packages that are continually growing in volume is of great importance here, and can also offer opportunities. However, risks also arise here if the requisite expertise cannot be built up in line with market conditions in terms of volume and speed, and in the required quality.

In the wake of eMobility developments, and also as a result of autonomous and connected driving, more and more new players are entering the automotive market. These include, for example, technology companies which, because of their expertise in software, connectivity and AI, are increasingly influencing the automotive product development cycle. In addition to these new market players from outside of the industry, it is becoming apparent that Chinese OEMs and start-ups in particular are entering the European market and gaining further shares of the market. It should be mentioned here that the start-up environment, which is particularly capital-intensive, is currently feeling the effects of the rise in interest rates, and that, as a result, established companies which are financially and strategically sound are likely to be able to maintain their position and assert themselves on the market. In most cases, the new market participants are forced to build up an automotive partner network which will allow them to get competitive products onto the market in a short time. Here in particular, EDAG's fully integrated process chain provides many opportunities for supporting these new customers. As a result, EDAG was already able to profit from this trend and successfully handle projects with new customers in the past. By continuing to spread activities throughout the world, any risks arising from concentrating on just a few submarkets would be reduced. We are aware of the scheduling, technical and cultural challenges relating to the new market participants, but currently assume that there is a balance between the resulting opportunities and risks. As competition on the market for engineering services remains keen, all market participants are subject to increasing pressure to raise efficiency and lower costs: requirements we are able to meet, as described above.

In the engineering services market, we anticipate a continued shift in customer demand toward innovative, comprehensive solutions in the areas of powertrain systems, advanced driver-assistance systems, autonomous driving, energy systems, smart cockpits, and E/E systems for the entire vehicle. This means that we must address these issues and further develop the appropriate competencies accordingly. Strengthening and expanding existing knowledge are important aspects. Working in close cooperation with other technology partners and research institutes, we are constantly expanding our skills in future-relevant areas, in this way ensuring our participation in market developments and technical innovations. In our estimation, there is a growing need for know-how here.

**Industry**

In addition to the classic automotive development environment, EDAG is also registering increasing interest from the general industrial environment, to which we can apply our all-round engineering competence. The diversification of our product portfolio with regard to the markets we can serve is another means of reducing the risks described above, which can arise in the automotive market.

The BDI (Federation of German Industries) reports a further 2 percent decline in manufacturing output for 2025, but expects a slight recovery of 1 percent in 2026. This improvement was already evident in December 2025, with a clearly positive trend in the Federal Statistical Office’s manufacturing new orders index.

Nevertheless, German industry currently faces considerable challenges. There are clear signs of ongoing deindustrialization, as many companies are relocating their production to other countries due to high energy prices, rising labor costs, excessive bureaucracy, and inadequate infrastructure. At the same time, economic uncertainties and geopolitical conflicts are causing German industrial companies to remain cautious about investing.

Competition in the industrial sector is intensifying rapidly as numerous engineering service providers from other industries – particularly the automotive sector – are entering the industrial customer market. From a technological perspective, there are clear growth drivers. The Industrial Metaverse, digital twins, augmented reality/virtual reality solutions, and cloud-based integrations are bringing about lasting change to production and maintenance processes. Artificial intelligence is becoming increasingly important, both in simulations and in automated development processes and predictive maintenance. In addition, smart factory concepts, automation, and sustainability requirements such as $CO_2$ reduction and the circular economy are driving transformation.

For EDAG, this results in clear strategic guidelines. With its motto "EDAG goes Industry and stays committed," the company aims to gain a foothold in the industrial market as a whole and, in particular, to consistently expand its digital and sustainable solutions. Its positioning is shifting from a traditional engineering service provider to a digital solutions provider that supports customers with modern technology, end-to-end approaches, and clear value creation.

**Defense**

The projected increase in defense spending in Germany and Europe opens up significant growth opportunities for engineering service providers. The modernization of the German Armed Forces and rising budgets from both the regular budget and the off-budget fund are resulting in a significant expansion of technologically sophisticated procurement programs. The German defense budget alone – exceeding €108 billion starting in 2026 – is fueling a wide range of new needs, including in software and technical development, prototyping, production, and assembly, all of which are areas where external technical expertise is becoming increasingly indispensable.

At the same time, demand for modern, interoperable, and digitally networked systems is rising at the European level, as NATO member states aim to increase their defense spending to approximately €770 billion annually by 2029. By 2035, total direct defense spending by European NATO member states is estimated to reach nearly €2.2 trillion. According to Ernst & Young, German industry could win contracts worth approximately 15 percent of this budget. This would stabilize the order books of major systems manufacturers and significantly increase the demand for specialized technical support from engineering service providers. As the industry expands its supply chains to handle higher production volumes and more complex system requirements, engineering service providers benefit by acting as flexible partners offering expertise and capacity – for example, in production planning, quality assurance, automation, documentation, or areas related to certification. The growing

technological scope defense programs have, paired with the political prioritization of future-oriented fields relevant to security, creates an attractive and stable market environment for domestic technical service providers in the long term.

To validate these assumptions for EDAG, an external strategic study was commissioned to support the company's strategic development. The study includes comprehensive market analyses and forecasts for the international defense industry, and confirms that defense spending can be expected to continue rising in the coming years. This growth will also increase the potential market volume for engineering service providers, particularly in technology-and development-intensive sectors.

This presents attractive opportunities for EDAG: Thanks to the initiated adjustment of its market orientation, the company will be able to benefit more fully from positive market dynamics in the future by strategically positioning its expertise in high-growth segments.

Our estimation of all rewards and risks in this risk category as category A risks remains unchanged compared to the previous year (2024: A risk), with a very high probability of occurrence (2024: very high).

### Rewards and Risks from Operative Business

The handling of projects always entails opportunities and risks. The constant move towards greater quantitative, qualitative and chronological project volumes places high demands on our project management competencies. As a rule, these large-scale development projects are highly complex, and are handled globally and group-wide. Risks can occur as a result of technical divergences from guaranteed specifications, or due to unclear order situations. This can lead to budgets being exceeded, to staff shortages, technical difficulties and quality-related problems, all of which can have a negative impact on our margins. In the event of penalties being incurred for breach of contract, the assets, financial position and financial performance of the company could be further impacted.

Our employees therefore receive regular project management training, which enables them to identify risks in relation to long-term orders at an early stage. Aside from the risk potential mentioned, however, fully integrated project handling offers a chance of more flexible and rapid handling on an international basis, along with the resulting cost advantages. Regular project evaluations and detailed reporting in project reviews and steering committees enable EDAG to identify these kinds of risks in good time, and then implement the appropriate countermeasures. This means that resulting opportunities can be detected as they arise, and then put to effective use. As the awarding of contracts by customers is subject to many variables, the ordering process may be delayed or even terminated. If this is not directly linked to substitute orders or direct replacement orders, risks affecting capacity utilization can result. Given the persistently tense market conditions, we cannot rule out the risk of overstaffing in 2026, as a result of goods and services not being called up under framework agreements and projects being postponed. We do, however, expect an improvement in capacity utilization as a result of the reduction in our domestic workforce.

An ongoing resource management system helps to manage internal capacity and, should the need arise, assign resources to other projects without long idle times. The acquisition of projects and general agreements that will run for longer periods of time is another way of ensuring the basic, long-term capacity utilization of our engineering capacities. In addition, we are attempting to level off temporary volatile periods of capacity utilization as far as possible by means of flexible working time accounts and flexible deployment opportunities for our employees.

Underutilized capacity puts a strain on the cost structure. Careful requirements planning and flexible utilization strategies are therefore essential to minimize these risks while ensuring financial stability. By reducing our domestic workforce, we were able to optimize and, where necessary, reduce the resulting excess capacity in equipment and office space.

Due to the constant rise in the use of IT in all business segments, the importance of electronically processed information and the availability of IT structures continues to grow. As engineering service providers, we rely to a great degree on a fully functioning IT and safe data connections with our customers. Disruptions and attacks on the IT systems and networks cannot, however, be completely ruled out. An IT system breakdown or data loss could have serious consequences for EDAG. The main risk is that strictly confidential information, particularly with regard to new technological findings or partnerships in the field of research and development, might be leaked to third parties. This could have an adverse effect on our market position; there is also the risk of the loss of our good reputation. In order to guarantee a disruption and error-free workflow, we attach great importance to the availability of the IT resources and services. For the most part, our IT structures are standardized. To protect confidential information, we have the relevant safety standards in place, and these are regularly reviewed to ensure their effectiveness. Applicable safety guidelines undergo continual updating and are therefore regularly adapted to the latest technical changes; information events and IT safety training ensure that our employees have the necessary knowledge and skills. We have implemented a business continuity management system in line with BSI[4] standards to improve our response in the event of a crisis.

[4] Federal Office for Information Security in Information Technology (BSI)

Additional investment in digital infrastructure is essential, particularly to meet the growing demands of the defense industry. Modern defense and security systems require highly available, secure, and high-performance IT infrastructures that ensure seamless data processing, networked development processes, and reliable communication channels.

Taking into account the arrangements that have been made, we classify risks in business operations as category B risks (2024: category B risks); the probability of occurrence is unchanged and remains categorized as medium (2024: medium).

### Personnel Risks and Rewards

The success of the EDAG Group depends to a significant extent on committed and well qualified employees. There is a risk that it might prove difficult to find such employees to fill any or all vacant positions. A further potential risk is the loss of

competent employees to the competition, for example, or to a customer. Finding replacements for such positions frequently involves increased recruiting and induction costs for the EDAG Group.

We counter these risks by positioning ourselves as an attractive employer worldwide, using our international network to acquire new talent, and creating ties between the company and our employees. A wide range of activities such as forward-looking personnel planning, the continual adaptation of our recruiting activities to requirements, the ongoing training and education of our staff, work-life balance initiatives, a talent program for the advancement of skilled young people, and a wide range of apprenticeships help us to guarantee the availability of the know-how we will need for the future.

EDAG is also introducing new methods and tools, to support new forms of staff appraisal, for instance, and the performance and potential review to improve communication and employee retention. One key focus, and one of the largest staffing projects is the implementation of a job specification system. In this project, we have, with the involvement of employee representatives, described job families and transparently represented all existing jobs in different job levels in a system. All of this is made available to the employees with the help of modern software.

The employer value proposition (EVP) defines the EDAG Group's positioning as an employer. In it, we have identified what we, EDAG, stand for today and what will constitute our employer personality in the future. Market requirements and trends were also included in the evaluation. The result -the EVP -is, as it were, the value promise that EDAG makes to both its current and future employees. In this context, mention can also be made of the fact that the independent, international Top Employer Institute has again voted us one of the best employers in Germany, which also increases our attractiveness as an employer.

In light of the difficult market conditions, we were forced to launch a restructuring program in the 2024 and 2025 fiscal years, with a focus on Germany, and to implement specific measures during the reporting year, which resulted in a significant reduction in the number of employees. We do not expect any further negative impact on earnings from this in the coming year.

Our assessment of the personnel risks as a category C (2024: C) risk with an unvarying low probability of occurrence remains unchanged in 2025. A lower fluctuation rate and the present changes affecting the labor market in Germany have a positive effect on personnel risk.

### Financial Risks

In the course of our business activities, we are subject to financial risks. These include default risks for customer receivables, liquidity risks, as well as changes in exchange rates and interest rates. Identified potential risks are controlled by defined guidelines and security measures; for more details, see chapter "Financial Risk Management Objectives and Methods" in the Notes.

Accounts receivable are for the most part settled by customers according to previously agreed terms of payment. To minimize the risk of non-payment, creditworthiness is checked, especially when dealing with new customers. Individual, overdue receivables are taken into account by valuation allowances in the statement of financial position according to defined rules, provided the increase in the risk of non-payment is objectively verifiable.

The risk from currency fluctuations for foreign currency receivables and/or planned cash flows is partially secured by forward currency contracts. However, this is not of primary importance for EDAG's assets, financial position and financial performance. As of the balance sheet date, derivative financial instruments applied to reduce risks are used solely for hedging purposes and not for speculative purposes.

As of the reporting date, financing of the EDAG Group is based primarily on medium-term and short-term promissory note loans, a medium-term loan from VKE-Versorgungskasse EDAG-Firmengruppe e.V., and lines of credit from house banks and bond insurers.

The EDAG Group's liquidity is monitored regularly and remains positive, due to a solid liquidity forecast and the financing volumes available (promissory note loan and only minimally used lines of credit). Liquidity was guaranteed at all times in the reporting year.

The legal representatives have initiated further measures to secure the overdraft facilities until mid-2026 through a medium-term syndicated loan agreement with several banks. To this end, we initiated discussions with our house banks and a debt advisor at an early stage in order to restructure the company's financing.

We now assess the general financial risks as a B risk (previous year: C risk) with a medium (previous year: low) probability of occurrence.

### Legal Risks

As an internationally active company, we are, within the context of our ordinary business activities, subject to a series of risks in connection with legal disputes, official proceedings and claims by customers, business partners or other third parties. With regard to the operative business, the following legal areas in particular are concerned: contract law, product liability, anti-monopoly legislation, intellectual property rights, but also general civil law. Should these risks materialize, there is a risk of financial loss and damage to EDAG's reputation. This would ultimately have an adverse effect on the success of our company.

To counter these risks, the legal department has introduced company-wide standards – for general terms and conditions for instance, also standard contracts for various applications or guidelines on how to act. These undergo continual updating by the legal department, so as to minimize existing risks and prevent new risks for the companies in the EDAG Group In addition, the Legal department carries out workshops to raise the awareness of EDAG Group employees for risks, and consequently also for risk prevention. Should any threat of risks materialize,

the Legal department provides advice on the avoidance of legal disputes or, if necessary, organizes the appropriate measures for legal proceedings or arbitration. For circumstances that are not covered by the standards developed for day-to-day business, the legal department regularly calls upon external specialist lawyers for advice. To counter the trend towards very dynamic regulation combined with higher fines being imposed in various areas, we have arranged for the Legal and Compliance department to provide both the Executive Management and any departments or subsidiaries affected with information on new or amended regulations, to point out any resulting obligations, to develop guidelines for action in the form of directives and to hold training sessions, while also establishing contact with external specialist lawyers at home and abroad, to enable compliance with the relevant rules and regulations. One example of these are the requirements of the German Supply Chain Due Diligence Act (LkSG). Here, both a process and guidelines were developed and an IT tool qualified, so that suppliers can be checked and the due diligence obligations set out in the LkSG implemented.

At the present point in time we do not anticipate any significant negative effects on the assets, financial position and financial performance from the risks classified here. Our assessment of this risk as a category C risk with a low probability of occurrence therefore remains unchanged.

### Tax Risks

The EDAG Group operates worldwide, and is subject to a wide range of local tax laws and regulations. Any changes in these can lead to greater tax expense and to higher tax payments. We are also active in countries with complex tax regulations that can be interpreted in a number of different ways. Future interpretations and/or developments of the tax system could affect tax liabilities, profitability and business activities. We take extensive legal advice, both from our own specialists and also, in specific cases, from qualified external specialists. Workshops are also held to raise the awareness of our staff.

EDAG has not identified any other tax risks that would have a substantial influence on the financial performance, cash flows and financial position for the reporting period.

Aggregated over the Group, and on account of country-specific developments, we have assigned this risk to category C status for the financial year just ended (2024: risk category A). The probability of occurrence continues to be considered as low.

### Compliance-relevant Risks

#### Compliance

Besides the wide variety of opportunities open to EDAG as one of the world's leading, independent engineering service providers to the mobility industry, we are also faced every day with growing challenges and an ever-increasing responsibility towards our business partners. More than ever, therefore, one of the most important basic conditions for our success is to combine business activities with ethical principles and act with responsibility in all respects. For our company, unconditional

compliance with legal requirements is imperative, and forms an integral part of the EDAG value system. These principles are anchored in the EDAG Code of Conduct. Our Code of Conduct is the binding basis outlining the rules for the proper behavior expected of all EDAG employees.

By committing to the UN Global Compact, EDAG has undertaken to ensure compliance with human rights and recognized labor standards.

In order to be able to meet the increasing regulatory demands, in our EDAG Compliance Management System (EDAG CMS), we have combined the organizational measures for the company that will guarantee the legally compliant conduct of EDAG's executive bodies and employees at all times. The objective of the EDAG CMS is to guarantee legally compliant behavior at all times when carrying out our business activities, therefore avoiding any damage being caused to the company or any of its employees as a result of infringements of applicable law and in-house guidelines. Our main focus here is preventive, with our compliance organization offering employees advice and support with regard to their responsibilities, so as to avoid the occurrence of any such infringement. The EDAG CMS has been integrated into the EDAG risk management system, and is therefore an integral part of our risk-based reporting system.

We also have an electronic whistleblower system, giving all company employees and stakeholders the opportunity to use the link https://edag.integrityline.com to report possible infringements while preserving the anonymity of those involved. Our Whistleblower Guidelines summarize the various reporting channels for making disclosures, while also providing information on how such disclosures are handled at EDAG.

These guidelines also ensure that whistleblowers who, acting in good faith and motivated by a sense of responsibility, wish to draw attention to misconduct or grievances at EDAG will not be disadvantaged in any way. These guidelines therefore serve not only to uncover irregular conduct, but also and in particular to protect whistleblowers. Though these guidelines, we have implemented the uniform standards of the EU Whistleblower Directive and the Whistleblower Protection Act for the better protection of whistleblowers in EDAG's rules and regulations.

No legal disputes arising from anti-competitive behavior or violations of antitrust and monopoly laws to which EDAG was a party were pending during the reporting period.

**Environmental Compliance**

People in a large number of staff positions and functions ensure environmentally compliant operation by carrying out specific control and supervisory duties. These include the Environmental Management and Sustainability Officer, the Occupational Safety Management Officer, the Health and Safety Officers, the Hazardous Goods Officer, the company’s Waste Management Officer, the Hydrogen Officer, the Fire Protection Officers, Safety Officers and the Energy Management Officer. EDAG has

introduced an environmental management system and is certified in accordance with ISO 14001:2015 at key locations in Germany. The certificates are available for inspection at https://www.edag.com/en/edag-group/the-company-edag/certificates.

No violations of the rules were identified during the reporting period. On account of our activities and our existing environmental management system, we rate environmental risks as low.

**Socioeconomic Compliance**
No fines or other non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic field were imposed on EDAG during the reporting period.

**Compliance with Human Rights, Labor Standards and Protection of Minorities in the EDAG Group**
As an internationally active company, ensuring compliance with human rights and adherence to recognized national and international labor standards at our many facilities worldwide is an essential element of EDAG's value system.

With the EDAG Code of Ethics, EDAG has committed to the sustained support of the ten principles of the United Nations Global Compact and to continual improvement in their implementation. The EDAG Code of Ethics can be downloaded at https://www.edag.com/en/edag-group/das-unternehmen/corporate-governance. One of the principles established by the code is that EDAG supports and respects the protection of internationally proclaimed human rights within its sphere of influence, and ensures that EDAG is not complicit in human rights abuses.

Worldwide, EDAG is committed to creating for its employees a working environment free of discrimination and harassment in recruitment, employment and occupation, and with freedom of association. The right to collective bargaining is effectively recognized. EDAG categorically rejects all forms of child and forced labor.

The right of our employees to privacy is fully respected.

As an internationally active company, EDAG is clearly committed to diversity and general equality. This refers explicitly not only to gender, but also to age, sexual orientation, religious affiliation, ethnic origin, belonging to minorities or indigenous peoples, disabilities and other personal attributes of our employees.

**Compliance with Human Rights and Environmental Protection Standards in the Supply Chain**
Respect for internationally recognized human rights and the protection of the environment and natural resources form the foundation of every modern society. We meet our social responsibilities by recognizing, preventing and ending risks and violations related to human rights and the environment along our supply chains.

To guarantee these principles, we have implemented an extensive package of measures: Among other things, these include establishing an appropriate risk

management system, carrying out a regular risk analysis of all EDAG Group suppliers, defining the necessary preventive measures, and specifying what remedial action needs to be taken should violations be identified.

A key element of the risk management system that has been set up is compliance with EDAG's guidelines for the implementation of due diligence obligations in accordance with the German Supply Chain Due Diligence Act (LkSG), which have been added to by the appointment of a human rights officer and the establishment of a complaints procedure by extending our existing whistleblower system in accordance with legal requirements.

Within the EDAG Group, these comprehensive regulations are regarded as binding guidelines along the entire supply chain, and relate to the EDAG Group's entire range of products and services, including its own operations, and both direct and indirect suppliers if there are actual indications of a breach of duty on the part of any of these. All of these measures support the EDAG Group's declared intention to minimize or even eliminate the violation of human rights or environmental risks in our supply chain. No violations or breaches of duty identified will be tolerated.

**Anti-Corruption**

EDAG focuses on performance, customer orientation and the quality of its products and services. EDAG's success is based on the reputation our company has established on its way to becoming one of the world's leading independent engineering service providers. We firmly reject services based on illegal or ethically questionable behavior. For us, influencing business decisions with either attempted or actual bribery constitutes unacceptable practice. EDAG therefore expects all employees and business partners to refrain from corrupt behavior in any form whatsoever. No provision is made in the EDAG CMS for the examination of individual operating sites for corruption risks. We prefer to focus on prevention and education by operating a global training program.

Our anti-corruption policy affirms our commitment to combining entrepreneurial activity with ethical principles. The aim of the policy is to prevent any cases of corruption arising at EDAG. Recommendations for action and concrete rules of conduct for practical application help to permanently establish anti-corruption behavior at EDAG. As well as explaining the various forms that corruption can take and its consequences, the policy draws attention to corruption risks, and defines what steps to take if corruption is suspected. This additional instrument in the EDAG CMS therefore plays a significant role in preventing and combating corruption at EDAG. Anti-corruption training sessions are held on a regular basis, to effectively communicate the contents of the policy and our guidelines for the prevention of corruption to our employees. These compliance training sessions were primarily held as attendance-based seminars during the reporting year.

For a compliance management system to be effective, it is essential that the attention of the company's employees should be continually drawn to the subject of compliance, so as to develop an awareness of critical issues in the daily working environment. One effective way of engendering this sensitivity for compliance is to

provide appropriate training programs. In the financial year just ended, therefore, we again expanded the compliance training program, a central element of our CMS, and continued to offer our web-based compliance training as an obligatory training requirement for all EDAG Group employees. The module includes the examination of practical case studies, to ensure that our employees are always in a position to be able to assess which benefits are appropriate and consistent with standard business practice, and which are not. In order to be able to better monitor the effectiveness, the compliance training obligatory for all employees contains a test section that allows us to ensure the success of our training program even more effectively. At the same time the employees have the opportunity to check the knowledge they have acquired. There were no confirmed cases of corruption in the EDAG Group in the reporting year.

On the strength of our existing EDAG CMS, we believe there is little probability of compliance-relevant risks occurring, although we cannot completely rule out any negative effects on the earnings performance of the Group. Our assessment of this risk for the Group remains unchanged compared to the previous year, and has been assigned a class C status with a low probability of occurrence.

### Risks Regarding the Use of Financial Instruments

The key financial liabilities used by the EDAG Group include financial liabilities, accounts payable and other liabilities. The main purpose of these financial liabilities is to finance the business activities of the EDAG Group. The EDAG Group has accounts receivable and other receivables as well as cash and short-term deposits that result directly from its operations.

The EDAG Group is subject to credit and liquidity risks. Management of these risks is the responsibility of the Management. Management ensures that financial activities by the EDAG Group associated with risks are carried out in accordance with the relevant operating instructions and that financial risks are identified, assessed and managed in accordance with these guidelines and taking into account the company's willingness to take risks. EDAG risk management also takes risk concentrations regarding individual transactions or group companies into account.

With the most predominant part of the promissory note loan and the loan from VKE-Versorgungskasse EDAG-Firmengruppe e.V., most of the financing of the Group is currently subject to a fixed interest rate. Only moderate use was made of the variable interest bearing revolving lines of credit in the reporting year just ended. We therefore estimate that any risk posed by fluctuations of market interest rates is slight.

The promissory note loans totaling €101 million consist of several tranches with remaining terms to maturity of between 0.5 and 4.5 years as of the reporting date. A tranche of €51 million is due in July 2026.

In addition to the promissory note loans, another key financing source was and remains a medium-term loan from VKE-Versorgungskasse EDAG-Firmengruppe e.V. in the amount of €15.1 million.

To cover short-term financing needs, EDAG Engineering GmbH, as the Group's primary financing entity, currently has access to committed overdraft facilities with its house banks (total volume: €100 million, €11.7 million of which had been drawn down as of December 31, 2025), along with guarantees from credit insurers (volume: €17.5 million, €7.0 million of which had been drawn down as of December 31, 2025) and additional lines within the Group totaling €4.8 million.

The legal representatives of EDAG Engineering GmbH have initiated further measures to secure the overdraft facilities in the medium term until mid-2026 through syndicated loan agreement with several banks. The repayment of a tranche of the promissory note loan in the amount of €51 million is scheduled for July 2026 and is already secured, if necessary, by sufficient alternative financing options that have been committed to, serving as a backup to the aforementioned refinancing efforts and the overdraft facilities.

Based on the financing process to date with all parties involved, Executive Management expects a syndicated loan to be secured by the end of the first half of 2026.

Given the current general economic and industry-specific conditions, we assess the overall financing and liquidity risk for the EDAG Group as moderate (previous year: low).

The lease liabilities are offset by corresponding assets. The maturity of the financial liabilities is depicted in the Notes. The Group Executive Management analyses the term of certain financial instruments and ensures their timely prolongation as far as these resources are still needed.

Currency-related risks to the EDAG Group result from financing measures and operating activities. Insofar as they have a significant effect on the Group cash flow, foreign currency risks are always hedged. Foreign currency risks from financing activities result from financial liabilities in foreign currencies and foreign currency loans. These risks are covered by the Treasury Department. Currency derivatives are used to convert financial obligations and intra-group loans denominated in foreign currencies into the Group entities' functional currencies.

In the operating area, the EDAG Group's individual group companies do most of their business in their own functional currencies. This means that any currency risk from current operating activities is assessed as being moderate. Some group companies are, however, exposed to foreign currency risks in connection with planned payments not in their own functional currencies. Here, too, EDAG hedges with foreign currency derivatives. Due to these hedging activities, the EDAG Group was not exposed to any significant currency risks in the operating divisions on the reporting date.

### Other Rewards and Risks

By law, the company is liable for any damage suffered by the customer as a result of defective or delayed performance. In an extreme case, such as in a widespread recall by a car manufacturer due to a defective design or service by any of the EDAG companies, this could threaten the existence of the company.

In international projects, the applicable legal standards are often the ones that apply in the foreign country where the customer's company is based -and are largely unknown in Germany. Our risks are further increased by contractual warranty risks resulting from the disposal of companies and by liability limitations specific to certain customers, which cannot always be fully passed on to subcontractors.

The EDAG Group counteracts these risks by ensuring the high quality of our services, by employing attorneys with international experience and -to complement these measures -by taking out liability insurance.

As a result of the rise in connectivity and digitalization and of the growing use of information technologies, our vulnerability to attack and the risk of cyber threats are increasing. To counter this threat, EDAG has an extensive, company-wide cybersecurity system which contains all the relevant security standards. In the event of a cyberattack, the EDAG Emergency Protocol, with the assistance of CERT (Computer Emergency Response Team) and taking into account all legal requirements, implements far-reaching anti-attack measures. Constant evaluations are carried out to determine the effectiveness of all security measures, and possible improvements to the latest technical standards are implemented.

Moreover, climate-related opportunities and risks might arise, meaning that climate changes could also have an impact on EDAG's business model. The company therefore analyzes various climate-related opportunities and risks, and implements appropriate measures wherever necessary. In the short and medium term, only transitional climate-related opportunities and risks, if any, are considered. Transitional climate-related risks and opportunities result from the transition towards a low-emission economy which needs to be carried out across all sectors to limit climate change. They become especially apparent when changes to framework conditions are faster than and/or different to expectations. The framework conditions resulting from material short-term climate-related opportunities and risks indicate potential challenges for EDAG. EDAG actively addresses these risks and the corresponding opportunities, taking them into account in its decision-making and planning processes when material issues have been identified.

Business activities can result in unexpected opportunities for the company in all areas. The implementation of risk management means that any opportunities arising can be identified at an early stage, and therefore put to efficient use.

There is no change in the assignment of these risks to category A, associated with an unchanged low probability of occurrence.

## Overall Assessment

The risk management system in use provides the basis on which we assess our overall risk. It includes all the material rewards and risks that are reported by the divisions, subsidiaries and administrative departments, and is regularly checked at EDAG Group AG level by the Executive Management and the Board of Directors.

The global economy got off to a robust start in 2026. Risks arising from geopolitical conflicts and from trade conflicts remain. Growth prospects for Germany and Europe are also significantly below the global forecast.

The development forecast for the automotive sector is not as positive as for the economy as a whole and here, too, Germany lags behind global expectations. Thanks to the initiated adjustment of its market orientation, now including the Industry and Defense sectors, the company will be able to benefit more fully from positive market dynamics in the future by strategically positioning its expertise in high-growth segments.

Generally speaking, the forecast global economic recovery will provide opportunities for our business. However, as the projection for the automotive industry in particular is marked by numerous challenges and Germany's development also shows clear deficits in a global comparison, an increase in risks and a deterioration in the reward and risk profile is possible.

With regard to the financing risks described above, we have planned and initiated appropriate measures.

Currently, the Group Executive Management does not believe that any of the risks reported and assessed will jeopardize the existence of the company. In our opinion, our strategic orientation and financial direction, our position on the market and the measures we have taken all provide a sound basis for the successful handling of the existing risks and the challenges they present.

## Internal Control System and Risk Management System in Relation to the Group Accounting Process

The main features of the internal control system and the risk management system in relation to the (Group) accounting process in operation at the EDAG Group can be described as follows:

- The EDAG Group is characterized by a clear organizational, corporate as well as control and monitoring structure.
- Group-wide coordinated planning, reporting, controlling and early warning systems are in place to perform a comprehensive analysis and control of earnings-related risk factors and existential risks.
- The functions in all areas of the accounting process (e.g. financial accounting and controlling) are clearly assigned.
- The IT systems used for accounting purposes are protected against any unauthorized access.

- Standard software adapted to the needs of company is used predominantly in the financial systems area.
- Internal guidelines (such as a valid Group-wide risk management guideline) are set up, which are adjusted as needed.
- The departments involved in the financial reporting process meet the quantitative and qualitative requirements.
- The completeness and accuracy of any accounting data is ensured by the established internal accounting control system and the internal reporting system and primarily verified by plausibility analyses. The internal revision department also ensures the correctness of the established internal accounting control system by carrying out system and function checks on a random basis.
- The existing group-wide risk management system is continuously adapted to current developments and regularly tested for effectiveness.
- As a general rule, the principle of dual control and functional segregation are observed in all accounting-related activities.
- Among other things, the Board of Directors regularly addresses issues pertaining to accounting, risk management, the audit mandate and its key aspects.

The internal control and risk management system for the accounting process, the main features of which have been described above, ensures that all business matters are properly recorded, processed and evaluated, and adopted in the external accounting procedures. The clear organizational, corporate, control and monitoring structure, as well as the adequate composition of the accounting department in terms of personnel and material, represent the basis for efficiency in those departments involved in accounting. Clear legal and corporate rules and policies ensure uniform and proper accounting. Risk identification by the risk management system ensures proper accounting. The EDAG Group's internal control and risk management system ensures that accounting at the company and all companies included in the Consolidated Financial Statements is uniform and in accordance with the legal and statutory requirements and internal guidelines. In particular, the group-wide risk management system, which fulfills the statutory requirements, has the task of identifying risks in good time, assessing these and communicating these in an appropriate manner. As a result, the recipients of the report are informed in good time.

## 4.2 Forecast

According to the latest IMF estimate announced on January 19, 2026, an increase of 1.1 percent in economic performance is expected for Germany in 2026; the improvement is expected to continue, with a growth rate of 1.5 percent in 2027. Within the eurozone, the IMF expects a growth rate of 1.3 percent in 2026 and of 1.4 percent in 2027. Growth of the US economy is expected to reach 2.4 percent in 2026, while a growth rate of 2.0 percent is anticipated in 2027. According to the latest estimate, China, with forecasts for a 4.5 percent increase in economic performance in 2026 and 4.0 in 2027, will continue to be a growth engine for the global economy. India is forecast to exceed this expected growth with an increase in economic performance of 6.4 percent in both 2026 and 2027. This means that China

and India will continue to be the countries with the strongest economic growth in both 2026 and 2027.

In the major international automobile markets, the business environment of the automotive industry in 2026 will be challenging. Geopolitical and macroeconomic uncertainties, the threat of protectionist trade restrictions and persistently high energy and consumer prices are adversely impacting future development.

In its forecast of February 27, 2026, the VDA therefore anticipates just a slight increase in the number of registrations in the passenger car/light vehicle markets in Europe (2 percent) and a decrease in the USA (4 percent) in 2026.

At 1 percent, the growth rate forecast by the VDA for the Chinese market in 2026 is below the level of growth in the reporting year (4 percent). The declining momentum is partly due to the fact that, following relatively strong growth, another historically high market volume was reached in both 2024 and 2025.

In its annual press conference on February 10, 2026, the VDA forecast that there would be a total of 81.2 million new vehicle registrations (cars and light commercial vehicles) on the global market in 2026. This is equivalent to a near stagnation compared to 2025.

Besides the sales figures, however, technological and digital trends are having an enormous influence not just on our own business model, but also on those of the OEMs. In particular, a large number of automotive startup companies can see an opportunity to reshape the mobility of the future. The current emission standards and far-reaching sustainability regulations are making the further development of classic powertrain types essential, and promoting the integration of alternative powertrains. The BEV/PHEV[5] technologies are also becoming increasingly important. In addition, however, e-fuels and the hydrogen-based fuel cell are providing high-tech engineering service providers with diverse opportunities. Additional challenges for all market participants are being created by the future-oriented fields of software, sensors, autonomous and connected driving, and the development of artificial intelligence. The development of new digital business fields and mobility services necessitates additional development and capacity requirements, which could lead to new growth opportunities for the engineering service market. The continuing consolidation of the engineering service providers and changed responsibility models in the drafting of work contracts will also bring about lasting changes within the sector.

[5] Battery electric vehicle (BEV)/ plug-in hybrid electric vehicle (PHEV)

As a global-level partner to our customers, EDAG wants to operate successfully and achieve profitable growth rates again. EDAG is one of the top engineering service providers in the automotive sector, and well positioned to handle the market changes towards increasingly large and complex projects with more and more engineering responsibility. Targeted investments and a clear focus on our performance and technology spectrum have strengthened our international market position for fully integrated vehicle development and large module packages. By creating a synergy

between the flexible and mobile application of our expertise, the utilization of our internal, best-cost country resources and an international project management team, we strive, at a global level, to meet our customers' expectations.

Qualified and and committed employees are essential for the implementation of our strategy. EDAG offers selective training measures and a high-level apprenticeship program in order to meet high customer requirements and achieve our growth targets. Training measures and advanced education are available to both experienced and young professionals.

The market for engineering services remains highly dynamic. With a growing focus on $CO_2$ reduction, the development of alternative drive concepts is being massively accelerated. Trend topics such as highly automated driving and data-based business models call for completely new vehicle architectures, and are increasingly leading to a separation of hardware and software in development. The large number of powertrain variants will make flexible and networked smart factories indispensable. All these developments are driving the demand for development services, and will, in the medium to long term, lead to considerable opportunities. The VDA anticipates an investment volume of €320 billion in research and development in the automotive industry in the period 2025 to 2029; to this must be added capital investments in the amount of approx. €220 billion on the conversion of existing and the construction of new plants. We expect the defense sector, in particular, to demonstrate a high willingness to invest and attractive medium-to long-term growth prospects by 2026.

We do not at present see any risk to the continued existence of the company in the geopolitical conflicts, the persistently high level of energy and staffing costs and the general slowdown in purchasing, but do see a risk that its development might be impaired. The ongoing dynamic situation in connection with geopolitical conflicts, and to some extent with the protectionist economic policies being implemented in the global environment, harbors uncertainties the development of which cannot be foreseen. It is difficult to reliably predict the possible consequences for supply chains and the availability of pre-products and raw materials in the industries relevant to us. With the exceptional uncertainties arising as a result, companies across all sectors find themselves facing considerable challenges when it comes to forecasting economic development and deriving a reliable and dependable quantitative outlook. As of the reporting date, the Group had unused lines of credit with financial institutions totaling €103.6 million. Further, the Group reported cash and cash equivalents amounting to €42.9 million, keeping us at a sufficient level to cover short-term liquidity needs. For more details, please refer to the discussion in the Risk and Reward Report. As of the reporting date, liquidity has exceeded projections for the 2026 fiscal year.

Delays in the awarding of contracts, project cancellations, heterogeneous capacity utilization in different areas and locations, and continuing price pressure still pose substantial risks for engineering service providers.

For the 2026 financial year, EDAG is forecasting a development of revenues in the range of approx. +/-5 percent and an adjusted EBIT margin which, according to

current estimates, will be in a positive range of up to approx. 3 percent. It is assumed that the investment rate is likely to remain in the region of approx. 2 to 3 percent.

However, the estimates outlined here are still largely dependent on the uncertainties described above.

A summary of the outlook for 2026 is included in the following table:

| in € million | 2025 | Forecast 2026 |
|---|---|---|
| **Group** | | |
| Sales revenues | 714.0 | Changes of around +/-5 percent |
| Adjusted EBIT margin | -1.8% | Positive level of up to approx. 3 percent |
| Investment rate | 1.8% | Approx. 2 to 3 percent |

# 5 Other Information

## 5.1 Group Declaration on Corporate Management

Within the annual report, the Group Executive Management and Board of Directors of EDAG Group AG have made diverse declarations concerning corporate management in accordance with § 315d in conjunction with § 289f paragraph 2 of the German Commercial Code (HGB) (see points 1 -3). Further declarations concerning corporate management for EDAG Group AG and for a number of the German companies were published on the Internet on March 20, 2026 in accordance with § 315d in conjunction with § 289f paragraph 1, sentence 2 of the German Commercial Code (HGB), and in the following sections of this annual report:

1. Statement of compliance with the Corporate Governance Codex
   (see chapter: Corporate Governance Report, point "Corporate Governance Objectives")
2. Relevant details of corporate governance practices
   (see chapter: Corporate Governance Report)
3. Description of the working methods of the Group Executive Management and Board of Directors and of the composition and working methods of their committees
   (see chapter: Corporate Governance Report, points 3 "Board of Directors" and 4 "Group Executive Management")
4. Target figures for the equal treatment of women and men in managerial positions on the basis of §§ 76 paragraph 4 and 111 paragraph 5 of the Companies Act (AktG) and §§ 36 and 52 paragraph 2 of the Limited Liability Companies Act (GmbHG)
   (see: https://www.edag.com/en/edag-group/das-unternehmen/corporate-governance)

5. As the German Stock Corporation Act is not applicable to EDAG Group AG, details of the minimum proportion of women in the supervisory board may be omitted.
6. Diversity concept
   (see: https://www.edag.com/en/edag-group/das-unternehmen/corporate-governance)

With reference to the provisions of the European Commission's Delegated Regulation 2021/2178 Annex II in conjunction with Delegated Regulation (EU) 2023/2486, please see our 2025 Sustainability Report, which can be downloaded at https://ir.edag.com/en/publikationen-events#finanzberichte by April 30, 2026 at the latest.

## 5.2 Takeover-Relevant Information [in accordance with § 289a and § 315a HGB (German Commercial Code) and Explanatory Report]

The fully paid-in subscribed capital of EDAG Group AG in the amount of €920 thousand as at December 31, 2025 is backed by €25 million bearer shares with a nominal value of CHF 0.04. The shares are denominated in Swiss francs. The functional currency is the euro, and shares are traded in euros. The company's shares are briefed in a global certificate and deposited with Clearstream. Each company share entitles its holder to a vote at the company's annual shareholders' meeting.

The largest individual shareholder of EDAG Engineering Group AG is ATON Austria Holding GmbH, which holds 74.66 percent[6]. For the financial year ending December 31, 2025, the company shares fully qualify for dividends.

[6] More detailed information on the shareholder structure can be found in the chapter "EDAG on the Capital Market"

The appointment and dismissal of the members of the Board of Directors are carried out in accordance with the provisions of article 698 paragraph 2 No. 2 of the Swiss Code of Obligations (OR) in conjunction with article 15 of the articles of incorporation of EDAG Group AG, and are the responsibility of the annual shareholders' meeting. According to article 17 of the articles of incorporation, the Board of Directors is responsible for the appointment and dismissal of the persons entrusted with the management of the company.

## 5.3 Voting Rights Notification und Directors' Dealings

Information on directors' dealings pursuant to Art. 19 MAR is available on our website at https://ir.edag.com/en/finanznachrichten.

Communications from the reporting year pursuant to § 33 et seq. of the German Securities Trading Act (WpHG) are also available on this website, under the heading "Financial News".

# 6 Disclaimer

The management report contains future-based statements related to anticipated developments. These statements are based on current projections, which by their nature include risks and uncertainties. Actual results may differ from the statements provided here.

# Report of the Independent Auditor (Management Report)

Report of the independent auditor
to the Board of Directors of
EDAG Engineering Group AG
Arbon

## Report on the audit of the combined management report

### Audit opinions

We have audited the combined management report of EDAG Engineering Group AG, Arbon/Switzerland, which is combined with the parent company's 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 the Group's declaration on corporate management in accordance with § 315d of the German Commercial Code (HGB), which is combined with the declaration on corporate management in accordance with § 289f, and to which reference is made in the combined management report, or the content of the non-financial group statement given in chapter 3 "Non-financial Report and Corporate Social Responsibility (CSR)" of the joint management report, or the content of the information included in chapter 5 "Other Information" and 6 "Disclaimer" of the combined management report.

In our opinion, on the basis of the information gained during our audit, the accompanying combined management report provides an accurate overall picture of the Group's situation. This combined management report corresponds in all material aspects with the Consolidated Financial Statements, complies with the German legal requirements, and accurately presents the opportunities and risks in relation to future developments. Our opinion on the Combined Management Report does not cover the above-mentioned declaration on corporate management in accordance with § 315d of the German Commercial Code (HGB) combined with the declaration on corporate management in accordance with § 289f HGB, to which reference is made in the combined management report, or the content of the non-financial group statement given in chapter 3 "Non-financial Report and Corporate Social Responsibility (CSR)" of the combined management report, or the "Other Information" in chapter 5, or the "Disclaimer" in chapter 6 of the combined management report.

In accordance with § 322 para. 3 sentence 1 of the HGB, we declare that our audit has given rise to no objections with regard to the correctness of the Combined Management Report.

### Basis for the audit opinions

We conducted our audit of the combined management report in compliance with § 317 of the HGB and in accordance with the generally accepted German standards for the audit of financial statements as promulgated by the IDW (Institute of Public Auditors in Germany). Our responsibilities under these provisions and standards are further described in the "Auditor's Responsibility for the Audit of the Combined Management Report" section of our auditor's report. We are independent of the Group companies in accordance with European and German commercial law and professional regulations, and have fulfilled our other German professional obligations in accordance with these requirements. Moreover, we declare in accordance with Article 10 para. 2 (f) of the EU-APrVO that we have not provided any prohibited non-audit services in accordance with Article 5 para. of the 1 EU-APrVO. We believe that the audit evidence we have obtained is sufficient and suitable to provide a basis for our opinion on the combined management report.

### Other information

The Board of Directors is responsible for the other information. The other information comprises the following documents obtained up to the date of this auditor's report:

- The Group's declaration on corporate management in accordance with § 315d of the German Commercial Code (HGB), which is combined with the declaration on corporate management in accordance with§ 289f, and to which reference is made in the combined management report,
- The non-financial group statement contained in section 3 of the combined management report in accordance with Sections 315b and 315c of the German Commercial Code (HGB),
- The affirmation of the legal representatives in accordance with § 297 paragraph 2 clause 4 of the German Commercial Code (HGB) or § 315 paragraph 1 clause 5 HGB on the combined management report and
- All other parts of the annual report,
- but not the consolidated financial statements, the statutory financial statements, the compensation report in accordance with Art. 734a-734f CO, and not the audited content of the combined management report, and not our auditor's report thereon.

The declaration in accordance with § 161 of the German Stock Corporation Act (AktG) on the German Corporate Governance Code, which forms part of the declaration on corporate management referred to in the combined management report, is the responsibility of the legal representatives and the Board of Directors. Otherwise, the Board of Directors is responsible for the other information.

Our audit opinion on the combined management report does not cover the other information and, accordingly, we do not express an opinion or any other form of conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information

- is materially inconsistent with the audited information in the combined management report or our knowledge obtained during the audit, or
- otherwise appears to be materially misstated.

### Board of Directors' responsibility for the combined management report

The Board of Directors is responsible for the preparation of the combined management report, which provides an accurate overall picture of the Group's situation and corresponds in all material aspects with the consolidated financial statements, complies with the German legal requirements and accurately presents the opportunities and risks in relation to future developments. Further, the Board of Directors is responsible for the provisions and measures (systems) the Board of Directors has judged necessary to enable the combined management report to be prepared in compliance with the German legal requirements to be applied, and to be able to provide sufficient and appropriate evidence to substantiate statements made in the combined management report.

The Board of Directors is responsible for supervising the financial reporting process of the Group employed to prepare the combined management report.

### Auditor's responsibility for the combined management report

Our objective is to obtain reasonable assurance as to whether the combined management report provides an accurate overall picture of the Group's situation and corresponds in all material aspects with the consolidated financial statements and the information gained during our audit, complies with the German legal requirements, and accurately presents the opportunities and risks in relation to future developments, and to issue an auditor's report that includes our opinion on the combined management report.

Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with § 317 of the German Commercial Code (HGB) and generally accepted German standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW) will always detect a material misstatement, when it exists. Misstatements can arise as a result of fraud or error, and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of people addressed taken on the basis of the consolidated financial statements and the combined management report.

During the audit, we exercise professional discretion and maintain a critical attitude. We also:

- Ensure that the audit of the combined management report is integrated into the audit of the consolidated financial statements.
- Identify and assess the risks of material misstatement in the combined management report, whether due to fraud or error, plan and perform audit

procedures in response to these risks, and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of a failure to detect a material misstatement resulting from fraudulent acts is greater than the risk of a failure to detect a material misstatement resulting from errors, as fraudulent acts may involve collusion, forgery, intentional omissions, misrepresentations or the overriding of internal controls.

- Obtain an understanding of the arrangements and measures (systems) relevant to the audit of the combined management report in order to plan audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these arrangements and measures (systems).
- Evaluate the appropriateness of accounting policies used by the Board of Directors and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Draw conclusions as to the appropriateness of the Board of Directors' use of the going concern accounting principle and, on the basis of the audit evidence obtained, as to whether any material uncertainty exists in relation to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. Should we come to the conclusion that material uncertainty does exist, we are required to draw attention to the relevant disclosures in the combined management report in our auditor's report or, if such disclosures are inadequate, to modify our respective opinion. Our conclusions are based on the audit evidence obtained until the date of our auditor's report. However, future events or circumstances may result in the Group being unable to continue as a going concern.
- We plan and conduct the audit in order to obtain sufficient appropriate audit evidence regarding the accounting information of the entities or divisions within the Group to serve as a basis on which to form an opinion on the combined management report. We are responsible for the direction, supervision and review of the auditing activities carried out for the purpose of auditing the combined management report. We bear the sole responsibility for our audit opinion.
- Evaluate the consistency of the combined management report with the consolidated financial statements, its compliance with the law and the overall impression of the Group's position it conveys.
- Perform audit procedures on the forward-looking statements presented by the Board of Directors in the combined management report. In the process and on the basis of sufficient appropriate audit evidence, we verify in particular the assumptions underlying the forward-looking statements presented by the Board of Directors, and assess the proper derivation of the forward-looking statements from these assumptions. We do not express a separate opinion on either these forward-looking statements or on the underlying assumptions. There is a significant and unavoidable risk that events in the future will deviate materially from the forward-looking statements.
- We do not express a separate opinion on the individual disclosures in the combined management report, but rather an opinion on the combined management report as a whole.

Among other matters, we discuss with those charged with governance the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We provide those charged with governance with a statement indicating that we have complied with the relevant requirements for independence. We also discuss with them all relationships and other matters which may reasonably be supposed to have an effect on our independence, and, wherever relevant, any actions taken or safeguards implemented to eliminate any threats to independence.

Of all the matters discussed with those charged with governance, we determine which matters were most significant in the audit for the current reporting period, and are therefore the key audit matters. We describe these matters in the auditor's report, provided that laws or other legal provisions do not preclude public disclosure of such information.

Deloitte AG





Chris Krämer
Partner

Mario Sosic
Director

Zurich, March 25, 2026


EDAC



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# 1 Consolidated Statement of Comprehensive Income

| in € thousand | Annex | 1/1/2025 – 12/31/2025 | 1/1/2024 – 12/31/2024 |
|---|---|---|---|
| **Profit or loss** | | | |
| Sales revenues and changes in inventories[1] | | 713,991 | 821,993 |
| Sales revenues | [1] | 713,601 | 821,907 |
| Changes in inventories | [2] | 390 | 86 |
| Other income | [3] | 26,039 | 21,094 |
| Material expenses | [4] | -89,093 | -93,431 |
| **Gross profit** | | **650,937** | **749,656** |
| Personnel expenses | [5] | -512,711 | -563,542 |
| Depreciation, amortization and impairment | [6] | -40,477 | -47,292 |
| Net result from impairment losses/impairment loss reversal of financial assets | [7] | -2,531 | -1,445 |
| Other expenses | [8] | -137,317 | -140,805 |
| **Earnings before interest and taxes (EBIT)** | [9] | **-42,099** | **-3,428** |
| Result from investments accounted for using the equity method | [10] | 1,150 | 58 |
| Financial income | [11] | 2,013 | 3,731 |
| Financing expenses | [12] | -16,475 | -17,892 |
| **Financial result** | | **-13,312** | **-14,103** |
| **Earnings before taxes** | | **-55,411** | **-17,531** |
| Income Taxes | [13] | 11,731 | 3,117 |
| **Profit or loss** | | **-43,680** | **-14,414** |

[1] Described below in simplified terms as revenues.

| in € thousand | Annex | 1/1/2025 – 12/31/2025 | 1/1/2024 – 12/31/2024 |
|---|---|---|---|
| **Profit or loss** | | -43,680 | -14,414 |
| **Other comprehensive income** | | | |
| **Profits/losses reclassifiable under certain conditions** | | | |
| Currency translation differences | | | |
| Profits/losses included in equity from currency translation differences | | -1,756 | -686 |
| **Total profits/losses reclassifiable under certain conditions** | | **-1,756** | **-686** |
| **Not reclassifiable profits/losses** | | | |
| Revaluation of net obligation from defined benefit plans | | | |
| Revaluation of net obligation from defined benefit plans before taxes | [27] | 1,657 | -744 |
| Deferred taxes on defined benefit plans | | -718 | 153 |
| Income and expenses included in equity from shares accounted for using the equity method, net of tax | | 20 | -18 |
| **Total not reclassifiable profits/losses** | | **959** | **-609** |
| Total other comprehensive income before taxes | | -79 | -1,448 |
| Total deferred taxes on the other comprehensive income | | -718 | 153 |
| **Total other comprehensive income** | | **-797** | **-1,295** |
| **Total comprehensive income** | | **-44,477** | **-15,709** |
| **From the profit or loss attributable to:** | | | |
| Shareholders of the parent company | | -43,598 | -14,362 |
| Non-controlling interests | | -82 | -52 |
| **From the total comprehensive income attributable to:** | | | |
| Shareholders of the parent company | | -44,423 | -15,650 |
| Non-controlling interests | [14] | -54 | -59 |
| **Earnings per share of shareholders of EDAG Group AG [diluted and basic in €]** | | | |
| Earnings per share | [15] | -1.74 | -0.57 |

# 2 Consolidated Statement of Financial Position

| in € thousand | Annex | 12/31/2025 | 12/31/2024 |
|---|---|---|---|
| **Assets** | | | |
| Goodwill | [16] | 75,933 | 76,421 |
| Other intangible assets | [16] | 3,532 | 5,179 |
| Property, plant and equipment | [17] | 86,897 | 92,175 |
| Rights of use from leasing | [18] | 116,798 | 165,695 |
| Financial assets | [19] | 186 | 140 |
| Investments accounted for using the equity method | [20] | 19,546 | 18,930 |
| Non-current other financial assets | [19] | 548 | 506 |
| Non-current other non-financial assets | [23] | 1,112 | 1,185 |
| Deferred tax assets | [24] | 36,167 | 22,510 |
| **Non-current assets** | | **340,719** | **382,741** |
| Inventories | [25] | 5,217 | 4,673 |
| Current contract assets | [21] | 61,503 | 67,430 |
| Current accounts receivable | [22] | 106,942 | 115,039 |
| Current other financial assets | [19] | 2,540 | 2,043 |
| Current securities, loans and financial instruments | [19] | 48 | 29 |
| Current other non-financial assets | [23] | 23,437 | 19,833 |
| Income tax assets | [24] | 3,892 | 16,898 |
| Cash and cash equivalents | [26] | 42,931 | 125,469 |
| **Current assets** | | **246,510** | **351,414** |
| **Assets** | | **587,229** | **734,155** |

| in € thousand | Annex | 12/31/2025 | 12/31/2024 |
|---|---|---|---|
| **Equity, liabilities and provisions** | | | |
| Subscribed Capital | | 920 | 920 |
| Capital reserves | | 40,000 | 40,000 |
| Retained earnings | | 58,658 | 102,256 |
| Reserves from profits and losses recognized directly in equity | | -4,377 | -5,351 |
| Currency translation differences | | -6,741 | -4,942 |
| **Equity attributable to shareholders of the parent company** | | **88,460** | **132,883** |
| Non-controlling interests | [14] | 133 | 187 |
| **Equity** | [27] | **88,593** | **133,070** |
| Provisions for pensions and similar obligations | [28] | 32,141 | 32,159 |
| Other non-current provisions | [29] | 2,216 | 3,418 |
| Non-current financial liabilities | [30] | 65,144 | 101,005 |
| Non-current lease liabilities | [31] | 115,725 | 168,789 |
| Non-current other financial liabilities | [34] | 110 | 220 |
| Non-current other non-financial liabilities | [35] | 27 | 422 |
| Deferred tax liabilities | [36] | 9 | 53 |
| **Non-current liabilities and provisions** | | **215,372** | **306,066** |
| Current provisions | [29] | 57,813 | 59,747 |
| Current financial liabilities | [30] | 55,875 | 57,698 |
| Current lease liabilities | [31] | 22,524 | 17,686 |
| Current contract liabilities | [32] | 63,754 | 69,295 |
| Current accounts payable | [33] | 26,722 | 24,372 |
| Current other financial liabilities | [34] | 3,633 | 3,803 |
| Current other non-financial liabilities | [35] | 50,603 | 59,753 |
| Current income tax liabilities | [36] | 2,340 | 2,665 |
| **Current liabilities and provisions** | | **283,264** | **295,019** |
| **Equity, liabilities and provisions** | | **587,229** | **734,155** |

# 3 Consolidated Cash Flow Statement

| | in € thousand | 1/1/2025 – 12/31/2025 | 1/1/2024 – 12/31/2024 |
|---|---|---|---|
| | **Profit or loss** | **-43,680** | **-14,414** |
| +/- | Income tax expenses/income | -11,731 | -3,117 |
| - | Income taxes paid | 10,386 | -16,633 |
| + | Financial result | 13,313 | 14,103 |
| + | Interest received | 2,204 | 3,731 |
| + | Dividends received | 555 | 680 |
| +/- | Depreciation and amortization/write-ups on tangible and intangible assets | 40,477 | 47,291 |
| +/- | Other non-cash item expenses/income | 2,152 | 102 |
| +/- | Increase/decrease in non-current provisions | -944 | 2,230 |
| -/+ | Profit/loss on the disposal of fixed assets | -97 | -117 |
| -/+ | Increase/decrease in inventories | -1,143 | -1,348 |
| -/+ | Increase/decrease in contract assets, receivables and other assets that are not attributable to investing or financing activities | 6,620 | 32,643 |
| +/- | Increase/decrease in current provisions | -2,611 | 30,024 |
| +/- | Increase/decrease in accounts payable and other liabilities and provisions that are not attributable to investing or financing activities | -11,044 | -1,097 |
| = | **Cash inflow/outflow from operating activities/ operating cash flow** | **4,457** | **94,078** |
| + | Deposits from disposals of tangible fixed assets | 155 | 385 |
| - | Payments for investments in tangible fixed assets | -11,889 | -21,727 |
| + | Deposits from disposals of intangible fixed assets | 89 | - |
| - | Payments for investments in intangible fixed assets | -1,237 | -1,145 |
| + | Deposits from disposals of financial assets | 15 | 4 |
| - | Payments for investments in financial assets | -58 | -24 |
| - | Payments for investments in shares of fully consolidated companies / divisions / business combinations | -280 | -1,447 |
| = | **Cash inflow/outflow from investing activities/investing cash flow** | **-13,205** | **-23,954** |

| in € thousand | | 1/1/2025 – 12/31/2025 | 1/1/2024 – 12/31/2024 |
|---|---|---|---|
| - | Payments to shareholders/partners (dividends for the previous year) | - | -13,750 |
| - | Interest paid | -15,477 | -17,213 |
| + | Borrowing of financial liabilities | 2,730 | 2 |
| - | Repayment of financial liabilities | -39,945 | -1,315 |
| - | Repayment of lease liabilities | -20,180 | -19,305 |
| - | Repayment/investment in financial receivables | -20 | - |
| = | **Cash inflow/outflow from financing activities / financing cash flow** | **-72,892** | **-51,581** |
| | **Net cash changes in financial funds** | **-81,640** | **18,543** |
| -/+ | Effect of changes in currency exchange rate and other effects from changes of financial funds | -898 | -340 |
| + | Financial funds at the start of the period | 125,469 | 107,266 |
| = | **Financial funds at the end of the period [cash and cash-equivalents]** | **42,931** | **125,469** |
| = | **Free cash flow (FCF) – equity approach** | **-8,748** | **70,124** |

For a more detailed account of the cash flow statement, see chapter "Notes on the Cash Flow Statement".

# 4 Consolidated Statement of Changes in Equity

| in € thousand | Subscribed Capital | Capital reserves | Retained earnings | Currency translation |
|---|---|---|---|---|
| **As per 12/31/2024** | **920** | **40,000** | **102,256** | **-4,942** |
| Profit or loss | - | - | -43,598 | - |
| Other comprehensive income | - | - | - | -1,799 |
| **Total comprehensive income** | **-** | **-** | **-43,598** | **-1,799** |
| **As per 12/31/2025** | **920** | **40,000** | **58,658** | **-6,741** |

| in € thousand | Subscribed Capital | Capital reserves | Retained earnings | Currency translation |
|---|---|---|---|---|
| **As per 12/31/2023** | **920** | **40,000** | **130,531** | **-4,181** |
| Profit or loss | - | - | -14,362 | - |
| Other comprehensive income | - | - | - | -676 |
| **Total comprehensive income** | **-** | **-** | **-14,362** | **-676** |
| Transaction among shareholders | - | - | -163 | -85 |
| Dividends | - | - | -13,750 | - |
| **As per 12/31/2024** | **920** | **40,000** | **102,256** | **-4,942** |

For explanations concerning equity, see chapter "[27] Equity".

| in € thousand | Revaluation from pension plans | Shares in investments accounted for using the equity method | Equity attributable to majority shareholders | Non-controlling interests | Equity |
|---|---|---|---|---|---|
| **As per 12/31/2024** | **-5,382** | **31** | **132,883** | **187** | **133,070** |
| Profit or loss | - | - | -43,598 | -82 | -43,680 |
| Other comprehensive income | 954 | 20 | -825 | 28 | -797 |
| **Total comprehensive income** | **954** | **20** | **-44,423** | **-54** | **-44,477** |
| **As per 12/31/2025** | **-4,428** | **51** | **88,460** | **133** | **88,593** |

| in € thousand | Revaluation from pension plans | Shares in investments accounted for using the equity method | Equity attributable to majority shareholders | Non-controlling interests | Equity |
|---|---|---|---|---|---|
| **As per 12/31/2023** | **-4,790** | **49** | **162,529** | **-** | **162,529** |
| Profit or loss | - | - | -14,362 | -52 | -14,414 |
| Other comprehensive income | -594 | -18 | -1,288 | -7 | -1,295 |
| **Total comprehensive income** | **-594** | **-18** | **-15,650** | **-59** | **-15,709** |
| Transaction among shareholders | 2 | - | -246 | 246 | - |
| Dividends | - | - | -13,750 | - | -13,750 |
| **As per 12/31/2024** | **-5,382** | **31** | **132,883** | **187** | **133,070** |

# 5 Notes

## 5.1 General Disclosures

The EDAG Group is one of the largest independent engineering service providers and handles projects in the fields of mobility solutions, industry solutions and public solutions in the Vehicle Engineering, Electrics/Electronics and Production Solutions segments.

The parent company of the EDAG Group is EDAG Engineering Group AG ("EDAG Group AG"). The EDAG Group AG was founded on November 2, 2015, and was entered as a stock corporation in the commercial register of the Swiss canton Thurgau on November 3, 2015. The registered office of the company is: Schlossgasse 2, 9320 Arbon, Switzerland.

The largest individual shareholder of EDAG Group AG is ATON Austria Holding GmbH, which holds 74.66 percent. The ultimate parent company, ATON 2 GmbH, Leopoldstraße 53, 80802 Munich, prepares the Consolidated Financial Statements for the largest group of companies, which are to be published in the Company Register.

Since December 2, 2015, the company has been listed for trading on the regulated market of the Frankfurt Stock Exchange with concurrent admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard):

| | |
|---|---|
| International Securities Identification Number (ISIN): | CH0303692047 |
| Securities identification number (WKN): | A143NB |
| Trading symbol: | ED4 |

The shares are denominated in Swiss francs. The functional currency of EDAG Group AG is the euro, and shares are traded in euros. The company's shares are briefed in a global certificate and deposited with Clearstream. Each company share entitles its holder to a vote at the company's annual shareholders' meeting.

The Group Executive Management of EDAG Group AG compiled the consolidated financial statements on March 25, 2026. The Audit Committee of the Board of Directors of EDAG Group AG dealt with the Consolidated Financial Statements during its meeting on March 24, 2026. The Board of Directors approved the Consolidated Financial Statements in its meeting on March 25, 2026.

For the financial year ending December 31, 2025, the company shares fully qualify for dividends.

The annual financial Annual Financial Statements of EDAG Group AG and the Consolidated Financial Statements of EDAG Group AG will each be issued with an

unqualified audit certificate by Deloitte AG, Zurich (Switzerland), and then submitted to the operator of the Company Register in Germany.

The financial statements of the companies included in the Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the European Union as of the financial reporting date of EDAG Group AG (December 31).

The Consolidated Financial Statements have been prepared using the euro as the reporting currency. Unless otherwise stated, all amounts are given in thousands of euros. Where percentage values and figures are given, differences may occur due to rounding.

In order to improve the clarity and informational value of the Consolidated Financial Statements, individual items consolidated both in the Statement of Financial Position and in the Statement of Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity will be disclosed and explained separately in the notes.

In accordance with IAS 1, the statement of financial position is divided into non-current and current assets and liabilities. Assets and liabilities are classified as current if they are expected to be sold or settled within a year or within the company's or group's normal operating cycle. In compliance with IAS 12, deferred taxes are posted as non-current assets and liabilities. Likewise, pension provisions are also posted as non-current items.

The statement of comprehensive income is structured according to the nature of expense method.

On the date that approval of the consolidated financial statements was given, the Executive Management has a reasonable expectation that the Group has at its disposal adequate resources to be able to continue to operate in the foreseeable future. The Consolidated Financial Statements have therefore been prepared on the basis of the going concern assumption.

## 5.2 Basic Principles and Methods

### Basic Accounting Principles

The Consolidated Financial Statements of EDAG Group AG and its subsidiaries for December 31, 2025 have been prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), as they are to be applied pursuant to Directive No. 1606/2002 of the European Parliament and Council regarding the application of international accounting standards in the EU. In addition to the International Financial Reporting

Standards, the term IFRS also includes the still valid International Accounting Standards (IAS), the Interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS IC) and those of the former Standing Interpretations Committee (SIC). The requirements of all accounting standards and interpretations resolved as of December 31, 2025 and adopted in national law by the European Commission have been fulfilled. Please also see chapter 5.2 "c) Synoptic Presentation of the Main Differences between IFRS IASB and IFRS EU".

In addition to the Statement of Financial Position and the Statement of Comprehensive Income, the IFRS Consolidated Financial Statements also include additional components, namely the Statement of Changes in Equity, the Cash Flow Statement and the notes.

All estimates and assessments required for accounting and valuation in accordance with the IFRS standards are in conformity with the respective standards, are regularly reassessed, and are based on past experience and other factors including expectations as to future events that appear reasonable under the given circumstances. Wherever large-scale estimates were necessary, the assumptions made are set out in the note relating to the relevant item in the following.

The risks to the EDAG Group arising from the global crises are subject to continual analysis and evaluation, also with regard to their impact on the net assets, financial position and financial performance of the Group. In addition, climate-related risks and opportunities are regularly assessed in our sustainability and CSR report, and have also been taken into due account within the scope of the financial reporting, including forecasts of expected business development. At the present time, we do not anticipate any material changes to our expectations with regard to the net assets, financial position and financial performance as a result of the climate crisis.

## New, Changed or Revised Accounting Standards

### a) New and changed standards in use in 2025

EDAG Group AG has applied the following accounting standards adopted by the EU and legally required to be applied since January 1, 2025, although they did not have any significant effect on the assets, financial position and financial performance of the EDAG Group in the Consolidated Financial Statements:

- **IAS 21 – Lack of Exchangeability**
  (IASB publication: August 15, 2024; EU endorsement: November 12, 2024)

### b) Standards, interpretations and changes to published standards, which are not yet mandatory for 2025, and which have not been applied prematurely by the company

The new changed or revised accounting standards will be applied, without exception, from the time when use is compulsory in each given case.

| | Standard/Interpretation[1] | Published by the IASB | Mandatory application | Endorsement by EU Commission | Anticipated effects |
|---|---|---|---|---|---|
| IFRS 9, IFRS 7 | Classification and measurement of financial instruments | 5/30/2024 | 1/1/2026 | 5/27/2025 | Effects are still being examined |
| IFRS 9, IFRS 7 | Nature-dependent electricity contracts | 12/18/2024 | 1/1/2026 | 6/30/2025 | Effects are still being examined |
| | Annual improvements to IFRS standards – Volume 11 | 7/18/2024 | 1/1/2026 | 7/9/2025 | Effects are still being examined |
| IFRS 19 | Subsidiaries without Public Accountability – Disclosures | 5/9/2024 | 1/1/2027 | Pending | Effects are still being examined |
| IFRS 18 | Presentation and Disclosure in Financial Statements | 4/9/2024 | 1/1/2027 | 2/13/2026 | See the following explanations |
| IFRS 19 | Amendments to IFRS 19 – Subsidiaries without Public Accountability – Disclosures | 8/21/2025 | 1/1/2027 | Pending | Effects are still being examined |
| IAS 21 | Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates: Translation into a Hyperinflationary Presentation Currency | 11/13/2025 | 1/1/2027 | Pending | Effects are still being examined |

[1] Until 12/31/2025

IFRS 18 (Presentation and Disclosure in Financial Statements) will replace IAS 1 (Presentation of Financial Statements) and is effective for reporting periods beginning on or after January 1, 2027.

The new IFRS 18 standard introduces the following important new requirements. Companies must categorize all income and expenses in the profit and loss statement into specified categories and report newly defined subtotals. Management-defined performance measures (MPMs) are disclosed in a single explanatory note in the financial statements. Additional guidelines are provided for the grouping of information in the financial statements. In addition, all companies are required to use the subtotal of the operating profit as the starting point for the cash flow statement, provided it presents the operating cash flow using the indirect method.

The EDAG Group is still in the process of evaluating the effects of the new IFRS 18 standard, particularly with regard to the presentation of the group's profit and loss statement, the cash flow statement and the additional disclosures required for MPMs.

**c) Synoptic Presentation of the Main Differences between IFRS IASB and IFRS EU**

The adoption of the full IFRS-IASB compared to the IFRS-EU, would not have any significant effects on the assets, financial position and financial performance.

## Consolidation Principles

The basis for the preparation of the Consolidated Financial Statements is formed by the individual financial statements of EDAG Group AG and its subsidiaries which have been presented pursuant to IAS 10, according to standardized accounting and valuation methods. All the companies included – with the exception of EDAG Production Solutions India Private Limited, New Delhi/India and EDAG Technologies India Private Limited, New Delhi/India – use the calendar year as their financial year. The country-specific financial statements of the Indian companies are prepared as of March 31. However, as of the balance sheet date December 31, interim financial statements were prepared according to the IFRS requirements.

Acquisition of subsidiary companies is recognized in accordance with the purchase method. The consideration transferred in a company merger is measured at fair value. In order to determine the proportional equity capital at the time of acquisition, a valuation of all identifiable assets, debts and contingent liabilities of the acquired company is carried out, including those which were not applied by the acquired company, at their fair values applicable at the date of acquisition. Non-current assets held for sale pursuant to IFRS 5 are valued at their fair value less costs to sell.

Goodwill is initially recognized as the surplus from the sum of the consideration transferred, the amount of non-controlling interests recognized, and the fair value of the previously held equity interest in the acquirer, over the fair value of the identifiable assets acquired and liabilities assumed. At least once a year – more frequently if there is reason to believe this is indicated – an impairment test is carried out to check the intrinsic value of the company's goodwill. In the event of impairment, unscheduled amortization is carried out. In the event of the disposal of a subsidiary or part of a goodwill-carrying CGU, the attributable share of goodwill is taken into account in calculating the earnings on the disposal.

Non-controlling interest represents the proportion of the result and the net assets which is not attributable to the shareholders of the parent company. Non-controlling interests are measured upon acquisition either at fair value or at the corresponding share of the identifiable net assets. This option may be re-exercised for each corporate merger. After the acquisition date, non-controlling interests are presented separately from the parent company’s equity in the consolidated balance sheet.

Assets and liabilities, and also sales revenues, expenses and income between consolidated companies have been offset. No significant effects result from the intercompany profit consolidation, taking deferred taxes into account.

The first-time valuation of associated companies is carried out at acquisition cost. For the subsequent valuation, the share of the profits and losses generated after the acquisition of the company accounted for using the equity method is recorded through profit or loss and the investment valuation increased or decreased accordingly. The investments valued using the equity method are recorded with the proportional, newly valued equity capital. The statement of comprehensive income includes the Group's share in the success of the associated company. Changes

reported directly in the equity of the associated company are recorded by the Group in the amount of its share and -if applicable -reported in the statement of changes in Group equity. Profits and losses from transactions between the Group and the associated company are eliminated in proportion to the share in the associated company. The balance sheet date and the accounting and valuation methods for similar business transactions and results under comparable circumstances of the associated company and the Group correspond.

## Scope of Consolidation

In addition to EDAG Group AG, all material subsidiaries are included in the Consolidated Financial Statements. Subsidiaries are companies in which EDAG Group AG exercises direct or indirect control.

Control exists when a parent company is subject to variable returns from its involvement with the subsidiary, or is entitled to and has existing rights (articles of association, company contract or a contractual agreement) that grant the ability to affect those returns through its power over the subsidiary.

With all such investments, this is based on the majority of voting rights held directly or indirectly by the parent company. The Financial Statements of the subsidiaries are included in the Consolidated Financial Statements by means of consolidation from the date of gaining control until the parent company ceases to control the subsidiary.

In addition to EDAG Group AG, the Consolidated Financial Statements include the companies included in the list of shareholdings in the notes, which are fully consolidated as per IFRS 10.

As the inclusion of several companies individually and overall is of little importance with regard to the obligation to give a fair presentation of the net assets, financial position and financial performance of the Group, this has been waived. These subsidiaries have been reported at acquisition costs, as per IFRS 9 (see chapter 5.8 "Share Ownership List" in the notes).

The following German incorporated and registered partnerships controlled according to IFRS 10 were included in the Consolidated Financial Statements and Group Management Report of EDAG Group AG, Arbon, Switzerland, in accordance with the regulations set out in § 292 paragraph 1 HGB (German Commercial Code) in conjunction with § 291 paragraph 1 HGB (German Commercial Code). The conditions for exemption from the preparation of their own Consolidated Financial Statements have been fulfilled:

- EDAG Engineering Holding GmbH, Munich
- EDAG Engineering GmbH, Wiesbaden
- EDAG Production Solutions GmbH & Co. KG, Fulda

Companies on which EDAG Group AG can, through involvement in their financial and business policies, have a significant effect (associated companies) are accounted for using the equity method as per IAS 28. As a general rule, "a significant effect" is assumed in cases where the share of voting rights is between 20 percent and 50 percent. Determination of when exactly the associated companies will be included in, or withdrawn from, the circle of companies to be accounted for using the equity method is analogous to the principles applicable to subsidiaries.

Compared to December 31, 2024, there were no amendments to the group of combined or consolidated companies in the 2025 reporting year, which as of December 31, 2025 is composed as follows:

| | Switzer-land | Germany | Other | Total |
|---|---|---|---|---|
| **Fully consolidated companies** | | | | |
| **Included as of 1/1/2025** | **2** | **5** | **21** | **28** |
| Included for the first time in current financial year | - | - | - | - |
| Withdrawn in current financial year | - | - | 1 | 1 |
| **Included as of 12/31/2025** | **2** | **5** | **20** | **27** |
| **Companies accounted for using the equity method** | | | | |
| **Included as of 1/1/2025** | **-** | **1** | **-** | **1** |
| Included for the first time in current financial year | - | - | - | - |
| Withdrawn in current financial year | - | - | - | - |
| **Included as of 12/31/2025** | **-** | **1** | **-** | **1** |
| **Companies included at acquisition cost [not included in the scope of consolidation]** | | | | |
| **Included as of 1/1/2025** | **-** | **3** | **-** | **3** |
| Included for the first time in current financial year | - | 1 | - | 1 |
| Withdrawn in current financial year | - | - | - | - |
| **Included as of 12/31/2025** | **-** | **4** | **-** | **4** |

The companies included at acquisition cost are for the most part non-operational companies and general partners, and are not included in the scope of consolidation. The company included and accounted for using the equity method is an associated company.

HYKONIS GmbH, Stuhr was founded and registered on April 3, 2025. EDAG Engineering GmbH holds 100 percent of the shares. The company is included at acquisition cost.

With effect from December 11, 2025, HRM Engineering AB, Gothenburg was merged with EDAG Engineering Scandinavia AB, Gothenburg.

## Currency translation

For initial recognition, foreign currency transactions in the individual annual financial statements accounts of the Group companies included are valued using the exchange rate at the time of the business transaction. Monetary assets and debts in a foreign currency (cash and cash-equivalents, receivables and liabilities) are valued at the closing rate on the balance sheet date. The exchange rate gains and losses arising from the valuation or settlement of monetary items are shown in the statement of comprehensive income. Equity and non-monetary items are valued at historical rates.

In the Consolidated Financial Statements, the expenses and revenues from subsidiaries' financial statements drawn up in a foreign currency are converted at average rates of exchange for the year, while assets and liabilities are converted at year-end exchange rates. The currency difference arising from the conversion of equity is posted in other comprehensive income. The conversion differences resulting from differing exchange rates between the statement of financial position and the statement of comprehensive income are also posted in other comprehensive income. When dealing with the disposal of a subsidiary, the currency translation differences recorded in equity during the years it belonged to the group are reversed to profit or loss.

Currency translation was based on the following exchange rates:

| Country | Currency | 12/31/2025 | 2025 | 12/31/2024 | 2024 |
|---|---|---|---|---|---|
| | 1 EUR = nat. currency | Spot rate on balance sheet date | Average exchange rate for period | Spot rate on balance sheet date | Average exchange rate for period |
| Great Britain | GBP | 0.8726 | 0.8566 | 0.8292 | 0.8466 |
| Brazil | BRL | 6.4364 | 6.3059 | 6.4253 | 5.8271 |
| USA | USD | 1.1750 | 1.1294 | 1.0389 | 1.0820 |
| Malaysia | MYR | 4.7682 | 4.8323 | 4.6454 | 4.9507 |
| Hungary | HUF | 385.1500 | 397.7839 | 411.3500 | 395.4233 |
| India | INR | 105.5965 | 98.4622 | 88.9335 | 90.5266 |
| China | CNY | 8.2262 | 8.1150 | 7.5833 | 7.7862 |
| Mexico | MXN | 21.1180 | 21.6730 | 21.5504 | 19.8246 |
| Czech Republic | CZK | 24.2370 | 24.6920 | 25.1850 | 25.1187 |
| Switzerland | CHF | 0.9314 | 0.9371 | 0.9412 | 0.9526 |
| Poland | PLN | 4.2210 | 4.2391 | 4.2750 | 4.3058 |
| Sweden | SEK | 10.8215 | 11.0645 | 11.4590 | 11.4311 |
| Japan | JPY | 184.0900 | 168.9429 | 163.0600 | 163.8220 |
| Turkey | TRY | 50.4838 | 50.4838 | 36.7372 | 36.7372 |

## Hyperinflation

Since the second quarter of 2022, Turkey has been classified as a hyperinflationary economy in accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies". Accounting for the activities there is therefore not carried out on the basis of historical acquisition or production costs, but is presented adjusted for the effects of inflation. The International Monetary Fund (IMF) price index for consumer goods is used here (inflation in Turkey in 2025: 31.0 percent, 2024: 43.0 percent). Gains and losses from hyperinflation are included in equity, in the reserves from currency translation differences.

After the figures have been adjusted for the effects of inflation, balance sheet items and income and expenses are translated into the reporting currency, the euro, at the closing rate on the balance sheet date, in accordance with IAS 21.42. This did not result in any material effect. The previous year's figures are not adjusted in accordance with the requirements of IAS 21 "The Effects of Changes in Foreign Exchange Rates" for financial statements in non-hyperinflationary reporting currencies.

## Accounting and Valuation Principles

The Consolidated Financial Statements have been prepared on the basis of historical acquisition/production costs. One exception to this rule are specific financial instruments which are reported on the basis of their fair value.

When preparing the Consolidated Financial Statements for the year ending December 31, 2025, the same basic accounting and valuation methods were applied as for calculating the comparative figures.

### Realization of Income and Expenses

Income is measured at the fair value for the consideration received or to be received for the sale of goods and services, less the discounts, price reductions and volume discounts granted by the company. VAT and other duties are not taken into account. Income is reported if the economic benefit is likely to accrue to the Group, and the amount of the income can be reliably ascertained.

Interest income and expenses are posted on a pro rata temporis basis, applying the effective interest method. Dividends are recorded when entitlement is legally effective.

Operating expenses are posted as costs when the service is utilized, or at the time they are incurred.

### Contracts with Customers

Contracts with customers are recognized in accordance with IFRS 15. Accordingly, sales revenues from ordinary business activities are to be recognized when the customer obtains control of the promised goods and services, and can benefit from them. Another requirement for revenue to be recognized is that EDAG is likely to receive the consideration. Revenue is to be evaluated with the amount of consideration the company expects to receive. The standard establishes a five-step model for recognizing revenue, and first of all requires identification of the contract with a customer and of the performance obligations in the contract. If several performance obligations can be identified in a contract (multi-component contracts), these are evaluated separately. Following this, the transaction price of the contract with the customer must be determined and the separate performance obligations allocated on the basis of a relative standalone selling price. Finally, the standard requires recognition of revenue for each performance obligation in the amount of the allocated proportionate transaction price as soon as the promised goods have been delivered or services rendered, or the customer has obtained control of the goods/services (control model). EDAG recognizes revenue over time if one of the following three criteria is met:

a) The customer receives and makes use of the benefits provided by the entity's performance at the same time as the entity is performing (IFRS 15.35 (a)).
b) An asset is created or enhanced by the entity's performance (e.g. services in process), and the customer has control over the asset while it is being created or enhanced (IFRS 15.35(b)).

c) An asset which is of no alternative use to the entity is created by the entity's performance, and the entity has an enforceable right to payment for performance completed to date (IFRS 15.35(c)).

**Performance Obligations**

The performance obligations at EDAG take the form of supplying services, predominantly in customer-specific construction contracts (project business) carried out within the scope of work contracts. For a more detailed explanation of the type of services, see chapter "Business Model" in the Group Management Report. Throughout the duration of the project, revenue from the fulfillment of the performance obligations is regularly recognized over time, in accordance with the percentage of completion. This is the case if EDAG can adequately measure both the revenue amount and performance progress in terms of the complete fulfillment of the performance obligation (percentage of completion method, PoC method). To measure the percentage of completion or performance progress, EDAG uses an input-oriented process (cost-to-cost) which places any costs incurred up to the accounting date and any costs anticipated until the order has been completed in relation to one another. The crucial factor is whether, in the event of early termination of a contract, EDAG has an enforceable entitlement to payment of an amount that will cover the performance provided up to the accounting date, and therefore also any costs incurred, plus a reasonable profit margin for the performance obligation concerned. This is the case in EDAG's key sales countries. The percentage of completion is ascertained on the basis of the costs incurred by the balance sheet date, as a percentage rate of the total costs estimated for the respective project. If the result of a construction contract cannot be reliably forecast, income is only posted to the extent to which the costs incurred can be recovered (zero-profit method).

Service contracts in accordance with § 611 et seq. of the German Civil Code (BGB) in the sense of IFRS 15.35(a) and deliveries in accordance with § 433 BGB play only a minor role in the EDAG Group, as the scope of such contractual arrangements is small. For the most part, EDAG works on construction contracts in the sense of IFRS 15.35(c) and and has therefore generally entered into work contracts in accordance with § 631 et seq. BGB with its customers.

Payment of the transaction prices for the contractual obligations under work contracts takes the form of fixed payments made at regular intervals. Essentially, the terms of payment conform with the generally established practice in the automotive industry (payment on the 25th of the month following invoice date), which means an average period of 40 days is allowed for payment. A common feature of work contracts is that they involve longer project durations: consequently, individual payment agreements in the form of payment schedules based on milestones are generally an element of these contracts.

With service contracts, the transaction price usually consists of a fixed payment per time unit. As with work contracts, the generally established practice in the automotive industry also applies to service contracts. Project durations of less than a year are typical of service contracts.

Close cooperation and coordination with the customers within the individual projects are characteristic of customer-specific contractual obligations. On completion, and once power of disposition has been conferred, final inspection and acceptance is carried out in the case of a work contract, and in the case of service contracts, the time sheets are countersigned. As a general rule, take-back, reimbursement and similar obligations are precluded following final acceptance by the customer, as are guarantees associated with the contractual obligation.

The performance obligations remaining on the reporting date (orders on hand) are equivalent to a transaction price in the amount of €336.2 million (12/31/2024: €361.4 million) and include performance obligations from work, service and sales contracts.

The following table sets out the planned realization of revenues:

| in € thousand | 12/31/2025 | 12/31/2024 |
|---|---|---|
| Subsequent year | 236,874 | 246,954 |
| Subsequent year +1 to n years | 99,352 | 114,446 |
| **Total orders on hand** | **336,226** | **361,400** |

Due to the complexity of the customer-specific performance obligations to be met by EDAG, the actual realization of revenues may diverge from the planned realization of revenues, particularly on account of rescheduling on the part of the customer.

## Contract Balances

The contractual assets and liabilities shown in the statement of financial position are generated as a result of surplus performance or performance obligations at contract level.

In contract assets, the performance obligations for both services and customer-specific construction contracts recognized in revenue according to PoC are recognized net of advance payments received. If the advance payments received in relation to the individual performance obligation are higher than the performance obligation recognized in profit or loss according to PoC, this is reported in the "contractual liabilities". Expected losses from performance obligations are immediately posted to onerous contracts.

By its very nature, project business -the core business of the EDAG Group -entails opportunities and risks, and, on account of customer-specific performance obligations, is subject to a wide variety of influencing factors. Major projects are usually highly complex and are often being worked on simultaneously in different countries. Continual project management and regular project evaluations influence the contract balances accordingly.

Depending on whether or not the customer has control over the agreed performance obligation on the reporting date or the customer has effected payment on the basis of an agreed payment schedule, this will have a corresponding effect on the amount of the contract balances recorded.

### Research and Development Costs

For accounting purposes, research costs are defined as costs relating to targeted investigations which are intended to deliver new scientific or technical findings and insights. Development costs are defined as expenses relating to the application of research results or technical knowledge in production, production processes, services or goods prior to the start of commercial production or use.

Research costs are immediately recorded through profit and loss. Development costs are capitalized if they fulfil specific, precisely defined valuation criteria (IAS 38.57). Capitalization is effected if the development activity is sufficiently certain to lead to future inflows of funds which will also cover the corresponding development costs.

Production costs include directly attributable costs and directly attributable material and production overheads, and also interest on borrowed capital, where this is applicable.

Depreciation begins on completion of development, when the asset is available for use. Depreciation is on a straight line basis, over the period during which sales revenues are anticipated. During the development period, in which the asset is not yet ready for use, it is reviewed annually with regard to impairment.

In the reporting year, research and development expenses amounting to €7,720 thousand (2024: €9,807 thousand) were incurred. In addition, development costs in the amount of €205 thousand (2024: €0 thousand) were activated.

### Other intangible assets

Intangible assets are posted as per IAS 38 ("Intangible Assets"), and capitalized accordingly if (a) the intangible asset is identifiable (i.e. it is separable or results from contractual or other right), (b) it is likely that the future economic benefit (e.g. liquid funds or other benefits, such as cost savings) which results from the asset will flow to the company and, (c) the costs of the intangible asset can be reliably measured. Intangible assets are valued at acquisition costs carried forward in the statement of financial position. No use has been made of the -also permissible -option of valuing these at fair value. The intangible assets of the EDAG Group include concessions, industrial property rights and similar rights, IT software, and capitalized development costs.

Intangible assets acquired for consideration are capitalized at acquisition cost and written off over their useful life. The depreciation of intangible assets, with the exception of goodwill, is always carried out on a straight line basis, over the following period:

| | Years |
|---|---|
| Customer relations | 8–10 |
| Capitalized development services | 3–5 |
| Concessions, industrial property rights and similar rights | 4–10 |
| IT software | 3–8 |

Depreciation begins as soon as the asset can be used, i.e. when it is capable of operating in the manner intended by management. Impairments are accounted for by means of unscheduled depreciation. Should reasons for unscheduled depreciation cease to apply, corresponding write-ups are carried out to the recoverable amount, which must not exceed the acquisition costs carried forward.

The development costs for a project are only capitalized as an intangible asset if the technical implementation, the intention of completion and the utilization or sale of the intangible asset can be demonstrated. Production costs cover the directly and indirectly attributable costs, and also, in the case of qualified assets in accordance with IAS 23, borrowing costs incurred during the production period.

In cases in which no own intangible asset can be recognized, the development costs are recognized as expenses in the period in which they occur.

Goodwill is checked for possible impairment once a year. In the event of incidents or changed circumstances indicating a possible reduction in value, the impairment review is to be carried out more frequently. Further details of the procedure to be followed in the annual impairment tests can be found in the chapter "Impairment".

### Impairment

For each balance sheet date, or more frequently should incidents indicate the necessity, the Group checks the carrying amounts of the intangible assets and property, plant and equipment, to determine whether there is any evidence indicating impairment. Should this be the case, the recoverable amount of the asset in question is ascertained and compared with its carrying amount, to determine the value of any adjustment that might need to be made. Should it not be possible to determine a recoverable amount for an individual asset, the recoverable amount is to be determined for the smallest identifiable group of assets which generate cash and to which the individual asset can be allocated (cash-generating units, CGUs). For goodwill impairment testing purposes, the EDAG Group has defined the segments as CGUs.

Should reasons for unscheduled depreciation cease to apply, corresponding write-ups are carried out. Write-ups are only carried out if changes have been made to the estimates used to determine the recoverable amount since the last time the expense incurred for impairments was recorded. If this is the case, then the carrying amount of the asset is increased to its recoverable amount, but not more than its carried-forward acquisition cost, without taking into account any expense for impairment. Unscheduled depreciation of goodwill is not corrected by means of write-ups.

Unscheduled depreciations and/or write-ups are recorded as operating results in the statement of comprehensive income if continued operations are involved.

The goodwill is divided up and assigned to the CGUs, and recoverability is checked at this level. The carrying amount of the CGUs is compared with their recoverable amount, i.e. the higher amount of fair value less the cost of disposal and value in use. The net selling price is the revenue which can be obtained by selling an asset in a transaction using market conditions between two qualified parties willing to enter into a contract (fair value), less disposal costs. The EDAG Group first determines the value in use of each segment in the course of the impairment test. Should this prove to be lower than the carrying amount, the net disposal value after deduction of the disposal costs is determined. The segment's value in use is equal to the present value of the cash flow which, taking into account the continual usage of the strategic business unit and its disposal, can be expected at the end of its useful life. Payment prognosis is based on the current, long-term plans of the EDAG Group. The planning period is five years, with the first three years based on detailed planning and the subsequent two years projected at segment level. At EDAG, the cost of capital is calculated as a weighted average of the equity and borrowing costs, the crucial factor here being the proportion of each to the total capital, and country-specific parameters have been taken into account. The equity cost rate is determined with the Capital Asset Pricing Model (CAPM), from a zero-coupon bond interest rate with a time to maturity of 30 years plus a risk premium equivalent to one of the separate CGUs. Both the equity and the borrowing costs are derived from capital market information and represent an interest rate before tax.

The planning on the basis of the individual cash generating units is based on expectations with regard to the future development of the global economy, on assumptions derived from the development of the engineering market, and on concrete customer commitments relating to individual projects. As in the previous year, a perpetuity growth rate of 1 percent has been taken into account.

In cases in which the carrying amount of the cash generating unit is higher than its recoverable amount, there is a depreciation loss in the amount of the difference. In the first step, the goodwill of the strategic business unit (segment) concerned is amortized in the amount of the impairment thus determined and recognized as an expense. Any remaining sum is spread, proportional to the carrying amounts, across the other assets of the relevant strategic business unit. The following table shows the EDAG Group's segments along with their goodwill.

| in € thousand | 2025 | 2024 |
|---|---|---|
| Vehicle Engineering | 50,081 | 49,948 |
| Electrics/Electronics | 20,588 | 20,587 |
| Production Solutions | 5,264 | 5,886 |
| **Total** | **75,933** | **76,421** |

As in the comparative period, there was no need for adjustments to be made to goodwill. Even if the equity cost rate is increased by 100 basis points, there is still no need for any adjustment to be made to the cash generating units. The same applies to a reduction of the perpetuity by 100 basis points.

### Property, plant and equipment

Property, plant and equipment are recognized in accordance with IAS 16 and capitalized accordingly if (a) it is likely that the company will derive future economic benefit, and (b) the acquisition or production cost of the plant and equipment can be valued reliably.

Property, plant and equipment are valued at historical acquisition or production cost less scheduled, straight-line depreciation. Unscheduled depreciation is recognized if impairments exist. According to IAS 36 (Impairment of Assets), such impairments are ascertained on the basis of comparisons with the discounted future cash flows of the corresponding CGU.

The following useful lives are used as a basis for depreciation:

| | Years |
|---|---|
| Building | 10–50 |
| Technical equipment | 12–25 |
| Machinery | 8–25 |
| Vehicle fleet | 5 |
| Hardware | 3–4 |
| Other operating and office equipment | 3–20 |

Buildings and installations on external properties are depreciated over the term of the rental contracts or their useful life, if this is lower.

The acquisition costs are composed of the acquisition price, ancillary acquisition costs and subsequent acquisition costs, less acquisition price reductions received. If an obligation exists to shut down or dismantle a property, plant or equipment asset at the end of its useful life, or to restore a site to its former condition, the estimated cost of this work increases the acquisition cost of the asset, which is seen alongside a provision to be posted on the liability side.

In addition to directly attributable costs, the production costs for self-built facilities also include directly attributable material and production overheads, as well as the general administration costs for the divisions dealing with building the facility. Tools that are owned by the Group are capitalized at acquisition or production cost.

Investment subsidies and allowances are offset against acquisition or production costs. Capitalization of subsequent acquisition or production costs is carried out if

a future economic benefit will accrue from the costs associated with the property, plant and equipment. Maintenance and repairs are recognized as costs.

Property, plant and equipment are split into components at the lowest level, if these components have useful lives which differ significantly from one another and these components will probably need to be replaced or overhauled at some point during the entire life of the asset.

Profits or losses on asset disposals are posted under other operating income or expenses. Property, plant and equipment is derecognized either on disposal, or at such time as no further economic benefit is anticipated from the continued use or disposal of the asset.

Property, plant and equipment are valued at acquisition costs carried forward in the statement of financial position. No use has been made of the -also permissible -option of valuing these at fair value.

## Leasing

As a basic principle, accounting for leases in the Group is based on the provisions of IFRS 16, subject to the condition that an examination upon conclusion of an agreement shows that the agreement concluded contains a lease component. This is only the case if the beneficiary determines the use of the underlying asset and receives virtually all economic benefits from it. EDAG and its companies act both as lessees and as lessors.

### Group as the Lessee

The presentation of lessee agreements falls almost exclusively within the scope of IFRS 16, with the exception of leases on agreements for the use of intangible assets, for which the provisions of IAS 38 apply instead (waiver of the option under IFRS 16.4).

In accordance with IFRS 16, for almost all lessee agreements, both a right-of-use asset and a lease liability are recognized in the balance sheet at the lease commencement date. EDAG has made use of the exemption option described in IFRS 16.5, which allows it to waive recognition of a balance sheet item for short-term leases with a term of one year or less, and for leases of assets of minor value (€5 thousand). Instead, the resulting leasing payments are generally recognized as rental expense on a straight-line basis over the contract period. EDAG will also make use of the practical expedient in accordance with IFRS 16.15, to dispense with the separation of non-leasing and leasing components with regard to leases for IT hardware, technical equipment and machinery, and for operating and office equipment.

The initial measurement of the lease liability at the commencement date is based on the present value of the minimum lease payments payable over the lease term using the interest rate implicit in the lease. Should it not be possible for this interest rate to be readily determined, EDAG will instead use its incremental borrowing rate of

interest for discounting. The minimum lease payments on which the measurement of the lease liability is based consist of the following:

- Fixed payments
- Virtually fixed payments (de facto fixed payments)
- Variable payments, the amount of which is linked to the development of an index or exchange rate (measured by the index or exchange rate at the inception of the lease)
- Expected payments from residual value guarantees issued by the lessee
- Exercise prices of purchase options that are sufficiently secure when exercised
- Payments resulting from the termination of the lease if these have been recognized during the lease period

On the other hand, existing claims to lease incentive receivables are deducted from the total minimum lease payments.

The lease liabilities are shown as a separate item in the consolidated statement of financial position.

The determination of the lease period calls for the inclusion of not only the basic noncancelable lease period but also of the period of extension options, insofar as it is reasonably certain that these will be exercised. In addition, termination options are also to be included in the determination of the term, insofar as the criterion of reasonable assurance of their being exercised is met. Optional contractual components are therefore to be included in the determination of both the lease period and the lease payments, if there is a certain probability of their being exercised.

The right of use entered in the balance sheet is to be recognized at acquisition cost at the lease commencement date. As a general rule, this covers the initial value of the leasing liability. Initial costs already paid by the lessee either before or at the beginning of the lease must also be added. Further, any lease installments paid in advance and estimated reinstatement costs from reinstatement obligations are added to the right of use. On the other hand, incentive payments received from the lessor at the beginning are deducted. The rights of use are shown as a separate item in the consolidated statement of financial position.

In addition to the deduction of the leasing payments already effected, the subsequent measurement of the lease liability includes the addition of accrued interest on the carrying amount of the liability outstanding on the reporting date, using the discount rate used to calculate the present value (effective interest method).

Subsequent measurement of the right of use is therefore at amortized acquisition cost by recording straight-line depreciation over the period of expected use. As a rule, the period of expected use is equivalent to the contract period. If, on the other hand, the period of economic benefit is shorter than the contract period, the shorter period must be used. In addition, where leases with automatic transfer of ownership

or a reasonably secure purchase option are concerned, the period of expected use is extended to cover the useful economic life of the underlying asset. Furthermore, the rights of use are subject to an examination of the need for a value adjustment within the scope of IAS 36 (Impairment of Assets). Any resulting adjustments are recognized as unscheduled depreciation.

Reassessment scenarios may arise throughout the duration of a lease. These could result from changes to assessments made at the inception of a lease with regard to the amount of the leasing payments or the probable lease period being considered.

- A change in the assessment of lease installments as a result of the development of an index or exchange rate, or a change in the assessment of the obligation under a residual value guarantee will lead to a revaluation of the lease liability and right of use. The discount rate on which the lease was originally based is used, and the right of use and liability are adjusted by the same amount without affecting net income.
- On the other hand, changes in variable lease payments are recognized directly through profit and loss in the statement of comprehensive income.
- Changes in the assessment of the exercise of renewal, termination or purchase options lead to an adjustment of the right of use and liability with no effect on income, provided a triggering event occurs. When carrying out revaluation, the current discount rate is used in relation to how long the lease still has to run. A triggering event is a significant change in circumstances and facts that is within EDAG's sphere of influence and has a direct impact on the exercising of an existing option.

In addition, there is also a possibility of the occurrence of contract modifications characterized by the fact that EDAG and the lessor have entered into a subsequent agreement that changes the amount of the leasing installments or the scope of the lease. Contract modifications result in a revaluation of the right of use and the liability. In any such case, the current discount rate is used in relation to how long the lease still has to run. Depending on the nature of the change (extension-reduction / quantity-time / original conditions-current market conditions), the adjustment may consist of an adjustment to the right of use and liability without affecting net income, a percentage adjustment to the right of use and liability through profit and loss, or the recognition of a new lease.

**Group as the Lessor**

According to IFRS 16, lessor agreements will continue to be classified as operating or finance leases at the inception of the lease, due to their economic substance. If a lease substantially transfers all the risks and rewards from the Group to the lessee, it is classified as a financing lease. Consequently, the underlying leasing object must be derecognized and a leasing receivable recognized. The leasing receivable is reported at the net investment value. In subsequent measurement, the leasing payments are split into an interest and a repayment component, and thus carried forward using the effective interest method.

Should a lease not substantially transfer all the risks and rewards from the Group to the lessee, it is classified as an operating lease. The leasing object remains in the consolidated statement of financial position, and rental income is recognized on a straight-line basis in the statement of comprehensive income. In addition, scheduled depreciation of the leased object is recorded in accordance with the specifications for fixed assets (property, plant and equipment).

According to IFRS 16.63, a lease is as a rule classified as a finance lease if at least one of five criteria is met at the inception of the lease. These are the transfer of ownership at the end of the term, the existence of a favorable purchase option, the specific nature of a leasing object and in particular the net present value criterion and the rental period criterion.

Should the usage agreement concluded be a sublease, with EDAG acting as an intermediate lessor, there are two possibilities.

- If the main lease is classified as a current lease and accounted for in accordance with IFRS 16.6, EDAG classifies the sublease as an operating lease.
- In all other cases, EDAG applies the classification criteria based on the right of use from the main lease and not on the underlying asset.

### Public sector benefits

Public sector benefits are only recorded if there are reasonable grounds for certainty that the associated conditions can be fulfilled and the benefits granted.

Taxable and tax-exempt state benefits for the acquisition of non-current assets are posted as a reduction of the acquisition and manufacturing costs for the acquired and self-produced assets. Profit-related benefits are always recognized in the income statement in the periods during which the expenses to be compensated for are incurred. In contrast, subsidies for short-time working benefit are presented using the net method.

### Inventories

Assets which are held for sale in the ordinary course of business (finished goods, finished services and merchandise), which are being produced for sale (unfinished goods and services), or which are utilized within the context of manufacturing products or supplying services (raw materials and supplies) are reported as inventories in accordance with IAS 2.

Inventories are valued either at acquisition or manufacturing cost or at their net sales value, whichever of the two is the lower, i.e. the recoverable sales proceeds during the ordinary course of business, less the estimated production and sales costs. The acquisition or manufacturing costs of inventories include all costs of acquisition and manufacturing which have been incurred in order to place the inventories at the current location and in their current condition. Acquisition or manufacturing costs are determined on the basis of the average method. The manufacturing costs include all directly attributable costs and production-related material and production overheads, including depreciation on production-related assets. Inventory risks that result from

limited viability or a substantial storage period are taken into account by making corresponding adjustments. Administration costs are taken into account if they are attributable to production.

## Financial Instruments

### General Disclosures

A financial instrument is a contract that simultaneously results in the creation of a financial asset for one entity and a financial liability or equity capital instrument for another entity.

Financial assets as defined in IFRS 9 cover financial assets which are either measured at amortized cost [AC], at fair value through other comprehensive income [FVtOCI] or fair value through profit or loss [FVtPL]. In particular, these include cash and cash equivalents, accounts receivable, other granted loans and receivables and original and derivative financial assets held for trading purposes.

Financial liabilities regularly constitute claims for repayment in cash or another financial asset. In the sense of IFRS 9, these include financial liabilities measured at fair value through profit or loss [FVtPL], and financial liabilities that are valued at carried-forward acquisition cost [AC}. In particular, these include accounts payable, liabilities due to credit institutions, promissory note loans and derivative financial liabilities, as well as bonds and other secured liabilities.

With first-time recognition of financial liabilities, these are measured at their fair value. In the process, the transaction costs that are directly attributable to the acquisition must be taken into account for all financial assets which are not subsequently measured at fair value through profit or loss.

As a rule, financial instruments are valued as soon as EDAG becomes a contractual partner under the regulations of the financial instrument (trading date). In general, financial assets and financial liabilities are not offset; they are only netted if a right to offsetting exists and the intent is to settle on a net basis.

The fair values posted in the statement of financial position generally correspond to the market prices of the financial assets. Should these not be directly available, they are calculated on the basis of recognized valuation models and the current market parameters. To this end, the cash flows that are already defined or determined on the basis of the current yield curve via forward rates are discounted on the valuation date, using the discount factors from the yield curve that applies on the reference date. The middle rates are used.

### Financial Assets

The classification and valuation of financial assets (financial instruments) which are not equity instruments depends on the business model in which the financial asset is held and on the instrument's contractual cash flows. Both factors must always be tested on receipt of a financial instrument (and in the case of the first-time adoption of IFRS 9 for the transition). As long as the instrument's cash flows consist

of only interest payments on the nominal amount and repayments are made (cash flow criterion) and the instrument is being held for the purpose of realizing the contractually agreed cash flows (business model "retain"), it is valued at amortized acquisition cost [AC]. If the cash flow criterion has been met and the instrument is being held in a business model which realizes the cash flows from the instrument by holding it until maturity and then selling it (business model "hold and sell"), it is measured at fair value through other comprehensive income [FVtOCI]. If the cash flow criterion has not been met, or for all business models that are not geared to "hold or sell", the instrument must be measured at fair value through profit or loss [FVtPL].

The reclassification of a financial asset between the IFRS 9 measurement categories is only permitted subject to the condition that there is a change of business model for the group of instruments in question. In practice, an actual occurrence of this type of amendment will happen only very rarely, and must be: 1) determined by the Executive Board as the result of external or internal amendments, 2) significant for operative activity, and 3) verifiable for external parties.

Cash and cash equivalents

The cash in the statement of financial position includes checks, cash balances and deposits with banks, with a term of up to three months. The cash equivalents in the statement of financial position include current, extremely liquid financial investments which can be converted into payment instruments at any time, and are only subject to insignificant value fluctuation risks. Cash and cash-equivalents are valued at carried-forward acquisition cost. The financial funds in the consolidated cash flow statement are delineated according to the definition above.

Receivables

Accounts receivable and other current receivables meet the cash flow criterion, and are held in a business model the aim of which is to realize the cash flows by holding the instruments until maturity. They are therefore measured at amortized cost, using the effective interest method (net method), if applicable. Adjustments sufficiently satisfy the risks of default; concrete defaults result in the derecognition of the relevant receivables. There is a detailed description of the system for carrying out adjustments according to the expected credit loss model under IFRS 9 under point "Impairments" in this chapter. Impairments of accounts receivable and other receivables are always carried out using value adjustment accounts. The decision regarding whether a default risk should be accounted for using a value adjustment account or by directly reducing the receivable depends on the degree of reliability of the assessment of the risk situation. Due to the various business fields and differing regional conditions involved, the final assessment is the responsibility of the persons responsible for the individual divisions.

Other non-current receivables are valued using the effective interest method, at carried-forward acquisition cost.

Loans

Loans issued are valued in exactly the same way as amounts receivable, at carried-forward acquisition cost. They meet the cash flow condition and are likewise held in order to realize contractual cash flows.

Investments and Securities

As a general rule, other investments and securities (investments in equity instruments) do not meet the cash flow condition on account of the leverage effect of immanent fluctuations in the exchange rate, and must therefore be accounted for at fair value through profit or loss. For non-listed equity instruments such as other other investments (e.g. non-operational companies), use is made of the exceptional rule to value these at their acquisition costs (less impairments, if applicable) as a reasonable estimate of their fair value.

Interest received from or paid on financial investments is posted as interest income or interest expense. The effective interest method is used. Dividends from financial investments are posted as "dividends received" in the profit and loss accounts when the legal claim to payment arises.

Impairment

Financial assets are subject to default risks, which are taken into account by recognizing provisions for risks or, in the case of losses that have already occurred, by recognizing a specific valuation allowance. Credit default risks are to be considered for all financial assets that are valued at carried-forward acquisition cost, and for contract assets within the scope of IFRS 15 and receivables from leases that fall under IFRS 16. The default risk arising from accounts receivable and from contract assets within the scope of IFRS 15 is recognized according to the simplified impairment model by making portfolio-based adjustments (provisions for risks). For these financial assets, provisions for risks in the amount of the expected loss over the term is created in accordance with Group-wide standards (expected credit loss; stage 2 of the impairment model). In order to determine portfolio-based adjustments, receivables are grouped into homogeneous portfolios on the basis of comparable credit risk characteristics, and divided into risk classes. To determine the amount of impairment, historical default probabilities based on the average bad debts in recent years are used in conjunction with forward-looking parameters of the respective portfolio. The EDAG Group checks whether there are any objective indications of impairment, for instance insolvency proceedings, on every reporting date. Should this be the case, the default risk is taken into account by recognizing a specific valuation allowance (stage 3 of the impairment model).

For other receivables and loans and receivables from leases that fall under IFRS 16, the expected credit loss for the next twelve months is first determined on initial recognition and on subsequent measurement (stage 1 of the impairment model). In the event of a significant increase in the default risk, the risk is reclassified to stage 2 of the impairment model. The expected credit losses over the term of the asset are taken into account here. A significant increase can be deemed to exist if, for example, unfavorable changes to business, financial or economic conditions have

a negative impact on the ability of the borrower to meet its contractually agreed payment obligations. If there are objective indications of an impairment, a specific valuation allowance is recognized (Stage 3 of the impairment model).

The Group reports expected credit losses and changes to them as a separate item in the consolidated statement of comprehensive income.

Derecognition
A financial asset (or part of a financial asset, or part of a group of similar financial assets) is derecognized when one of the following three conditions has been fulfilled:

- The contractual rights to draw on the cash flows from a financial asset have expired.
- Although the Group retains the rights to draw on the cash flows from financial assets, it has, however, accepted a contractual obligation requiring the immediate payment of the cash flows to a third party, within the context of an agreement which meets the requirements of IAS IFRS 9.3.2.5 ("pass-through arrangement"), and in doing so has essentially neither transferred nor retained all risks and rewards appertaining to the ownership of the financial asset, but has nevertheless transferred the authority to dispose of the asset.
- The Group has transferred its contractual rights to draw on cash flows from a financial asset, and in doing so has either (a) essentially transferred all rewards and risks appertaining to the ownership of the financial asset, or (b) essentially neither transferred nor retained all risks and rewards appertaining to the ownership of the financial asset, but has nevertheless transferred the authority to dispose of the asset.

If the Group transfers its contractual rights to cash flows from an asset, without in essence transferring all risks and rewards appertaining to the ownership of this asset, and also retains the authority to dispose of the transferred asset, the Group continues to include the transferred asset in the volume of its ongoing commitments. If the form of the ongoing commitments guarantees the transferred asset, then the volume of the ongoing commitments is equivalent to the lower amount from the original carrying amount of the asset and the maximum amount of the consideration received, which the Group might have to pay back.

**Financial Liabilities**
Financial Liabilities Measured at Amortized Costs
Accounts payable and other financial liabilities are always valued using the effective interest method, at carried-forward acquisition cost.

Financial Liabilities Measured at Fair Value Through Profit or Loss
Other financial liabilities, such as contingent considerations, are valued at fair value through profit or loss.

Derecognition
A financial liability is derecognized when the obligation on which it is based has been fulfilled, canceled, or has expired.

If an existing financial liability is exchanged for another financial liability of the same loan creditor with substantial differences in contractual conditions, or if the conditions appertaining to an existing liability are considerably altered, then any such exchange or alteration is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amounts is posted to profit or loss.

Derivative Financial Instruments
EDAG uses derivative financial instruments, such as forward exchange contracts and interest rate swaps, to secure interest rate and currency risks resulting from operating activities, financial transactions and financing. Derivative financial instruments are neither held nor issued for speculative purposes.

The derivative financial instruments are measured at fair value when posted for the first time. The fair values are also relevant for subsequent valuations. The fair value of traded derivative financial instruments corresponds to the market value. This value can be positive or negative. If no market values are available, the fair values must be calculated using recognized actuarial models.

For derivative financial instruments, the fair value corresponds to the amount which EDAG either received or paid on maturity of the financial instrument, as of the reporting date. This is calculated using the relevant exchange rates and interest rates on the reporting date. Middle rates are used for the calculations.

The fair value of forward exchange contracts is determined using the current forward exchange rates for contracts with similar maturity structures. The fair value of interest rate swap contracts is determined using valuation models. Market parameters of similar instruments that can be observed are also included in these.

## Provisions

A provision (a debt the maturity and/or amount of which is uncertain) is formed according to IAS 37, if a current legal or factual obligation resulting from past events exists toward third parties, and, moreover, it is likely that the settlement of the obligation will result in an outflow of resources, and the amount of the provision can be reliably determined.

The provisions are valued at their anticipated repayment amount, and not offset against refund claims. Provisions that are based on a large number of similar types of events are accounted for at their expected value. All non-current provisions (with a term of more than one year) are posted with the anticipated discounted amount to be paid on the balance sheet date. The amount to be paid also includes the cost increases to be taken into account on the balance sheet date.

If many similar types of obligations exist – as in the case of the statutory warranty – the probability of an outflow of resources is determined on the basis of the group of these obligations. A provision is also posted as a liability if the probability of an outflow of resources is negligible in relation to an individual obligation included in this group.

Provisions for restructuring expenses are only recognised if the Group has drawn up a detailed, formal restructuring plan and, by starting to implement that plan or announcing its main features, has raised a valid expectation in those affected that the restructuring measures will be implemented. Only the direct expenditures involved in the restructuring are included in the measurement of restructuring provisions. Only the amounts that were incurred in connection with restructuring and are not related to the Group's continuing operations are therefore involved.

### Pensions and Other Post-Employment Benefits

The Group has both defined benefit and defined contribution-based pension plans. A contribution-based pension plan is one which involves the Group paying fixed contributions into a non-Group company (fund). The Group is under no legal or actual obligation to pay additional contributions if the fund should fail to have sufficient assets to meet the pension entitlements of all employees from the current and previous financial years. By contrast, defined benefit-based plans typically define a pension benefit volume that the employee will receive on reaching retirement age, and as a rule depends on one or more factors such as age, length of service and salary.

The provision for defined benefit-based plans recognized in the statement of financial position corresponds to the net present value of defined benefit obligations (DBO) on the balance sheet date, less the fair value of the plan assets. The DBO is calculated annually by an independent actuarial expert, using the project unit credit method. The accounting valuation of the obligations is based on various estimates. Assumptions need to be made in particular with regard to long-term trends in the development of salaries and pensions, and to average life expectancy. Assumptions relating to salary and pension trends are based on developments observed in the past, and also take the country-specific interest and inflation rates and relevant labor market developments into account. Acknowledged biometric bases for calculation form the basis for estimating average life expectancy. The interest rate used to discount the future payment obligations is derived from premium corporate bonds with corresponding currencies and maturities.

Revaluations based on experience-related adjustments and amendments to actuarial assumptions are recognized in other comprehensive income in the period in which they occur. Adjustments to an employment period are expensed immediately.

With the exception of the interest components, which are recognized in the financial result, pension costs are posted under personnel costs.

With defined contribution plans, the Group pays premiums to public or private pension insurers on the basis of a legal or contractual obligation, or on a voluntary basis. The Group has no further payment obligations over and above payment of the premiums. The premiums are recognized in personnel expenses on maturity. Prepaid contributions are recognized as assets to the extent that there is a right to repayment or a reduction in future payments.

### Payments Resulting from the Termination of Employment Relationships

Payments resulting from the termination of employment relationships are made in the event of an employee being dismissed by a Group company before reaching regular pension age, or of an employee accepting the voluntary termination of the employment relationship in return for severance pay. The Group recognizes severance pay if it is demonstrably obliged to terminate the employment of present employees in compliance with a detailed and irrevocable formal plan, or if it is demonstrably required to pay such benefits following the voluntary termination of employment by the employee. Payments which become due after more than twelve months after the effective date are discounted to their present value.

### Income Taxes

Income taxes include both current and deferred taxes. The current taxes relate to all taxes which are charged on the taxable profit of the Group companies.

Deferred tax assets and deferred tax liabilities are formed pursuant to IAS 12 "Income taxes" for temporary valuation differences between IFRS and tax statements of financial position of the individual companies, as well as for consolidation processes affecting income. The deferred tax claims also include tax reduction claims which result from the anticipated future use of existing tax losses carried forward, if the realization of these is likely. Deferred tax claims are only to be reported if it is likely that future taxable income can be offset against tax credits and losses carried forward. A planning period of 5 years is always used here, analogous to the corporate planning used for the impairment test.

To calculate deferred taxes, the tax rates applicable on the balance sheet date or applicable in future are used as a basis, provided these have already been legally defined, or the legislative process is essentially complete. Changes to deferred taxes in the statement of financial position always result in deferred tax expenses or income. If circumstances that result in a change in deferred taxes are booked directly against the other comprehensive income, the change to the deferred taxes is also directly accounted for in other comprehensive income.

### Estimates (Assumptions) and Discretionary Decisions

When applying the accounting policies, the company management is required to make qualified estimates and make discretionary decisions which could have a significant effect on the presentation of the net assets, financial position and and financial performance of the EDAG Group. The amounts actually realized may deviate from these estimates. Estimates and discretionary decisions are mainly used when ascertaining the useful life of depreciable property, plant and equipment or intangible assets, when measuring provisions, and when valuing investments and other assets or liabilities. Although adequate account is taken of existing uncertainties during valuation, actual results may still deviate from the estimates.

In the following situations, the assumptions made on the balance sheet date are of particular significance:

The estimate of **order costs and income** is an important criterion for realizing profit according to performance progress, pursuant to IFRS 15. The result of a production order can only be reliably estimated if the economic advantages arising from the contract are likely to go to the company. Assumptions are also to be used as the basis on which to assess probability. The management continually reviews all estimates required for production orders, adjusting them wherever necessary.

**Deferred tax assets** are also recorded for tax losses carried forward. Their viability depends on future taxable results of the respective Group company. If there is any doubt regarding the realization of losses carried forward, then no deferred taxes are posted.

**Pension provisions** are influenced by assumptions regarding the future development of wages and salaries or pensions, as well as by the interest, portfolio structure and anticipated performance of the plan assets of pension funds. Should the assumptions made fail to materialize, this will result in an actuarial surplus or shortfall, which is offset with the retained earnings, not affecting income.

**Other provisions** also cover risks from legal disputes and legal action. In addition to an assessment of the situation and claims awarded in similar cases, the results of comparable legal actions and independent legal opinions are also taken into consideration, as are assumptions regarding the probability of occurrence and the scope of possible claims, in order to determine the amount of a provision. The actual costs can deviate from these estimates. When discounting non-current provisions, assumptions are made regarding the interest rate to be used.

Unscheduled amortization (impairments) on assets is carried out in the case of impairment. An impairment test is carried out for the goodwill and intangible assets with an indefinite useful life if specific events indicate a possible impairment, but at all events at least once a year. In the impairment test, the carried-forward carrying amounts of the assets are compared with the recoverable amount of the assets. The recoverable amount is either the net disposal price or value in use of the asset, whichever value is higher. In order to determine the utilization value, it is necessary to estimate and discount cash flows. The estimated cash flows and the assumptions made are based on whatever information is available on the balance sheet date, and may deviate from actual developments. this method is used for both goodwill and for investment accounted for using the equity method.

Definition of the **useful lives** of depreciable assets is on the basis of the anticipated usability of the assets, and is based on estimates. Empirical values with comparable assets were used as a basis for orientation. The estimated useful lives of intangible assets and property, plant and equipment are examined at the end of the financial year and adjusted as necessary.

Measurement of the **provisions for risks** in accordance with IFRS 9 entails estimates and uncertainties. In the simplified model, probability of default is determined on the basis of empirical values, and adjusted to take future-related information into account.

Measurement of **leases** in accordance with IFRS 16 involves estimates regarding the consideration of renewal and termination options, and the determination of the incremental borrowing rate.

## 5.3 Notes on the Statement of Comprehensive Income

### [1] Sales Revenues

Accordingly, sales revenues from ordinary business activities are recognized when the customer obtains control of the promised goods and services, and can benefit from them. This disclosure occurs net of sales tax and all discounts and bonuses. In addition to this, services assessed according to the Percentage of Completion ("PoC") method are also disclosed as sales revenues.

The revenues from contractual obligations met either fully or in part in earlier periods and recognized for the reporting period cannot be shown separately, due to the fact that, as a rule, changes to the transaction price also mean that changes have been made to the scope of services within the projects in the current reporting period.

For more detailed descriptions of the sales revenues and their composition, please see the explanatory notes in Segment Reporting.

### [2] Changes in Inventories

Shown here is the increase/decrease in inventory of unfinished and finished goods and services which have been determined on the basis of the acquisition cost method. Inventory of unfinished and finished goods and services in the reporting year 2025 increased by €390 thousand (2024: increased by €86 thousand).

## [3] Other Income

Other income is classified as follows:

| in € thousand | 2025 | 2024 |
|---|---|---|
| **Operating income** | | |
| Non-cash benefits -use of a company car | 3,760 | 4,091 |
| Cost transfer income | 2,392 | 3,446 |
| Income from currency gains | 2,165 | 2,059 |
| Income from sub-leases | 1,842 | 1,788 |
| Income from compensation payments | 414 | 149 |
| Income from property rental | 330 | 255 |
| Income from currency hedging transactions | 198 | - |
| Income from recycling/scrapping | 26 | 57 |
| Other operating income | 1,501 | 1,459 |
| **Total operating income** | **12,628** | **13,304** |
| | | |
| **Non-operating income** | | |
| Income from the reversal of provisions | 9,259 | 1,060 |
| Public sector benefits | 2,913 | 4,288 |
| Income from the disposal/subsequent capitalization of fixed assets | 294 | 241 |
| Income from the disposal of rights of use | 251 | 86 |
| Other non-operating income | 694 | 2,115 |
| **Total non-operating income** | **13,411** | **7,790** |
| **Total other income** | **26,039** | **21,094** |

Income from sub-leases in the amount of €1,842 thousand (2024: €1,788 thousand) comprises leasing payments for leased space from operating leases and incidental costs from finance leases that were previously rented by EDAG itself.

Income from property rental in the amount of €330 thousand (2024: €255 thousand) includes leasing payments for rented space under operating leases that were owned by EDAG at the time the income was realized.

As in the previous year, no income from variable leasing payments that was not included in the measurement of the net investment in finance leases was generated in the reporting year.

Leasing income from operating leases amounting to €2,172 thousand was recognized in the reporting year (2024: €2,043 thousand). As in the previous year, no income from variable lease payments not dependent on an index or (interest) rate was realized from operating leases in the reporting year.

During the reporting year, public sector benefits of €2,913 thousand (2024: €4,288 thousand) were recognized through profit or loss in the statement of comprehensive income. These benefits consist primarily of public sector subsidies for research and development. There are no unfulfilled conditions or miscellaneous contingencies in relation to these benefits.

Income from the release of provisions in the amount of €9,259 thousand (2024: €1,060 thousand) consists primarily of the release of provisions for restructuring in the amount of €7,000 thousand (2024: €0 thousand). In addition, reversals were made from other provisions for personnel, provisions for legal disputes, and provisions for warranty obligations. Other items in the profit and loss statement primarily cover reversals of provisions for onerous contracts and rectifications in the amount of €1,847 thousand (2024: €3,154 thousand) (see chapter "[29] Other Provisions").

Cost transfer income in the reporting year includes no income relating to other periods (2024: €1,219 thousand).

## [4] Material Expenses

| in € thousand | 2025 | 2024 |
|---|---|---|
| Expenses for materials and supplies and for purchased goods | 36,069 | 27,405 |
| Expenses for purchased goods and services | 53,024 | 66,026 |
| **Total** | **89,093** | **93,431** |

Expenses for materials and supplies and for purchased goods are mainly made up of expenses for models and small parts which have been purchased. Expenses for purchased goods and services are mainly made up of the costs for subcontractors, miscellaneous services received and expenses incurred for onerous contracts.

## [5] Personnel Expenses

| in € thousand | 2025 | 2024 |
|---|---|---|
| Wages and salaries | 419,254 | 466,448 |
| Social security contributions | 90,105 | 93,082 |
| Expenses for retirement plans and support | 2,872 | 3,447 |
| Wage and salary-related taxes | 480 | 565 |
| **Total** | **512,711** | **563,542** |

Expenses for retirement pension plans and support include, but are not restricted to, expenses for defined benefit commitments. The interest portion of the valuation of retirement obligations is posted as a financing cost, as per the financing character. Anticipated income from the associated fund assets is stated as financing income. The presentation of pension obligations is explained in detail in chapter "[28] Pensions and Other Post-Employment Benefits".

In the personnel expenses, income from public sector subsidies for short-time working benefit was offset expenses for against wages and salaries in the amount of €4,287 thousand (2024: €661 thousand). To qualify for these subsidies, effective working hours in the divisions affected must be reduced, and all residual leave from the previous year and overtime accumulated in time accounts taken.

Wages and salaries include expenses in conjunction with the termination of employment contracts in the amount of €1,250 thousand (2024: €1,440 thousand). Within the context of the restructuring program adopted, further expenses in the amount of €34.7 million (2024: €28.0 million) arising from the termination of employment contracts are shown in the non-operating expenses.

Wages and salaries and social security contributions in the reporting year include income relating to other periods in the amount of €7,000 (2024: €1,171).

In the financial year ended December 31, 2025, an average of 8,656 employees were employed in the EDAG Group (2024: 9,071 employees). The following table provides a detailed overview.

| | 2025 | 2024 |
|---|---|---|
| **Breakdown according to contractual relationship** | | |
| Salaried employees | 8,293 | 8,716 |
| Apprentices | 363 | 355 |
| **Total** | **8,656** | **9,071** |

| | 2025 | 2024 |
|---|---|---|
| **Geographical breakdown** | | |
| Germany | 5,579 | 6,070 |
| Rest of Europe | 1,303 | 1,412 |
| North America | 348 | 348 |
| South America | 344 | 326 |
| Asia | 1,082 | 915 |
| **Total** | **8,656** | **9,071** |

## [6] Depreciation, Amortization and Impairment

The depreciation and amortization of fixed assets in the amount of €40,477 thousand (2024: €47,292 thousand) include both amortization of intangible assets and depreciation of property, plant and equipment.

Besides the scheduled depreciation and amortization on intangible assets in the amount of €18,770 thousand (2024: €21,507 thousand) and the scheduled depreciation and amortization on rights of use from leased assets in the amount of €21,048 thousand (2024: €20,837 thousand), they also include depreciation and amortization from the purchase price allocation totaling €50 thousand (2024: €50 thousand), which were also included in the adjusted EBIT reconciliation. They also include unscheduled depreciation and amortization on property, plant and equipment and rights of use from leases for buildings in the amount of €609 thousand (2024: €4,898 thousand), with the latter resulting from unused space. Unscheduled depreciation and amortization are mainly assigned to the Vehicle Engineering and Electrics/Electronics segments. In the reporting year, they resulted from restructuring measures and represent expenses which are included in the adjusted EBIT reconciliation.

The scheduled depreciation and amortization is based on the standard Group economic useful lives as shown in the notes on the accounting and valuation methods.

## [7] Net Result from Impairment Losses/Impairment Loss Reversal of Financial Assets

The net result from the impairment (-) or impairment loss reversal (+) of financial assets amounts to €-2,531 thousand in the reporting year just ended (2024: €-1,445 thousand). For the development of the provisions for risks, mainly relating to accounts receivable, please see chapter "Financial Instruments" in the Notes.

## [8] Other Expenses

The breakdown of the other expenses results in:

| in € thousand | 2025 | 2024 |
|---|---|---|
| **Operating expenses** | | |
| Other expenses from leasing contracts | 23,617 | 20,242 |
| Maintenance | 17,835 | 20,516 |
| Travel expenses | 10,448 | 11,687 |
| Other employment benefit costs | 8,528 | 9,445 |
| Consulting, contributions and fees | 6,695 | 8,508 |
| Rentals, leaseholds, leases from low value leases | 4,467 | 5,573 |
| Sales and marketing expenses | 3,863 | 4,779 |
| General administration expenses | 3,550 | 4,330 |
| Insurances | 3,352 | 3,171 |
| Rentals, leaseholds, leases from short-term leases | 2,718 | 3,472 |
| Cost transfer expenses | 2,357 | 3,412 |
| Vehicle fuel / other vehicle expenses | 2,321 | 2,414 |
| Personnel training and development expenses | 2,264 | 3,520 |
| Expenses from currency losses | 2,105 | 2,426 |
| Guarantees | 1,672 | 3 |
| Surveillance and security expenses | 1,139 | 1,162 |
| Other taxes and charges | 1,035 | 1,234 |
| Expenses from currency hedging transactions | - | 198 |
| Other operating expenses | 3,461 | 4,668 |
| **Total operating expenses** | **101,427** | **110,760** |

| in € thousand | 2025 | 2024 |
|---|---|---|
| **Non-operating expenses** | | |
| Expenses from restructuring | 35,440 | 29,548 |
| Expenses from bad debt loss | 68 | 242 |
| Expenses from the disposal of assets/scrapping | 197 | 124 |
| Expenses from the disposal of rights of use | 26 | - |
| Other non-operating expenses | 159 | 131 |
| **Total non-operating expenses** | **35,890** | **30,045** |
| **Total other expenses** | **137,317** | **140,805** |

Cost transfer expenses in the reporting year includes no expenses relating to other periods (2024: €1,219 thousand).

Restructuring expenses totaling €35,440 thousand (2024: €29,548 thousand) are primarily recognized through the provision for restructuring, in addition to ongoing measures already completed during the reporting year (see section "[29] Other provisions").

Other expenses from leasing contracts include the incidental cost components of leasing contracts recognized in the statement of comprehensive income, for the leasing components of which a right of use and a leasing liability were recognized in accordance with IFRS 16, and for which the practical remedy as indicated in IFRS 16.15 was not used. They also include rental expenses from leases of intangible assets (software) for which the provisions of IFRS 16 are not applied. As in the previous year, operating expenses do not include any expenses for variable leasing payments that were not included in the measurement of lease liabilities.

## [9] Reconciliation of the Adjusted Operating Profit (Adjusted EBIT)

In addition to the data required according to the IFRS, the segment reporting also includes a reconciliation to the adjusted earnings before interest and taxes (adjusted EBIT). Adjustments include income from initial consolidations and deconsolidations, restructuring, all effects of purchase price allocations and external special effects in conjunction with extraordinary events on the EBIT.

| in € thousand | Annex | 2025 | 2024 |
|---|---|---|---|
| **Earnings before interest and taxes (EBIT)** | | **-42,099** | **-3,428** |
| Adjustments: | | | |
| Expenses (+) from personnel measures from restructuring | [8] | 34,661 | 28,016 |
| Expenses (+) from impairments from restructuring | [6] | 675 | 4,898 |
| Expenses (+) from other measures from restructuring | [8] | 779 | 1,531 |
| Expenses (+) from purchase price allocation | [6] | 50 | 50 |
| Income (-) from the reversal of provisions for restructuring from previous years | [3] | -7,000 | - |
| **Total adjustments** | | **29,165** | **34,495** |
| **Adjusted earnings before interest and taxes (adjusted EBIT)** | | **-12,934** | **31,067** |

The "expenses (+) from personnel measures from restructuring" and "expenses (+) from other measures from restructuring" are shown in the other expenses. The "expenses (+) from the purchase price allocation" and the "expenses (+) from impairments from restructuring" are stated under the amortization.

## [10] Result from Investments Accounted for Using the Equity Method

The result from investments accounted for using the equity method in the amount of €1,150 thousand in the 2025 financial year (2024: €58 thousand) contains the proportionate result, each with 49 percent from FFT Werkzeug + Karosserie GmbH, Fulda. An impairment of €1,000 thousand on the carrying amount of the investment in FFT Werkzeug + Karosserie GmbH, Fulda was recognized in the previous year as a result of the annual impairment test.

The Group share in the individual items of the statement of comprehensive income can be seen in chapter "[20] Shares in Investments Accounted for Using the Equity Method".

## [11] Financial Income

| in € thousand | 2025 | 2024 |
|---|---|---|
| Interest and similar income | 2,013 | 3,730 |
| Profits from valuation at fair value | - | 1 |
| **Total** | **2,013** | **3,731** |

## [12] Financing Expenses

| in € thousand | 2025 | 2024 |
|---|---|---|
| Interest expenses from lease liabilities | 9,014 | 9,448 |
| Interest and similar expenses | 7,437 | 8,409 |
| Losses from valuation at fair value | 1 | - |
| Other financial expenses | 23 | 35 |
| **Total** | **16,475** | **17,892** |

## [13] Income Taxes

Taxes paid or owed on income and earnings in the individual countries, and also the deferred taxes, are reported as income taxes.

The main components of income tax expense for the financial years 2025 and 2024 are composed as follows:

| in € thousand | 2025 | 2024 |
|---|---|---|
| Actual income tax expense/income [+/-] | 2,445 | 3,374 |
| Adjustment for actual income taxes attributable to other periods | 405 | 146 |
| Deferred tax expense/income [+/-] | | |
| from the emergence and/or reversal of temporary differences | -1,160 | -6,774 |
| from losses carried forward | -13,421 | 137 |
| **Income Taxes** | **-11,731** | **-3,117** |

Actual income tax for the current financial year includes corporate tax incurred in Germany, the solidarity contribution, trade tax and other income tax incurred abroad.

**Income taxes** amounting to €-11,731 thousand (2024: €-3,117 thousand) are derived as follows from "expected" income tax expenses which would have resulted from applying the average rate of income tax of the EDAG Group to the earnings before income taxes. To determine the expected tax expense, the pre-tax earnings are multiplied by a weighted average combined tax rate of 28.77 percent (2024: 23.96 percent). Due to the development of the results of the companies in the different tax law systems, the weighted average combined tax rate for EDAG Group AG increased compared to the previous year.

| | 2025 | | 2024 | |
|---|---|---|---|---|
| | in € thousand | in % | in € thousand | in % |
| **Earnings before taxes** | **-55,411** | | **-17,531** | |
| Expected tax rate | - | 28.77% | - | 23.96% |
| **Expected tax expense** | **-15,942** | | **-4,200** | |
| Impairment write-off of an investment accounted for at equity | - | 0.00% | 330 | -1.88% |
| Tax-free earnings and non-deductible expenses | 1,974 | -3.56% | 1,730 | -9.87% |
| Tax effects from equity investments | -331 | 0.60% | -14 | 0.08% |
| Tax rate deviations | -762 | 1.38% | -1,291 | 7.36% |
| Changes in tax rate | 1,750 | -3.16% | - | 0.00% |
| Tax effects from losses carried forward | 901 | -1.63% | -341 | 1.95% |
| Taxes for previous years | 405 | -0.73% | 146 | -0.83% |
| Other tax effects | 274 | -0.49% | 523 | -2.98% |
| **Income taxes as disclosed in the statement of comprehensive income** | **-11,731** | | **-3,117** | |
| Effective tax rate | | 21.17% | | 17.78% |

**Deferred taxes** developed as follows in the consolidated statement of financial position:

| in € thousand | 2025 | 2024 |
|---|---|---|
| Deferred tax assets | 36,167 | 22,510 |
| Deferred tax liabilities | -9 | -53 |
| **Net** | **36,158** | **22,457** |
| Difference to previous year | 13,701 | 6,701 |
| Through profit or loss | 14,582 | 6,637 |
| Recognized directly in equity | -713 | 153 |
| Currency differences | -168 | -89 |

Deferred taxes are allotted to the following statement of financial position positions, losses carried forward, and tax credits:

| in € thousand | 12/31/2025 | | 12/31/2024 | |
|---|---|---|---|---|
| | Deferred tax assets | Deferred tax liabilities | Deferred tax assets | Deferred tax liabilities |
| **Assets** | | | | |
| Other intangible assets | - | -486 | - | -744 |
| Property, plant and equipment | 232 | -3,175 | 256 | -1,387 |
| Rights of use | - | -33,872 | - | -48,052 |
| Financial assets | - | -177 | - | -174 |
| Inventories, receivables, other financial assets | 7,609 | -23,036 | 7,095 | -26,854 |
| **Equity, liabilities and provisions** | | | | |
| Provisions | 15,644 | -1,723 | 17,288 | -1,662 |
| Liabilities | 18,237 | -759 | 19,401 | -1,025 |
| Lease liabilities | 40,092 | - | 54,079 | - |
| Tax losses carried forward | 17,572 | - | 4,236 | - |
| **Gross amount** | **99,386** | **-63,228** | **102,355** | **-79,898** |
| Offsetting | -63,219 | 63,219 | -79,845 | 79,845 |
| **Statement of financial position valuation** | **36,167** | **-9** | **22,510** | **-53** |

The deferred taxes are regularly assessed. The ability to realize tax income from deferred taxes depends on the ability to achieve taxable income in the future and to use tax losses carried forward before they expire. Deferred tax assets are only recognized to the extent that it is likely that a taxable income will be available, can be used against the deductible temporary differences, and it can be assumed that they will be reversed in the future In 2025, subsidiaries that reported losses in the current or the previous year recognized net deferred tax assets totaling €34,046 thousand (2024: €2,168 thousand) from temporary differences and tax loss carried forward. Deferred tax assets were recognized because the company expects that the temporary differences or tax losses carried forward will be utilized in the future.

An offsetting of deferred tax assets and liabilities occurs if an offsetting of actual tax assets is enforceable against actual tax liabilities. In addition to this, the tax assets and liabilities must also refer to income taxes on the same tax subject which are levied by the same tax authority.

For deductible temporary differences totaling €700 thousand (12/31/2024: €400 thousand), no deferred tax asset was recorded in the statement of financial

position, since no tax relief is to be expected. No deferred taxes have been recognized on temporary differences amounting to €1,048 thousand (2024: €1,411 thousand) between the net assets of Group companies reported in the Consolidated Financial Statements and the tax base for the shares in these Group companies ("outside basis differences"), as the EDAG Group is in a position to manage the timing of the reversal of temporary differences, and there are no plans to dispose of investments in the near future.

As at December 31, 2025, the corporate income tax losses carried forward amount to €65,933 thousand (12/31/2024: €13,492 thousand).

The full amount of the deferred tax assets on losses carried forward has not been recorded, as, with a number of companies, it is unlikely that taxable income will be realizable in the foreseeable future. The unrecognized deferred taxes which result from corporate tax losses carried forward can be seen in the following table:

| in € thousand | 12/31/2025 | 12/31/2024 |
|---|---|---|
| **Losses carried forward from corporate business tax (not usable)** | **12,390** | **7,805** |
| Expiry within | | |
| 1 year | - | - |
| 2 – 3 years | - | - |
| 4 – 5 years | 813 | - |
| 6 – 10 years | 7,712 | 1,876 |
| Over 10 years old | - | 3,104 |
| can be carried forward for an unlimited period | 3,865 | 2,825 |

In the EDAG Group, apart from the losses carried forward shown in the table, further losses carried forward were also generated in the Swiss holding company EDAG Group AG, Arbon, relating to direct federal tax and cantonal and municipal taxes in the Canton of Thurgau. The accrued losses carried forward in the amount of €2,256 thousand on December 31, 2025 (12/31/2024: €0 thousand) can be offset against the profits of the next seven years. As it is unlikely that the losses carried forward will be realized in the foreseeable future, so reducing income tax, no deferred tax asset was recognized.

In Germany, deferred taxes on business tax losses carried forward amounting to €68,911 thousand (12/31/2024: €21,585 thousand) were calculated and recognized. The business tax losses carried forward can be carried forward indefinitely.

In the USA, there were state income taxes losses carried forward amounting to €2,336 thousand (12/31/2024: €3,099 thousand). No deferred tax assets were recognized for these losses carried forward.

On December 22, 2023, the Swiss Federal Council decided to implement the global minimum tax gradually, beginning with the introduction of the national top-up tax (Qualified Domestic Minimum Top-up Tax, QDMTT) effective January 1, 2024. In addition, the Income Inclusion Rule (IIR) takes effect on January 1, 2025, while the application of the Undertaxed Profits Rule (UTPR) remains suspended. In Germany, the Act Implementing EU Directive (EU) 2022/2523 also established a regulatory framework to ensure global minimum taxation, guaranteeing a tax rate of at least 15 percent.

EDAG has continued to apply the mandatory exemption from the evaluation and disclosure of deferred taxes relating to the global minimum taxation. Although the relevant regulations apply to the ultimate parent company, ATON 2 GmbH, and additional taxes may be due depending on the jurisdiction, based on current information, we do not expect any material impact on the consolidated financial statements of EDAG Group AG. The EDAG Group did not incur any Pillar II income taxes for the 2025 fiscal year.

## [14] Non-controlling Interests

The non-controlling interest includes shares held by third-parties in initial and generated equity of the fully consolidated subsidiaries.

In the previous year, 40 percent of the shares in the fully consolidated subsidiary CAXSOL Tech Private Limited [formerly: EDAG Technologies India Priv. Ltd.], New Delhi, were transferred to non-controlling shareholders as part of an asset for share exchange. On the closing date, the effect on the equity of the EDAG Group attributable to the majority shareholders amounted to €-133 thousand (2024: €-187 thousand).

The total comprehensive income to be attributed to non-controlling in the amount of €-82 thousand (2024: €-52 thousand) is included in this.

## [15] Earnings per Share

With the undiluted basic earnings per share, or EPS (quotient for the earnings after taxes allocated to the EDAG Group AG shareholders and the weighted average number of common shares outstanding, undiluted) we use a performance indicator derived directly from earnings after taxes. The undiluted basic earnings per share denotes the corresponding share-based period result attributable to the shareholders of EDAG Group AG, and is therefore an indicator of EDAG's earning power, particularly from the point of view of our shareholders.

There was no dilution of the basic earnings per share in either the reporting year or the year before. The same average number of shares outstanding were used as the

basis for the comparison with the previous year.

| in € thousand | 2025 | 2024 |
|---|---|---|
| **Earnings per share (EPS) undiluted** | | |
| Earnings after taxes | -43,680 | -14,414 |
| less the proportion attributable to non-controlling interests | 82 | 52 |
| Earnings after taxes attributable to shareholders of EDAG Group AG | -43,598 | -14,362 |
| Earnings from continuing operations after taxes attributable to shareholders of EDAG Group AG | -43,598 | -14,362 |
| Weighted average number of shares in circulation (undiluted; in thousands) | 25,000 | 25,000 |
| Effect of dilutive equity instruments (in thousands) | - | - |
| Weighted average number of shares in circulation (diluted; in thousands) | 25,000 | 25,000 |
| Undiluted result per share | -1.74 | -0.57 |
| Diluted earnings per share | -1.74 | -0.57 |

# 5.4 Notes on the Statement of Financial Position

## [16] Intangible Assets

Intangible assets have developed as follows:

| in € thousand | Concessions, industrial property rights, similar rights | IT software | Goodwill | Advance payments on intangible assets | Capitalized development costs | Total |
|---|---|---|---|---|---|---|
| **(Historical) cost** | | | | | | |
| **As per 12/31/2023 / 1/1/2024** | **30** | **53,406** | **74,358** | **-** | **4,557** | **132,351** |
| Currency translation differences | - | -156 | 66 | - | -3 | -93 |
| Additions | 27 | 1,056 | 1,997 | 92 | - | 3,172 |
| Disposals | - | -2,854 | - | - | - | -2,854 |
| **As per 12/31/2024 / 1/1/2025** | **57** | **51,452** | **76,421** | **92** | **4,554** | **132,576** |
| Currency translation differences | - | -423 | -488 | - | 6 | -905 |
| Additions | - | 1,124 | - | 87 | 114 | 1,325 |
| Disposals | - | -731 | - | - | - | -731 |
| Transfers | - | - | - | -92 | 92 | - |
| **As per 12/31/2025** | **57** | **51,422** | **75,933** | **87** | **4,766** | **132,265** |

| in € thousand | Concessions, industrial property rights, similar rights | IT software | Goodwill | Advance payments on intangible assets | Capitalized development costs | Total |
|---|---|---|---|---|---|---|
| **Accumulated amortization and impairments** | | | | | | |
| **As per 12/31/2023 / 1/1/2024** | **-30** | **-44,972** | **-** | **-** | **-4,557** | **-49,559** |
| Currency translation differences | - | 154 | - | - | 3 | 157 |
| Additions (scheduled amortization) | -3 | -4,267 | - | - | - | -4,270 |
| Additions (non-scheduled amortization) | - | -56 | - | - | - | -56 |
| Disposals | - | 2,752 | - | - | - | 2,752 |
| **As per 12/31/2024 / 1/1/2025** | **-33** | **-46,389** | **-** | **-** | **-4,554** | **-50,976** |
| Currency translation differences | - | 389 | - | - | -6 | 383 |
| Additions (scheduled amortization) | -2 | -2,843 | - | - | -42 | -2,887 |
| Disposals | - | 680 | - | - | - | 680 |
| **As per 12/31/2025** | **-35** | **-48,163** | **-** | **-** | **-4,602** | **-52,800** |
| | | | | | | |
| **Carrying amount 12/31/2024** | **24** | **5,063** | **76,421** | **92** | **-** | **81,600** |
| **Carrying amount 12/31/2025** | **22** | **3,259** | **75,933** | **87** | **164** | **79,465** |

As part of an asset deal in the previous year, EDAG Production Solutions India Pvt. Ltd. took over the business operations of IWOVS Pvt. Ltd., India, as of October 1, 2024. In addition, as part of an asset for share exchange, EDAG Technologies India Priv. Ltd. took over the business operations of CAXSOL Pvt. Ltd., India, as of October 1, 2024. The expected transaction volume amounted to €1.8 million (IWOVS Pvt. Ltd.) and €0.5 million (CAXSOL Pvt. Ltd.). The goodwill resulting from the acquisition of the business operations of IWOVS Pvt. Ltd. amounts to €1.5 million and is assigned to the VE segment. The goodwill resulting from the acquisition of the business operations of CAXSOL Pvt. Ltd. amounts to €0.3 million and is assigned to the E/E segment.

Furthermore, EDAG Italia S.R.L. took over the business operations of Anyma S.r.l., Italy, as part of an asset deal on July 15, 2024. The goodwill resulting from this transaction amounts to €0.2 million and was assigned to the VE segment.

No ownership restrictions exist on intangible assets.

As in the previous year, no public sector benefits were offset from the acquisition costs for intangible assets during the reporting year.

Unlike in the previous year, segment-specific discount rates were determined in the reporting year. For this reason, the cost of capital figures for the reporting year are presented as a range. The cost of equity before tax used in the impairment test of the business or company value in the reporting year is between 11.87 percent and 12.66 percent (2024: 13.82 percent). The borrowing costs used amount to 4.70 percent (2024: 4.26 percent), and represent the long-term funding conditions, based on comparable companies. The resulting weighted average cost of capital before tax in the reporting year lies between 10.57 percent and 11.22 percent (2024: 12.43 percent).

## [17] Property, Plant and Equipment

As in the previous year, no ownership restrictions exist on property, plant and equipment.

During the reporting year, public sector benefits in the amount of €204 thousand were offset from acquisition costs for property, plant and equipment (2024: €33 thousand).

Property, plant and equipment includes assets which are the subject of operating leases in which EDAG is the lessor.

No investment property was held as at either December 31, 2025 or December 31, 2024.

Property, plant and equipment have developed as follows:

| in € thousand | Land and buildings | Technical equipment and machinery | Other equipment, operating and office equipment | Advance payments and assets under construction | Total property, plant and equipment |
|---|---|---|---|---|---|
| **(Historical) cost** | | | | | |
| **As per 12/31/2023 / 1/1/2024** | **41,651** | **78,725** | **90,983** | **17,332** | **228,691** |
| Currency translation differences | -337 | -706 | -398 | - | -1,441 |
| Additions | 7,533 | 5,581 | 7,161 | 1,437 | 21,712 |
| Disposals | -183 | -1,045 | -3,796 | - | -5,024 |
| Transfers | 4,487 | 9,909 | 2,912 | -17,308 | - |
| **As per 12/31/2024 / 1/1/2025** | **53,151** | **92,464** | **96,862** | **1,461** | **243,938** |
| Currency translation differences | -93 | 77 | -777 | - | -793 |
| Additions | 2,119 | 1,554 | 5,822 | 2,352 | 11,847 |
| Disposals | -2,236 | -2,250 | -4,982 | - | -9,468 |
| Transfers | 194 | 465 | 66 | -726 | -1 |
| **As per 12/31/2025** | **53,135** | **92,310** | **96,991** | **3,087** | **245,523** |

| in € thousand | Land and buildings | Technical equipment and machinery | Other equipment, operating and office equipment | Advance payments and assets under construction | Total property, plant and equipment |
|---|---|---|---|---|---|
| **Accumulated amortization and impairments** | | | | | |
| **As per 12/31/2023 / 1/1/2024** | **-20,262** | **-51,867** | **-64,407** | **-** | **-136,536** |
| Currency translation differences | 139 | 533 | 304 | - | 976 |
| Additions (scheduled amortization) | -2,760 | -5,829 | -8,699 | - | -17,288 |
| Additions (non-scheduled amortization) | -520 | -2,709 | -326 | - | -3,555 |
| Disposals | 171 | 1,031 | 3,438 | - | 4,640 |
| Transfers | - | 27 | -27 | - | - |
| **As per 12/31/2024 / 1/1/2025** | **-23,232** | **-58,814** | **-69,717** | **-** | **-151,763** |
| Currency translation differences | 105 | -64 | 444 | - | 485 |
| Additions (scheduled amortization) | -2,551 | -5,642 | -7,739 | - | -15,932 |
| Additions (non-scheduled amortization) | - | -406 | -12 | - | -418 |
| Disposals | 2,208 | 2,020 | 4,774 | - | 9,002 |
| Transfers | - | -14 | 14 | - | - |
| **As per 12/31/2025** | **-23,470** | **-62,920** | **-72,236** | **-** | **-158,626** |
| | | | | | |
| **Carrying amount 12/31/2024** | **29,919** | **33,650** | **27,145** | **1,461** | **92,175** |
| **Carrying amount 12/31/2025** | **29,665** | **29,390** | **24,755** | **3,087** | **86,897** |

For further details of unscheduled depreciation, amortization and impairment, please see chapter "[6] Depreciation, Amortization and Impairment".

## [18] Rights of Use from Leased Assets

The rights of use from leased assets have developed as follows:

| in € thousand | Right of use, land | Right of use, buildings | Right of use, other equipment, operating and office equipment | Total rights of use from leased assets |
|---|---|---|---|---|
| **(Historical) cost** | | | | |
| **As per 12/31/2023 / 1/1/2024** | **1,925** | **253,332** | **13,826** | **269,083** |
| Currency translation differences | - | -112 | -4 | -116 |
| Additions | 618 | 20,055 | 5,145 | 25,818 |
| Disposals | -43 | -14,693 | -3,142 | -17,878 |
| **As per 12/31/2024 / 1/1/2025** | **2,500** | **258,582** | **15,825** | **276,907** |
| Currency translation differences | - | -722 | -20 | -742 |
| Additions | 27 | 18,862 | 3,461 | 22,350 |
| Disposals | -287 | -62,650 | -2,513 | -65,450 |
| **As per 12/31/2025** | **2,240** | **214,072** | **16,753** | **233,065** |

| in € thousand | Right of use, land | Right of use, buildings | Right of use, other equipment, operating and office equipment | Total rights of use from leased assets |
|---|---|---|---|---|
| **Accumulated amortization and impairments** | | | | |
| **As per 12/31/2023 / 1/1/2024** | **-1,439** | **-96,195** | **-5,942** | **-103,576** |
| Currency translation differences | - | 252 | 5 | 257 |
| Additions (scheduled amortization) | -121 | -17,205 | -3,509 | -20,835 |
| Additions (non-scheduled amortization) | - | -1,288 | - | -1,288 |
| Disposals | 43 | 11,057 | 3,130 | 14,230 |
| **As per 12/31/2024 / 1/1/2025** | **-1,517** | **-103,379** | **-6,316** | **-111,212** |
| Currency translation differences | - | 293 | 7 | 300 |
| Additions (scheduled amortization) | -84 | -16,948 | -4,017 | -21,049 |
| Additions (non-scheduled amortization) | - | -190 | - | -190 |
| Disposals | 287 | 13,087 | 2,510 | 15,884 |
| **As per 12/31/2025** | **-1,314** | **-107,137** | **-7,816** | **-116,267** |
| | | | | |
| **Carrying amount 12/31/2024** | **983** | **155,203** | **9,509** | **165,695** |
| **Carrying amount 12/31/2025** | **926** | **106,935** | **8,937** | **116,798** |

## [19] Non-current Financial Assets, Financial Receivables and Current Other Financial Assets

| in € thousand | 12/31/2025 | | | 12/31/2024 | | |
|---|---|---|---|---|---|---|
| | Current | Non-current | Total | Current | Non-current | Total |
| Shares in affiliated companies | - | 105 | 105 | - | 80 | 80 |
| Loans | - | 81 | 81 | - | 60 | 60 |
| Securities | 28 | - | 28 | 29 | - | 29 |
| Claims in respect of a loan to affiliated companies | 20 | - | 20 | - | - | - |
| Other receivables from associated companies and persons | - | - | - | 1 | - | 1 |
| Other remaining financial receivables | 2,540 | 548 | 3,088 | 2,042 | 506 | 2,548 |
| **Total** | **2,588** | **734** | **3,322** | **2,072** | **646** | **2,718** |

The non-consolidated shares in subsidiaries are recognized at acquisition cost because future cash flows cannot be estimated reliably, which means that the fair value cannot be reliably determined either. There are no plans for the near future to sell significant shares of the available for sale financial assets valued at acquisition cost. The increase in the equity interest in affiliated companies results from the establishment of HYKONIS GmbH, Stuhr. EDAG Engineering GmbH holds 100 percent of the shares. The company is included at acquisition cost.

The loans result primarily from loans extended to employees, they were not past due on the balance sheet date, and are being repaid as scheduled.

Where securities positions are concerned, securities of €28 thousand (12/31/2024: €29 thousand) are held. These are marketable debt and equity securities.

The loan receivable from affiliated companies relates to an unconsolidated subsidiary that is recognised at acquisition cost.

The other remaining financial receivables are composed primarily of deposits which have been paid and of creditors with debit balances.

## [20] Investments Accounted for Using the Equity Method

As at December 31, 2025, the EDAG Group holds 49 percent of FFT Werkzeug + Karosserie GmbH. The addition to investments was made in 2014.

The share of assets, liabilities and provisions, income and expenses attributable to the Group for the investment accounted for using the equity method is shown in the following tables.

| in € thousand | 2025 | 2024 |
|---|---|---|
| **Carrying amount on 01/01/** | **18,930** | **19,571** |
| Dividends | -555 | -680 |
| Forward projection | 1,171 | 1,039 |
| Impairments | - | -1,000 |
| **Carrying amount on 12/31/** | **19,546** | **18,930** |

In the following table, the summarized financial information on the investment accounted for using the equity method is shown on a 100 percent basis:

| in € thousand | 12/31/2025 | 12/31/2024 |
|---|---|---|
| Current assets | 34,020 | 36,239 |
| of which cash | 4,288 | 8,606 |
| Non-current assets | 11,619 | 10,169 |
| **Total assets** | **45,639** | **46,408** |
| Current liabilities | 16,566 | 18,455 |
| of which financial liabilities | 673 | 753 |
| Non-current liabilities and provisions | 2,172 | 2,308 |
| of which financial liabilities | 805 | 922 |
| **Total liabilities and provisions** | **45,639** | **46,408** |
| **Net assets** | **26,901** | **25,645** |
| | | |
| Sales revenues | 40,765 | 46,237 |
| Scheduled depreciation and amortization | 1,610 | 1,575 |
| Interest income | 546 | 486 |
| Interest expense | 115 | 131 |
| Income tax expense/income [+/-] | 1,121 | 1,005 |
| **Profit or loss** | **2,348** | **2,159** |
| Other comprehensive income | 40 | -37 |
| **Total comprehensive income** | **2,388** | **2,122** |

In the case of accounting using the equity method, intercompany profits must be eliminated in consolidation on a pro rata basis. For material reasons, this did not result in any adjustments.

The following table shows the reconciliation of the net assets of the investment accounted for using the equity method:

| in € thousand | 2025 | 2024 |
|---|---|---|
| **Net assets as per 01/01/** | **25,645** | **24,910** |
| Net income/loss for the year | 2,348 | 2,159 |
| Other comprehensive income | 40 | -37 |
| Dividend payout | -1,132 | -1,387 |
| **Net assets as per 31/12/** | **26,901** | **25,645** |

## [21] Contract Assets

The contract assets are composed of the following net amounts:

| in € thousand | 12/31/2025 | 12/31/2024 |
|---|---|---|
| Accrued costs including partial profits and losses since beginning of project | 1,141,529 | 1,147,234 |
| Partial settlements since beginning of project | -1,030,686 | -1,030,478 |
| **Total current contract assets** | **110,843** | **116,756** |
| Advance payments received from current contract assets | -47,863 | -48,932 |
| Risk provisions IFRS 9 | -1,477 | -393 |
| **Current contract assets** | **61,503** | **67,431** |

As in the previous year, contract assets are classified as current, in accordance with their terms.

## [22] Accounts Receivable

The accounts receivable are classified as follows:

| in € thousand | 12/31/2025 | 12/31/2024 |
|---|---|---|
| **Accounts receivable** | | |
| from third parties | 106,824 | 114,901 |
| from affiliated companies | 118 | 79 |
| from associated companies and persons | - | 59 |
| **Total** | **106,942** | **115,039** |

As in the previous year, the accounts receivable have terms of less than one year.

For the development of the value adjustment account and the analysis of overdue, accounts receivable and other receivables, please see chapter 5.7 "Carrying Amounts, Valuation Rates and Fair Values of the Financial Instruments as per Valuation Category".

## [23] Other Non-Financial Assets

The other non-financial assets are classified as follows:

| in € thousand | 12/31/2025 | | | 12/31/2024 | | |
|---|---|---|---|---|---|---|
| | Current | Non-current | Total | Current | Non-current | Total |
| **Other non-financial receivables** | | | | | | |
| from employees | 1,592 | - | 1,592 | 1,823 | - | 1,823 |
| from plan assets (unpledged) | - | - | - | - | 79 | 79 |
| from sales tax | 3,177 | - | 3,177 | 3,748 | - | 3,748 |
| from other taxes | 602 | - | 602 | 256 | - | 256 |
| Advance payments | 2,193 | - | 2,193 | 1,646 | - | 1,646 |
| Prepayments and accrued income | 14,870 | 1,055 | 15,925 | 11,256 | 1,046 | 12,302 |
| Other remaining non-financial receivables | 1,003 | 57 | 1,060 | 1,104 | 60 | 1,164 |
| **Total** | **23,437** | **1,112** | **24,549** | **19,833** | **1,185** | **21,018** |

The remaining other non-financial amounts receivable primarily include receivables from subsidies for short-time compensation. Essentially, the accrued income includes deferred advance payments for maintenance and rents.

## [24] Current and Deferred Income Tax Assets

| in € thousand | 12/31/2025 | 12/31/2024 |
|---|---|---|
| Deferred tax assets | 36,167 | 22,510 |
| Tax refund claims | 3,892 | 16,898 |
| **Total** | **40,059** | **39,408** |

The assets from future income tax relief include deferred tax assets from temporary differences between the carrying amounts reported in the Group statement of financial position and the tax bases, as well as tax savings from losses carried forward assessed as being realizable in the future: Details of deferred tax assets are given in chapter "[13] "Income Taxes". Provided that the conditions for offsetting are met, deferred tax assets are shown on the statement of financial position offset against deferred tax liabilities. Of the deferred tax assets in the amount of €99,386 thousand (gross amount before offsetting), €57,854 thousand will be realizable after more than twelve months (12/31/2024: €57,457 thousand).

## [25] Inventories

The carrying amount of the inventories in the amount of €5,217 thousand (12/31/2024: €4,673 thousand) is broken down as follows:

| in € thousand | 12/31/2025 | 12/31/2024 |
|---|---|---|
| Raw, auxiliary and operating material | 3,155 | 3,002 |
| Unfinished goods and services | 2,058 | 1,667 |
| Finished goods | 4 | 4 |
| **Total** | **5,217** | **4,673** |

The difference between the changes in inventories of unfinished and finished goods and services shown in the statement of comprehensive income results from changes in the scope of currency translation differences. The raw materials and supplies as well as merchandise are capitalized at acquisition cost; the unfinished goods and services and finished goods at the lower of production cost or net disposal value. During the reporting year, impairments in the amount of €598 thousand (2024: €569 thousand) were carried out on inventories with a carrying amount before impairment of €250 thousand (2024: €164 thousand), and accordingly posted as material expense. As in previous years, no impairments on inventories were posted as depreciation on current assets.

Likewise, no reversals of impairment losses which reduce the material expense were carried out. As in previous years, the inventories were not pledged as securities for third party liabilities.

## [26] Cash and Cash Equivalents

The cash and cash-equivalents are composed as follows:

| in € thousand | 12/31/2025 | 12/31/2024 |
|---|---|---|
| Deposits with banks and cash in hand | 42,201 | 125,455 |
| Money transfer | 730 | 14 |
| **Total** | **42,931** | **125,469** |

As in the previous year, the Group held cash or cash-equivalents in the amount of €107 thousand (CHF 100 thousand) which are not at its unrestricted disposal. Deposits with credit institutions are held at banks with first class credit ratings.

## [27] Equity

### Subscribed Capital

The fully paid-in subscribed capital of EDAG Engineering Group AG in the amount of €920 thousand as at December 31, 2025 continues to backed by 25 million bearer shares with a nominal value of CHF 0.04 per share.

Further information on the shares is given in the chapter "General Information".

### Consolidated Equity Development

Details of the development of the equity capital in 2024 and 2025 is shown in the Group's statement of changes in equity.

Retained earnings comprise the other retained earnings, reserves for conversion effects as per IFRS 1, and reserves from transactions under joint control, as well as the annual results of the previous years after dividend distributions and the profit of the current year.

### Reserves from Profits and Losses Recognized Directly in Equity (OCI)

This item includes direct changes to equity capital resulting from the valuation of pension obligations.

### Currency translation differences

Differences from currency conversion include differences from the currency translation of financial statements of non-domestic subsidiaries.

### Paid and Proposed Dividends

At the annual shareholders' meeting of EDAG Group AG held on June 25, 2025, it was decided that, for the 2024 financial year, no dividend should be paid.

In view of the annual loss accumulated in the course of 2025, the Board of Directors will, at the annual shareholder's meeting for 2025, propose that no dividend be paid.

## [28] Pensions and Other Post-Employment Benefits

EDAG has a company pension scheme for its employees, which takes the form of defined benefit and/or defined contribution plans. In this way, provision is made for virtually all employees for the period after their retirement.

### Defined Contribution Plans

The defined contribution benefits are benefits from state and private retirement insurers, to whom payments are made on the basis of statutory regulations, or on a voluntary basis. The employer contributions paid to the statutory pension scheme in Germany may be viewed as defined contribution plans of this nature. Payments to defined contribution pension plans in the Group predominantly refer to contributions to statutory pension schemes in Germany. The Group has no further payment obligations besides the payment of the contributions. In the reporting year, contributions amounting to €38,545 thousand were paid (2024: €42,171 thousand).

### Defined Benefit Plans

The defined benefit plans involve both direct benefits (direct pension commitments) and indirect benefits made through VKE-Versorgungskasse EDAG-Firmengruppe e.V. (VKE).

The direct benefits are guaranteed life-long pension payments. In some cases, this means benefits at a fixed amount; in others, benefits that vary according to the length of service to the company and the employee's salary. Old-age, disability and surviving dependents' pensions are assured.

The purpose of VKE -a group support fund -is to serve as a social institution of EDAG and its affiliated companies wishing to have their company retirement pension schemes managed by VKE. The sponsors (members using VKE to handle their company retirement pension schemes) are the following companies:

- EDAG Engineering GmbH, Wiesbaden
- EDAG Production Solutions GmbH & Co. KG, Fulda

The exclusive and unchangeable purpose of VKE is to manage the support fund which grants to beneficiaries voluntary, one-off, recurring or ongoing benefits pursuant to the VKE benefit plan in the event of assistance being required, occupational incapacity or occupational disability, and during old age. Beneficiaries can be employees and/or former employees of the sponsor companies and their families (spouses, children) and/or surviving dependants. Members of the sponsor companies are also persons with whom the sponsor companies are, or have been, in an employment-type relationship. EDAG will no longer be entering into pension commitments for employees recruited on or after June 1, 2006. In accordance with the provisions of the pension scheme, employees who are entitled to benefits receive old-age and surviving dependents' benefits in the form of a lump-sum payment. The benefits are financed through an external fund, with the fund assets being re-invested in the form of loans in the sponsor companies.

In accordance with the provisions of this pension scheme, the employee receives old-age and surviving dependents' benefits. Each of the benefits due is paid as a lump sum.

Pension obligations in **Germany** are subject to the provisions of the German Company Pensions Act. Due to the pension adjustment obligation required by law, pension commitments are subject to inflation risk. Furthermore, there is the risk that, due to changes in life expectancy, the likelihood of becoming disabled and the likelihood of dying, the actual payment obligations are different from what was expected at the time when the commitment was made.

In Switzerland, the Group's company pension scheme is being handled by BVG-Sammelstiftung Swiss Life. Assets are invested jointly for all accounts in a collective fund. All biometric risks (disability, death and longevity) as well as the investment and interest rate risk are reinsured by Swiss Life.

In **Italy**, benefits are paid upon termination of the employment (Trattamento di Fine Rapporto [TFR]). Every employee is entitled to benefits in such cases. For each year of service, severance provisions must be created on the basis of total annual remuneration divided by 13.5. When setting aside these provisions, the employer must pay a proportion (0.5 percent of the salary) of this to the Italian National Social Security Institute or to an external pension fund over the course of the year. This amount is deducted from the severance provisions. On December 31 of each year, the severance pay accrued in the previous year is revalued using an index prescribed by law (1.5 percent plus 75 percent of the increase in the consumer price index for families of workers and employees based on the last 12 months).

In **India**, the 1972 Gratuity Act requires post-employment benefits to be paid to employees, provided they have rendered continuous service for at least 4.5 years. Payment is based on the basic monthly salary divided by 26 days and multiplied by 15 days for each complete year; although if six months have been completed, this is regarded as a year.

Employees in **Mexico** are also entitled to compensation. A payment in the amount of twelve days per service year is granted. Further, in the event of unfair dismissal of employees who have reached retirement age, compensation must be paid for the service years worked. Compensation amounts to three months' salary.

Old-age pension obligations are determined on the basis of the actuarial expert report that is produced each year. The benefit amount is determined using the duration of employment as well as the estimated future salary and pension trends.

The pension provision recorded on the statement of financial position is shown as follows:

| in € thousand | 12/31/2025 | 12/31/2024 |
|---|---|---|
| Present value of obligations financed through a fund | 38,855 | 38,987 |
| Attributable fair value of plan assets | 17,124 | 17,614 |
| **Financing deficit** | **21,731** | **21,373** |
| Present value of obligations not financed through a fund | 10,410 | 10,786 |
| **Present value of defined benefit obligations [recognized pension provision]** | **32,141** | **32,159** |

The pension provision developed as follows:

| in € thousand | 12/31/2025 | 12/31/2024 |
|---|---|---|
| Pension provision at the beginning of the financial year | 32,159 | 29,887 |
| Ongoing service period cost | 1,489 | 1,429 |
| Past service cost | 3 | -12 |
| Net interest expense (+) / income (-) | 1,067 | 1,063 |
| Revaluations | -1,624 | 722 |
| Effects of currency translation | -160 | 7 |
| Benefit payments from company assets | -667 | -801 |
| Employer contributions to the fund | -136 | -147 |
| Administration expenses | 10 | 11 |
| **Recognized pension provision** | **32,141** | **32,159** |

The vested net present value of the pension obligation and the fair value of the plan assets developed as follows:

| in € thousand | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Sum total | VKE | Direct benefits | Total | VKE | Direct benefits |
| **Change to vested net present value** | | | | | | |
| **Vested net present value as at January 1** | **49,773** | **37,216** | **12,557** | **48,205** | **36,263** | **11,942** |
| Ongoing service period cost | 1,489 | 833 | 656 | 1,429 | 846 | 583 |
| Past service cost | 3 | - | 3 | -12 | - | -12 |
| Interest expense | 1,586 | 1,193 | 393 | 1,634 | 1,223 | 411 |
| Revaluations of defined benefit plans | | | | | | |
| from changes to the financial assumptions | -1,575 | -1,150 | -425 | 387 | 114 | 273 |
| from changes to demographic assumptions | -35 | -29 | -6 | 282 | 89 | 193 |
| Effects of currency translation | -137 | - | -137 | -19 | - | -19 |
| Contributions from plan participants | 171 | - | 171 | 156 | - | 156 |
| Benefit payments from company assets | -667 | - | -667 | -801 | - | -801 |
| Benefit payments from the fund | -1,353 | -1,188 | -165 | -1,499 | -1,319 | -180 |
| Administration expenses | 10 | - | 10 | 11 | - | 11 |
| **Vested net present value as at December 31** | **49,265** | **36,875** | **12,390** | **49,773** | **37,216** | **12,557** |
| **Change in plan assets** | | | | | | |
| **Fair value on January 1** | **17,614** | **15,843** | **1,771** | **18,318** | **16,680** | **1,638** |
| Interest income | 517 | 499 | 18 | 570 | 539 | 31 |
| Profit (+) / loss (-) from plan assets excluding the amount included in the interest income | 16 | -10 | 26 | -53 | -57 | 4 |
| Effects of currency translation | 23 | - | 23 | -26 | - | -26 |
| Employer contributions to the fund | 136 | - | 136 | 147 | - | 147 |
| Contributions from plan participants | 171 | - | 171 | 156 | - | 156 |
| Benefit payments from the fund | -1,353 | -1,188 | -165 | -1,498 | -1,319 | -179 |
| **Fair value on December 31** | **17,124** | **15,144** | **1,980** | **17,614** | **15,843** | **1,771** |
| **Present value of defined benefit obligations [recognized pension provision]** | **32,141** | **21,731** | **10,410** | **32,159** | **21,373** | **10,786** |

The fair value of the plan assets is distributed as follows across the individual asset categories:

| in € thousand | 12/31/2025 | | 12/31/2024 | |
|---|---|---|---|---|
| | Values | % | Values | % |
| Debt securities (Germany) | 15,144 | 88% | 15,843 | 90% |
| of which investments in the employer or related parties (without quoted market price) | 15,144 | - | 15,483 | - |
| Collective fund (Switzerland) | 1,980 | 12% | 1,771 | 10% |
| of which without quoted market price in an active market | 1,980 | - | 1,771 | - |
| **Total plan assets** | **17,124** | **100%** | **17,614** | **100%** |

The following sensitivity analysis shows the effects of an increase or decrease in the actuarial assumptions on the vested net present value:

| in € thousand | 2025 | 2024 |
|---|---|---|
| Ø Actuarial interest rate | | |
| + 0.50% | 47,366 | 47,719 |
| -0.50% | 51,245 | 51,987 |
| Ø Life expectancy | | |
| + 1 year | 49,570 | 50,165 |
| -1 year | 48,915 | 49,401 |

The sensitivities were determined in the same way as the scope of obligations. In the process, one assumption was changed while the remaining assumptions and the valuation methods remained unchanged. If multiple assumptions change at the same time, the effect does not necessarily agree to the sum of the individual effects. Additionally, the effects of the individual assumption changes are not linear.

As the benefits from VKE take neither a vesting trend nor a pension trend into account, a change to this assumption has no significant effects on the total obligation.

The average weighted duration of the vested net present value of the defined benefit pension plans of EDAG as at December 31, 2025 was 8.4 years (2024: 9.0 years).

For the 2026 financial year, the Group is expecting disbursements from company assets for pension commitments in the amount of €883 thousand (2025: €826 thousand).

For the 2026 financial year, the Group is expecting disbursements from the pension fund in the amount of €3,533 thousand (2025: €2,725 thousand).

The following key actuarial assumptions are the basis of the calculation of the vested net present value:

| | 12/31/2025 | 12/31/2024 |
|---|---|---|
| Ø Discount rate | | |
| Germany | 3.90% | 3.45% |
| Switzerland | 1.05% | 1.05% |
| Italy | 4.28% | 3.45% |
| India | 7.39% | 7.28% |
| Mexico | 10.30% | 10.20% |
| Vested trend | | |
| Switzerland | 2.25% | 2.25% |
| Italy | 3.00% | 3.00% |
| India | 8.00% | 8.00% |
| Mexico | 5.80% | 5.80% |
| Pension trend | | |
| Germany | 2.00% | 2.00% |
| Italy | 3.00% | 3.00% |
| Inflation rate | | |
| Germany | 2.00% | 2.00% |
| Switzerland | 0.90% | 1.00% |
| Italy | 2.00% | 2.00% |
| Biometric basis for calculation | | |
| Germany | 2018 G Heubeck tables | 2018 G Heubeck tables |
| Switzerland | BVG 2020 | BVG 2020 GT |
| Italy | RG48 | RG48 |
| India | 100% of IALM (2012-14) | 100% of IALM (2012-14) |

The valuation of retirement obligations was carried out on the basis on a discounting interest rate, which was determined in accordance with the Mercer Yield Curve Approach (MYC).

## [29] Other Provisions

The development of other provisions is shown in the following provision schedule:

| in € thousand | As per 1/1/2025 | Currency conversion differences | Accrued interest | Addition | Utilization | Reversal | As per 12/31/2025 |
|---|---|---|---|---|---|---|---|
| **Non-current provisions** | | | | | | | |
| Human Resources | 1,501 | - | - | 163 | -314 | - | 1,350 |
| Control | 135 | - | - | 4 | - | - | 139 |
| Other provisions | 1,782 | -103 | - | 20 | - | -972 | 727 |
| **Total non-current provisions** | **3,418** | **-103** | **-** | **187** | **-314** | **-972** | **2,216** |
| **Current provisions** | | | | | | | |
| Control | 1,433 | -2 | - | 948 | -249 | - | 2,130 |
| Human Resources | 6,198 | 114 | - | 4,174 | -4,039 | -505 | 5,942 |
| Warranty obligation | 781 | - | - | - | - | -781 | - |
| Onerous contracts | 17,993 | -44 | - | 4,635 | -7,403 | -1,847 | 13,334 |
| Rework | 449 | -14 | - | 402 | -160 | - | 677 |
| Restructuring | 29,561 | 3 | - | 27,754 | -17,219 | -7,000 | 33,099 |
| Legal disputes | 94 | - | - | - | -14 | - | 80 |
| Other current provisions | 3,238 | 31 | - | 112 | -830 | - | 2,551 |
| **Total current provisions** | **59,747** | **88** | **-** | **38,025** | **-29,914** | **-10,133** | **57,813** |

| in € thousand | As per 1/1/2024 | Currency conversion differences | Accrued interest | Addition | Utilization | Reversal | As per 12/31/2024 |
|---|---|---|---|---|---|---|---|
| **Non-current provisions** | | | | | | | |
| Human Resources | 1,620 | -70 | 17 | 192 | -271 | - | 1,501 |
| Control | 159 | -26 | - | 2 | - | - | 135 |
| Other provisions | 1,744 | 27 | - | 23 | -12 | - | 1,782 |
| **Total non-current provisions** | **3,523** | **-69** | **17** | **217** | **-283** | **-** | **3,418** |
| **Current provisions** | | | | | | | |
| Control | 3,314 | -12 | - | 660 | -2,529 | - | 1,433 |
| Human Resources | 6,922 | -234 | - | 1,366 | -1,365 | -491 | 6,198 |
| Warranty obligation | 781 | - | - | - | - | - | 781 |
| Onerous contracts | 16,312 | 13 | - | 7,245 | -2,423 | -3,154 | 17,993 |
| Rework | 715 | 8 | - | 219 | -493 | - | 449 |
| Restructuring | - | - | - | 29,561 | - | - | 29,561 |
| Legal disputes | 150 | -20 | - | - | -13 | -10 | 94 |
| Other current provisions | 3,779 | -62 | - | 1,070 | -990 | -559 | 3,238 |
| **Total current provisions** | **31,973** | **-307** | **-** | **40,121** | **-7,813** | **-4,214** | **59,747** |

The **tax provisions** include possible obligations from other taxes (including but not limited to value-added tax and tax on wages, etc.).

The **personnel provisions** include other long-term benefits to employees, within the meaning of IAS 19.153. At the time of reporting, personnel provisions in the amount of €7,292 thousand (12/31/2024: €7,699 thousand) exist. Provisions for severance pay are also taken into account in this item.

The provision for **warranties** exists for statutory and contractual guarantee obligations, as well as for goodwill towards customers. Provisions for warranty obligations for specific customer projects were established according to the expected value calculated for potential goodwill gestures.

Provisions for **onerous contracts** are formed when excess costs are incurred for pending sales transactions. As a general rule, losses from construction contracts are calculated on the basis of the production costs.

Provisions for **rectification work** are formed if there are still small, insignificant tasks to be performed after the customer has been invoiced.

Provisions for **restructuring** cover restructuring measures in the Vehicle Engineering, Electrics/Electronics and Production Solutions segments. These measures include expenditure to optimize the cost structure and improve performance. In light of the difficult market conditions in the 2024 and 2025 fiscal years, these measures, which were mainly focused on Germany, were necessary and successfully translated into concrete actions, resulting in a significant reduction in the number of employees. Assessment of the restructuring provision is based on qualified estimates and the exercise of professional judgment. We expect the majority of the restructuring provision to result in cash outflows in the 2026 fiscal year, and we do not anticipate any significant reversals affecting income in the following fiscal year.

As an internationally active company, the EDAG Group is exposed to numerous legal risks. In particular, these can include risks from the areas of competition and anti-trust law, patent law, etc. As the results of currently pending and/or future legal action cannot be forecast with any certainty, it is possible that legal or official decisions or settlement agreements might lead to costs being incurred which are either not, or not fully, covered by insurance benefits.

In the case of current provisions, we work on the basis that the cash outflow is to be expected in the following year.

Non-current personnel provisions are primarily anniversary provisions that will be paid out within the next 2 to 40 years. Where the remaining non-current provisions are concerned, we work on the basis that these will be paid out within the next 2 to 4 years.

## [30] Financial Liabilities

| in € thousand | 12/31/2025 | | | 12/31/2024 | | |
|---|---|---|---|---|---|---|
| | Current | Non-current | Total | Current | Non-current | Total |
| Liabilities due to credit institutions | 55,873 | 50,000 | 105,873 | 41,655 | 101,005 | 142,660 |
| Liabilities from loans | - | 15,144 | 15,144 | 15,843 | - | 15,843 |
| due to third parties | - | - | - | - | - | - |
| due to shareholders | - | - | - | - | - | - |
| due to affiliated companies | - | - | - | - | - | - |
| due to related companies and individuals | - | 15,144 | 15,144 | 15,843 | - | 15,843 |
| Liabilities from derivative financial instruments | 2 | - | 2 | 200 | - | 200 |
| **Total** | **55,875** | **65,144** | **121,019** | **57,698** | **101,005** | **158,703** |

As of December 31, 2025, there are still two promissory note loans composed of several tranches with various interest rates and terms to maturity of 0.5 to 4.5 years. As of the reporting date, current liabilities due to credit institutions in the amount of €55,873 thousand primarily include the tranche of €51.0 million due for this and the interest accrued.

With the exception of the restricted cash described in chapter "[26] Cash and Cash-Equivalents" [€107 thousand (100 thousand CHF], the Group has provided no other securities as collateral for the bank liabilities.

As of December 31, 2025, there is a current loan, including interest, in the amount of €15,144 thousand from VKE-Versorgungskasse EDAG-Firmengruppe e.V., the other major creditor (12/31/2024: €15,843 thousand). The loan was extended in December 2025, resulting in its reclassification from short-term to medium-term. The average applicable interest rate in the reporting year is 3.0 percent (12/31/2024: 3.0 percent).

Derivatives included the cash outflow of derivative financial instruments with a negative fair value as well as the cash outflow of derivatives with a positive fair value, for which gross settlement has been arranged.

It is the aim of the EDAG Group to preserve the equilibrium between the ongoing coverage of funding requirements and ensuring flexibility through the use of current account overdraft, loans, financing leases and lease liabilities.

The following table shows the liquidity risk of EDAG in relation to financial liabilities, but not including lease liabilities. With this, the contractually agreed (non-discounted) interest and principal payments of the original financial liabilities and the derivative financial instruments are shown with their positive and negative attributable fair value. All instruments which were held on December 31, 2025, and for which payments were already contractually agreed, have been included. Plan figures for future new liabilities are not included. Foreign currency amounts have been converted at the exchange rate valid on the reporting date. Financial liabilities repayable at any time are always allocated to the earliest time scale.

There were no defaults on the recognized loans during the reporting year.

| in € thousand | Carrying amounts 12/31/2025 | Cash flows 2026 | | | Cash flows 2027 | | | Cash flows 2028-2030 | | | Cash flows 2031 et seq. | | | Without fixed repayment |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Fixed interest | Var. interest | Amortization | Fixed interest | Var. interest | Amortization | Fixed interest | Var. interest | Amortization | Fixed interest | Var. interest | Amortization | |
| Liabilities due to credit institutions | 105,874 | 3,554 | 1,244 | 55,874 | 1,526 | 792 | - | 2,265 | 794 | 50,000 | - | - | - | - |
| Liabilities from loans | 15,144 | - | - | - | - | - | - | - | - | - | - | - | - | 15,144 |
| due to related companies and individuals | 15,144 | - | - | - | - | - | - | - | - | - | - | - | - | 15,144 |
| Liabilities from derivative financial instruments | 2 | - | - | 2 | - | - | - | - | - | - | - | - | - | - |
| **Total** | **121,020** | **3,554** | **1,244** | **55,876** | **1,526** | **792** | **-** | **2,265** | **794** | **50,000** | **-** | **-** | **-** | **15,144** |

| in € thousand | Carrying amounts 12/31/2024 | Cash flows 2025 | | | Cash flows 2026 | | | Cash flows 2027-2029 | | | Cash flows 2030 et seq. | | | Without fixed repayment |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Fixed interest | Var. interest | Amortization | Fixed interest | Var. interest | Amortization | Fixed interest | Var. interest | Amortization | Fixed interest | Var. interest | Amortization | |
| Liabilities due to credit institutions | 142,660 | 4,011 | 2,075 | 41,655 | 3,554 | 1,422 | 51,005 | 3,425 | 1,784 | 43,000 | 366 | - | 7,000 | - |
| Liabilities from loans | 15,843 | - | - | - | - | - | - | - | - | - | - | - | - | 15,843 |
| due to related companies and individuals | 15,843 | - | - | - | - | - | - | - | - | - | - | - | - | 15,843 |
| Liabilities from derivative financial instruments | 200 | - | - | 200 | - | - | - | - | - | - | - | - | - | - |
| **Total** | **158,703** | **4,011** | **2,075** | **41,855** | **3,554** | **1,422** | **51,005** | **3,425** | **1,784** | **43,000** | **366** | **-** | **7,000** | **15,843** |

In contrast to cash outflow due to derivatives for which gross settlement has been arranged, there are also cash inflows; these are not, however, shown in this settlement analysis. If the cash inflows were also to be taken into account, the cash outflows presented would be reduced.

## [31] Lease Liabilities

| in € thousand | 12/31/2025 | 12/31/2024 |
|---|---|---|
| < 1 year | 22,524 | 17,687 |
| > 1 year < 5 years | 67,708 | 60,001 |
| > 5 years | 48,017 | 108,788 |
| **Total lease liabilities** | **138,249** | **186,476** |

The following table shows the liquidity risk of EDAG in relation to lease liabilities.

| in € thousand | Carrying amounts 12/31/2025 | Cash flows 2026 | | Cash flows 2027 | | Cash flows 2028-2030 | | Cash flows 2031 et seq. | |
|---|---|---|---|---|---|---|---|---|---|
| | | Interest | Amortization | Interest | Amortization | Interest | Amortization | Interest | Amortization |
| Lease liabilities | 138,249 | 5,597 | 26,793 | 4,687 | 26,084 | 9,289 | 56,163 | 8,190 | 56,972 |

| in € thousand | Carrying amounts 12/31/2024 | Cash flows 2025 | | Cash flows 2026 | | Cash flows 2027-2029 | | Cash flows 2030 et seq. | |
|---|---|---|---|---|---|---|---|---|---|
| | | Interest | Amortization | Interest | Amortization | Interest | Amortization | Interest | Amortization |
| Lease liabilities | 186,475 | 9,134 | 24,444 | 8,369 | 24,740 | 20,642 | 65,041 | 27,493 | 137,888 |

From the Group's point of view, there is no significant liquidity risk with regard its own lease liabilities.

## [32] Contract Liabilities

The contractual liabilities are composed of the following net amounts:

| in € thousand | 12/31/2025 | 12/31/2024 |
|---|---|---|
| Accrued costs including partial profits and losses since beginning of project | 425,776 | 356,936 |
| Partial settlements and advance payments received from contractual liabilities since beginning of project | -489,530 | -426,231 |
| **Contract Liabilities** | **-63,754** | **-69,295** |

Of the contractual liabilities reported in the previous year, €69,295 thousand was recognized as revenue in the financial year just ended (2024: €47,513 thousand).

As in the previous year, contractual liabilities are classified as current, in accordance with their terms.

## [33] Accounts Payable

The accounts payable are classified as follows:

| in € thousand | 12/31/2025 | 12/31/2024 |
|---|---|---|
| **Accounts payable** | | |
| due to third parties | 26,716 | 24,372 |
| due to related companies and individuals | 7 | - |
| **Total** | **26,723** | **24,372** |

As in the previous year, the accounts payable are classified as current, on account of their terms.

## [34] Other Financial Liabilities

The other financial liabilities are classified as follows:

| in € thousand | 12/31/2025 | | | 12/31/2024 | | |
|---|---|---|---|---|---|---|
| | Current | Non-current | Sum total | Current | Non-current | Sum total |
| **Other financial liabilities** | | | | | | |
| due to related companies and individuals | 557 | - | 557 | 561 | - | 561 |
| Liabilities from sales and purchase agreement | 128 | 110 | 238 | 330 | 220 | 550 |
| Other remaining financial liabilities | 2,948 | - | 2,948 | 2,912 | - | 2,912 |
| **Total** | **3,633** | **110** | **3,743** | **3,803** | **220** | **4,023** |

The other financial liabilities primarily include overpayments and accounting and auditing costs received.

## [35] Other Non-Financial Liabilities

The other non-financial liabilities are classified as follows:

| in € thousand | 12/31/2025 | | | 12/31/2024 | | |
|---|---|---|---|---|---|---|
| | Current | Non-current | Sum total | Current | Non-current | Sum total |
| **Other non-financial liabilities** | | | | | | |
| Advance payments received on orders | 998 | - | 998 | 1,922 | - | 1,922 |
| due to employees | 26,248 | - | 26,248 | 31,284 | - | 31,284 |
| within the context of social security | 2,350 | - | 2,350 | 2,271 | - | 2,271 |
| Deferred income | 687 | 27 | 714 | 839 | 422 | 1,261 |
| from sales tax | 13,277 | - | 13,277 | 16,818 | - | 16,818 |
| from other taxes | 6,249 | - | 6,249 | 5,658 | - | 5,658 |
| Other remaining non-financial liabilities | 794 | - | 794 | 961 | - | 961 |
| **Total** | **50,603** | **27** | **50,630** | **59,753** | **422** | **60,175** |

The liabilities due to employees are primarily composed of special salary payments (€1,623 thousand; 12/31/2024: €1,552 thousand), obligations from overtime and flexi-time credits (€5,303 thousand; 12/31/2024: €7,842 thousand), obligations from outstanding vacation allowances (€4,965 thousand; 12/31/2024: €4,958 thousand), profit share obligations (€10,921 thousand; 12/31/2024 €12,890 thousand) and obligations from vacation pay and Christmas bonuses (€1,135 thousand; 12/31/2024: €1,353 thousand).

Deferred income is mainly comprised of large advance payments from business partners which were received prior to the balance sheet date and not converted to revenue until subsequent years.

## [36] Current and Deferred Income Tax Liabilities

| in € thousand | 12/31/2025 | 12/31/2024 |
|---|---|---|
| Deferred tax liabilities | 9 | 53 |
| Current income tax liabilities | 2,340 | 2,665 |
| **Total** | **2,349** | **2,718** |

In addition to the deferred taxes explained under chapter "[13] Income Tax", the income tax liabilities include income taxes from the current year and the previous years. Provided that the conditions for offsetting are met, deferred tax assets are shown on the statement of financial position offset against deferred tax liabilities.

Of the deferred income tax liabilities in the amount of €63,228 thousand (gross amount before offsetting), €30,386 thousand will be realizable after more than twelve months (12/31/2024: €43,604 thousand).

## 5.5 Segment Reporting and Notes

The segment reporting was prepared in accordance with IFRS 8 "Operating segments". Individual consolidated results are reported by company divisions in conformity with the internal reporting and organizational structure of the group. The key performance indicator for the Group Executive Management at segment level is the EBIT/adjusted EBIT. The segment presentation is designed to show the profitability and the assets and financial situation of the individual business activities. Intercompany sales are accounted for at customary market prices and are equivalent to sales towards third parties (arm's length principle).

In the reporting year, the non-current assets amounted to €340.7 million (12/31/2024: €382.7 million). Of these, €2.6 million are domestic, €294.2 million are German, and €43.9 million are non-domestic (12/31/2024: [domestic: €2.5 million; Germany: €335.2 million; non-domestic: €45.0 million]).

The assets, liabilities and provisions are not reported by segments, as this information is not part of the internal reporting.

The **Vehicle Engineering** segment (VE) consists of services along the vehicle development process as well as responsibility for derivative and complete vehicles. For descriptions of the individual divisions in this segment, please see the chapter "Business Model" in the Group Management Report.

The range of services offered by the **Electrics/Electronics** segment (E/E) includes the development of electrical and electronic systems, components, functions and services for everything from show cars and prototypes to the complete vehicle. These services are performed in competencies; these are described in greater detail in the chapter "Business Model" in the Group Management Report.

As an all-round engineering partner, the **Production Solutions** segment (PS) is responsible for the development and implementation of production processes. In addition to handling the individual stages in the product creation process and all factory and production systems-related services, the Production Solutions segment is also able to optimally plan complete factories across all sectors, including cross-processes, and to provide implementation from a single source. For more detailed descriptions of the individual divisions in this segment, please see the chapter "Business Model" in the Group Management Report.

Income and expenses as well as results between the segments are eliminated in the consolidation.

| in € thousand | 1/1/2025 – 12/31/2025 | | | | | |
|---|---|---|---|---|---|---|
| | Vehicle Engineering | Electrics/ Electronics | Production Solutions | Total segments | Consoli-dation | Total Group |
| Sales revenue with third parties | 404,973 | 200,475 | 108,153 | 713,601 | - | 713,601 |
| Sales revenues with other segments | 7,135 | 4,422 | 3,314 | 14,871 | -14,871 | - |
| Changes in inventories | 430 | -46 | 6 | 390 | - | 390 |
| **Total revenues[1]** | **412,538** | **204,851** | **111,473** | **728,862** | **-14,871** | **713,991** |
| **EBIT** | **-423** | **-13,434** | **-28,242** | **-42,099** | **-** | **-42,099** |
| EBIT margin [%] | -0.1% | -6.6% | -25.3% | -5.9% | - | -5.9% |
| Purchase price allocation (PPA) | 50 | - | - | 50 | - | 50 |
| Other adjustments | 8,270 | 11,600 | 9,245 | 29,115 | - | 29,115 |
| **Adjusted EBIT** | **7,897** | **-1,834** | **-18,997** | **-12,934** | **-** | **-12,934** |
| Adjusted EBIT margin [%] | 1.9% | -0.9% | -17.0% | -1.8% | - | -1.8% |
| Depreciation, amortization and impairment | -36,855 | -1,861 | -1,761 | -40,477 | - | -40,477 |
| Ø Employees per segment | 4,793 | 2,582 | 1,281 | 8,656 | | 8,656 |

| in € thousand | 1/1/2024 – 12/31/2024 | | | | | |
|---|---|---|---|---|---|---|
| | Vehicle Engineering | Electrics/ Electronics | Production Solutions | Total segments | Consoli-dation | Total Group |
| Sales revenue with third parties | 463,075 | 231,197 | 127,635 | 821,907 | - | 821,907 |
| Sales revenues with other segments | 10,554 | 7,224 | 4,557 | 22,335 | -22,335 | - |
| Changes in inventories | 247 | -181 | 20 | 86 | - | 86 |
| **Total revenues[1]** | **473,876** | **238,240** | **132,212** | **844,328** | **-22,335** | **821,993** |
| **EBIT** | **67** | **-8,995** | **5,500** | **-3,428** | **-** | **-3,428** |
| EBIT margin [%] | 0.0% | -3.8% | 4.2% | -0.4% | - | -0.4% |
| Purchase price allocation (PPA) | 50 | - | - | 50 | - | 50 |
| Other adjustments | 23,852 | 10,593 | - | 34,445 | - | 34,445 |
| **Adjusted EBIT** | **23,969** | **1,598** | **5,500** | **31,067** | **-** | **31,067** |
| Adjusted EBIT margin [%] | 5.1% | 0.7% | 4.2% | 3.7% | - | 3.8% |
| Depreciation, amortization and impairment | -42,292 | -3,332 | -1,668 | -47,292 | - | -47,292 |
| Ø Employees per segment | 4,986 | 2,831 | 1,254 | 9,071 | | 9,071 |

[1] The performance figure "revenues" is used in the sense of gross performance (sales revenues and changes in inventories).

The following table reflects the concentration risk of the EDAG Group, divided according to the customer sales divisions and segments:

| in € thousand | 1/1/2025 – 12/31/2025 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Vehicle Engineering | | Electrics/ Electronics | | Production Solutions | | Total | |
| Customer sales division A | 60,096 | 15% | 62,829 | 31% | 4,525 | 4% | 127,450 | 18% |
| Customer sales division B | 41,894 | 10% | 49,647 | 25% | 3,522 | 3% | 95,063 | 13% |
| Customer sales division C | 35,971 | 9% | 20,984 | 10% | 8,533 | 8% | 65,488 | 9% |
| Customer sales division D | 60,397 | 15% | 3,699 | 2% | 9,517 | 9% | 73,613 | 10% |
| Customer sales division E | 53,791 | 13% | 4,794 | 2% | 1,163 | 1% | 59,748 | 8% |
| Customer sales division F | 22,623 | 6% | 300 | 0% | 1,161 | 1% | 24,084 | 3% |
| Customer sales division G | 61,748 | 15% | 11,666 | 6% | 16,902 | 16% | 90,316 | 13% |
| Customer sales division H | 44,823 | 11% | 20,174 | 10% | 12,924 | 12% | 77,921 | 11% |
| Customer sales division I | 23,630 | 6% | 26,382 | 13% | 49,906 | 46% | 99,918 | 14% |
| **Sales revenue with third parties** | **404,973** | **100%** | **200,475** | **100%** | **108,153** | **100%** | **713,601** | **100%** |

| in € thousand | 1/1/2024 – 12/31/2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Vehicle Engineering | | Electrics/ Electronics | | Production Solutions | | Total | |
| Customer sales division A | 66,361 | 14% | 73,220 | 32% | 6,810 | 5% | 146,392 | 18% |
| Customer sales division B | 75,518 | 16% | 71,818 | 31% | 7,400 | 6% | 154,736 | 19% |
| Customer sales division C | 52,908 | 11% | 22,054 | 10% | 10,524 | 8% | 85,487 | 10% |
| Customer sales division D | 53,790 | 12% | 3,135 | 1% | 7,142 | 6% | 64,066 | 8% |
| Customer sales division E | 60,897 | 13% | 1,455 | 1% | 3,578 | 3% | 65,930 | 8% |
| Customer sales division F | 28,543 | 6% | 6,376 | 3% | 3,255 | 3% | 38,174 | 5% |
| Customer sales division G | 72,262 | 16% | 18,793 | 8% | 24,443 | 19% | 115,498 | 14% |
| Customer sales division H | 44,676 | 10% | 20,115 | 9% | 8,378 | 7% | 73,168 | 9% |
| Customer sales division I | 8,120 | 2% | 14,231 | 6% | 56,105 | 44% | 78,456 | 10% |
| **Sales revenue with third parties** | **463,075** | **100%** | **231,197** | **100%** | **127,635** | **100%** | **821,907** | **100%** |

As in the previous year, the Electrics/Electronics segment generated over 50 percent of its sales revenues with one corporate group.

The following table reflects the revenue recognition of the EDAG Group, divided according to segments:

| in € thousand | 1/1/2025 – 12/31/2025 | | | | | |
|---|---|---|---|---|---|---|
| | Vehicle Engineering | Electrics/ Electronics | Production Solutions | Total segments | Consoli-dation | Total Group |
| Period-related revenue recognition | 388,573 | 204,623 | 107,865 | 701,061 | - | 701,061 |
| Point in time revenue recognition | 23,535 | 274 | 3,602 | 27,411 | - | 27,411 |
| Sales revenues with other segments | -7,135 | -4,422 | -3,314 | -14,871 | - | -14,871 |
| **Sales revenue with third parties** | **404,973** | **200,475** | **108,153** | **713,601** | **-** | **713,601** |
| Sales revenues with other segments | 7,135 | 4,422 | 3,314 | 14,871 | -14,871 | - |
| Changes in inventories | 430 | -46 | 6 | 390 | - | 390 |
| **Total revenues** | **412,538** | **204,851** | **111,473** | **728,862** | **-14,871** | **713,991** |

| in € thousand | 1/1/2024 – 12/31/2024 | | | | | |
|---|---|---|---|---|---|---|
| | Vehicle Engineering | Electrics/ Electronics | Production Solutions | Total segments | Consoli-dation | Total Group |
| Period-related revenue recognition | 454,492 | 237,536 | 127,807 | 819,835 | - | 819,835 |
| Point in time revenue recognition | 19,137 | 885 | 4,385 | 24,407 | - | 24,407 |
| Sales revenues with other segments | -10,554 | -7,224 | -4,557 | -22,335 | - | -22,335 |
| **Sales revenue with third parties** | **463,075** | **231,197** | **127,635** | **821,907** | **-** | **821,907** |
| Sales revenues with other segments | 10,554 | 7,224 | 4,557 | 22,335 | -22,335 | - |
| Changes in inventories | 247 | -181 | 20 | 86 | - | 86 |
| **Total revenues** | **473,876** | **238,240** | **132,212** | **844,328** | **-22,335** | **821,993** |

The group sales revenues are broken down in terms of sales into the individual markets as follows. This breakdown reflects the regional classification of the EDAG locations.

| in € thousand | 1/1/2025 – 12/31/2025 | | | | | |
|---|---|---|---|---|---|---|
| | Vehicle Engineering | Electrics/ Electronics | Production Solutions | Total segments | Consoli-dation | Total Group |
| Germany | 262,040 | 170,803 | 77,823 | 510,666 | - | 510,666 |
| Rest of Europe | 86,010 | 21,609 | 6,556 | 114,175 | - | 114,175 |
| North America | 21,804 | 484 | 24,312 | 46,600 | - | 46,600 |
| South America | 14,176 | 1 | 38 | 14,215 | - | 14,215 |
| Asia | 28,047 | 12,000 | 2,738 | 42,785 | - | 42,785 |
| Australia | 28 | - | - | 28 | - | 28 |
| Africa | 3 | - | - | 3 | - | 3 |
| Sales revenues with other segments | -7,135 | -4,422 | -3,314 | -14,871 | - | -14,871 |
| **Sales revenue with third parties** | **404,973** | **200,475** | **108,153** | **713,601** | **-** | **713,601** |
| Sales revenues with other segments | 7,135 | 4,422 | 3,314 | 14,871 | -14,871 | - |
| Changes in inventories | 430 | -46 | 6 | 390 | - | 390 |
| **Total revenues** | **412,538** | **204,851** | **111,473** | **728,862** | **-14,871** | **713,991** |

| in € thousand | 1/1/2024 – 12/31/2024 | | | | | |
|---|---|---|---|---|---|---|
| | Vehicle Engineering | Electrics/ Electronics | Production Solutions | Total segments | Consoli-dation | Total Group |
| Germany | 309,660 | 200,444 | 95,768 | 605,872 | - | 605,872 |
| Rest of Europe | 102,723 | 26,562 | 15,605 | 144,890 | - | 144,890 |
| North America | 19,320 | 776 | 17,222 | 37,318 | - | 37,318 |
| South America | 12,580 | 2 | 16 | 12,598 | - | 12,598 |
| Asia | 29,339 | 10,637 | 3,581 | 43,557 | - | 43,557 |
| Australia | 1 | - | - | 1 | - | 1 |
| Africa | 6 | - | - | 6 | - | 6 |
| Sales revenues with other segments | -10,554 | -7,224 | -4,557 | -22,335 | - | -22,335 |
| **Sales revenue with third parties** | **463,075** | **231,197** | **127,635** | **821,907** | **-** | **821,907** |
| Sales revenues with other segments | 10,554 | 7,224 | 4,557 | 22,335 | -22,335 | - |
| Changes in inventories | 247 | -181 | 20 | 86 | - | 86 |
| **Total revenues** | **473,876** | **238,240** | **132,212** | **844,328** | **-22,335** | **821,993** |

## 5.6 Notes on the Cash Flow Statement

Despite unfavorable financial performance, a positive operating cash flow of €4.5 million was achieved in the reporting year (2024: €94.1 million). The decline in operating cash flow is primarily attributable to lower earnings, higher capital tied up in trade working capital (a reduction in trade working capital during the reporting period), and a slight decrease in current provisions by €2.6 million (previous year: increase of €30 million).

The investing cash flow was €-13.2 million (2024: €-24.0 million). At €13.1 million, the gross investments for intangible assets and property, plant and equipment in the reporting year were below the previous year's level (2024: €22.9 million). The ratio of gross investments in relation to revenues was 1.8 percent (2024: 2.8 percent).

The free cash flow, the sum total of the operating cash flow and investing cash flow, amounted to €-8.7 million (2024: €70.1 million).

The financing cash flow totaled €-72.9 million (2024: €-51.6 million). This primarily includes the repayment of a tranche of the original promissory note loan in the amount of €38.5 million, principal payments for lease liabilities totaling €20.2 million (2024: €19.3 million) and interest payments in the amount of €15.5 million (2024: €17.2 million).

The financial and lease liabilities developed as follows:

| in € thousand | Financial liabilities | Lease liabilities | Total |
|---|---|---|---|
| **As per 12/31/2023 / 1/1/2024** | **159,409** | **183,294** | **342,703** |
| Net cash changes | -1,313 | -19,305 | -20,618 |
| Exchange rate-related changes | 11 | 377 | 388 |
| Net non-cash changes in lease liabilities | - | 22,109 | 22,109 |
| Other non-cash changes | 595 | - | 595 |
| **As per 12/31/2024 / 1/1/2025** | **158,702** | **186,475** | **345,177** |
| Net cash changes | -37,215 | -20,180 | -57,395 |
| Exchange rate-related changes | -19 | -762 | -781 |
| Net non-cash changes in lease liabilities | - | -27,284 | -27,284 |
| Other non-cash changes | -448 | - | -448 |
| **As per 12/31/2025** | **121,020** | **138,249** | **259,269** |

# 5.7 Other Notes

## Contingent Liabilities/Receivables and Other Financial Obligations

### Contingent Liabilities

As in the previous year, there were no material contingent liabilities on the reporting date.

### Other Financial Obligations

In addition to the provisions and liabilities, there are also other financial obligations, and these are composed as follows:

| in € thousand | 12/31/2025 | 12/31/2024 |
|---|---|---|
| Total renting and leasing contracts | 5,324 | 7,301 |
| Open purchase orders | 3,994 | 2,960 |
| Other miscellaneous financial obligations | 6 | 124 |
| **Total** | **9,324** | **10,385** |

The obligations from rental and leasing contracts are composed primarily of leasing agreements for low-value assets in the form of IT equipment, of short-term rental agreements and software leasing.

### Contingent Receivables

As in the previous year, there were no material contingent receivables on the reporting date.

## Leases

### EDAG as the Lessee

EDAG and its companies act as lessees. For the overwhelming majority of the leases entered into, rights of use and lease liabilities were recognized in accordance with IFRS 16 and updated accordingly. The leases recognized in the balance sheet mainly comprise agreements concerning the use of office buildings, warehouses, production halls and cars. In addition, there are leases that are accounted for as short-term leases in accordance with IFRS 16.6. These are mainly for office, residential and storage space rented on a short-term basis, and cars rented on a short-term basis.

On the balance sheet date, lease obligations from current leases existed in the amount of €718 thousand (2024: €713 thousand). In addition, there are leases that were recognized as leases for low-value assets in accordance with IFRS 16.6. These principally include leasing agreements for the use of IT equipment.

The weighted average minimum term of all the leases is 4 years. The total cash outflows from leases (including incidental expenses) in the reporting year amount to €60,157 thousand (2024: €58,041 thousand). The leasing agreements entered into do not contain any variable leasing payments which have not been included in the measurement of the leasing liabilities. On the balance sheet date, there are therefore no potential cash outflows from variable lease payments that are not dependent on the development of an index or share price.

Extension and termination options are included in the leases that have been entered into. Periods arising as a result of the granting of extension options were not included in the measurement of the lease liability only if the need to exercise these was not considered reasonably certain at the time of initial measurement. In light of changed market conditions, an evaluation of existing extension options was conducted during the reporting year. This resulted in the conclusion that the exercise of extension options in existing leases is now reevaluated compared to the initial measurement. During the required revaluation, capitalized leasehold rights and recognized lease liabilities decreased by €48.0 million compared to the previous year.

Essentially none of the termination options granted to the Group were included in the measurement of lease liability. This assessment is based on contract, asset, company and market-related factors. Special mention should be made here of the importance of the continued use of the underlying assets for the Group's business activities. In addition, provided that they will not result in enforceable rights and obligations for the Group, periods relating to automatic extensions in the future and unlimited periods of use that can be terminated by either party were not included in the measurement of the lease term.

The only residual value guarantees that exist in leases that have been entered into are related to leases for the use of motor vehicles. As of the balance sheet date, no payments are expected from the residual value guarantees issued by EDAG and included in the measurement of lease liabilities. This means that no future cash outflows are expected from residual value guarantees issued.

As of the balance sheet date, there were no restrictions or commitments in connection with leases entered into.

On the reporting date, there were no leases for the transfer of use of properties into which the company of the EDAG Group had entered but which had not yet begun.

### EDAG as the Lessor

#### Finance Leases

As of the balance sheet date, EDAG did not operate as a lessor with regard to finance leases as in the previous year.

#### Operating Leases

EDAG acts as a lessor with regard to operating leases, and continues to include the assets let in this respect in its consolidated statement of financial position. The leasing installments received are posted through profit or loss By and large, this involves the rental of buildings. As a general rule, leasing contracts tend to be short-term. At the year-end, the income from operating leasing amounted to €2,172 thousand (2024: €2,043 thousand). The future minimum leasing payments from noncancelable operating leases are as follows:

| in € thousand | 2025 | 2024 |
|---|---|---|
| Up to 1 year | 1,671 | 1,894 |
| Up to 2 years | 542 | 671 |
| Up to 3 years | 156 | 116 |
| Up to 4 years | 73 | - |
| Up to 5 years | 6 | - |
| More than 5 years | - | - |
| **Total** | **2,448** | **2,681** |

## Financial Instruments

### Capital Risk Management

The Group manages its capital with the aim of maximizing the earnings of those involved in the company by optimizing the ratio of equity to borrowed capital. In the process, care is taken to ensure that the group companies can all operate on the assumption that the company is a going concern.

The Group capital structure is composed of debts, financing receivables, securities / derivative financial instruments, cash and cash-equivalents, and also the equity due to the parent company's shareholders. This consists of the subscribed capital, the capital reserves and the retained earnings.

The capital structure of the Group is reviewed by the Group Executive Management on a quarterly basis. During this review, the cost of capital and the risks connected with each capital category are considered. The Group Executive Management's aim is to keep the net financial debt as low as possible in relation to the equity ratio (net gearing).

| in € thousand | 12/31/2025 | 12/31/2024 |
|---|---|---|
| Non-current financial liabilities | -65,144 | -101,005 |
| Current financial liabilities | -55,875 | -57,698 |
| Securities / derivative financial instruments | 48 | 29 |
| Cash and cash equivalents | 42,931 | 125,469 |
| **Net financial debt/credit [-/+]** | **-78,020** | **-33,205** |
| | | |
| Equity | 88,593 | 133,070 |
| **Net gearing [%]** | **88.1%** | **24.9%** |

At €78,020 thousand, the net financial debt on December 31, 2025 is €44,815 thousand above the previous year's value (€33,205 thousand).

As of December 31, 2025, there are still two promissory note loans composed of several tranches with various interest rates and terms to maturity of 0.5 to 4.5 years.

As of December 31, 2025, there is a medium-term loan (previous year: current), including interest, in the amount of €15,144 thousand from VKE-Versorgungskasse EDAG-Firmengruppe e.V., the other major creditor (12/31/2024: €15,843 thousand).

The EDAG Group reported unused lines of credit in the amount of €103.6 million on the reporting date (12/31/2024: €107.7 million).

One of the major factors influencing the net financial debt is the working capital, which developed as follows:

| | in € thousand | 12/31/2025 | 12/31/2024 |
|---|---|---|---|
| | Inventories | 5,217 | 4,673 |
| + | Contract assets | 61,503 | 67,430 |
| + | Current accounts receivable | 106,942 | 115,040 |
| - | Contract Liabilities | -63,754 | -69,295 |
| - | Current accounts payable | -26,723 | -24,372 |
| = | **Trade working capital (TWC)** | **83,185** | **93,476** |
| + | Other non-current financial receivables | 548 | 506 |
| + | Other non-current non-financial receivables | 1,112 | 1,185 |
| + | Deferred tax assets | 36,167 | 22,510 |
| + | Other current financial receivables excl. interest-bearing receivables | 2,540 | 2,043 |
| + | Other current non-financial receivables | 23,437 | 19,833 |
| + | Income tax assets | 3,892 | 16,898 |
| - | Non-current other financial liabilities | -110 | -220 |
| - | Non-current other non-financial liabilities | -27 | -422 |
| - | Deferred tax liabilities | -9 | -53 |
| - | Current other financial liabilities | -3,633 | -3,803 |
| - | Current other non-financial liabilities | -50,603 | -59,753 |
| - | Income tax liabilities | -2,340 | -2,665 |
| = | **Other working capital (OWC)** | **10,974** | **-3,941** |
| | **Net working capital (NWC)** | **94,159** | **89,535** |

Compared to December 31, 2024, the trade working capital decreased from €93,476 thousand to €83,185 thousand. The decrease is due mainly to the reduction in accounts receivable and the increase in accounts payable.

As can be seen from the table above, there was an increase of €14,915 thousand in the other working capital to €10,974 thousand, compared to €-3,941 thousand on December 31, 2024.

## Carrying Amounts, Valuation Rates and Fair Values of the Financial Instruments as per Measurement Category

For the most part, cash and cash equivalents, accounts receivable and other receivables have only a short time to maturity. For this reason, their carrying amounts on the reporting date are close approximations of the fair values.

With the exception of accounts receivable and other receivables and loans, none of the other financial instruments are either overdue or impaired on the reporting date.

On December 31, 2025, the gross carrying amounts of the accounts receivable, the adjustments recognized on these amounts, and the risk provisions for expected credit losses are as follows:

| in € thousand | 12/31/2025 | | 12/31/2024 | |
|---|---|---|---|---|
| | Gross carrying amount | Adjustment/ provisions for risks | Gross carrying amount | Adjustment/ provisions for risks |
| **Accounts receivable** | | | | |
| neither impaired nor overdue | 85,319 | -1,035 | 91,333 | -515 |
| < 1 month | 18,747 | -256 | 18,776 | -116 |
| 1–2 months | 2,184 | -34 | 2,795 | -20 |
| 2–3 months | 1,389 | -27 | 1,179 | -11 |
| 3–6 months | 357 | -73 | 1,377 | -281 |
| 6–12 months | 433 | -109 | 443 | -113 |
| > 12 months | 68 | -21 | 276 | -84 |
| individually adjusted | 3,438 | -3,438 | 3,675 | -3,675 |
| **Total** | **111,935** | **-4,993** | **119,854** | **-4,815** |

As of December 31, 2025, specific valuation allowances were held against receivables in the amount of €3,438 thousand (12/31/2024: €3,675 thousand). For the residual carrying amount of €108,497 thousand (12/31/2024: €116,179 thousand), risk provisions were recognized for expected credit losses in the amount of €1,555 thousand (12/31/2024: €1,140 thousand).

As in the previous year, the other receivables and loans are neither past due on the reporting date, nor have specific valuation allowances been made.

The development of the valuation allowances is shown in the following table:

| in € thousand | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Accounts receivable and contract assets | Loans and other receivables | Sum total | Accounts receivable and contract assets | Loans and other receivables | Total |
| **As per 01/01/** | **5,209** | **4** | **5,213** | **3,775** | **4** | **3,779** |
| Currency translation differences | -109 | - | -109 | 37 | - | 37 |
| Additions | 2,674 | 1 | 2,675 | 2,838 | 2 | 2,840 |
| Claims | -1,179 | - | -1,179 | -49 | - | -49 |
| Reversals | -125 | - | -125 | -1,393 | -2 | -1,395 |
| **As per 31/12/** | **6,470** | **5** | **6,475** | **5,208** | **4** | **5,212** |

The total amount of the additions, €2,675 thousand (2024: €2,840 thousand) in all, consists of additions from specific valuation allowances (level 3) for the amount of €1,175 thousand (2024: €2,488 thousand) and additions from risk provisions for expected credit losses (levels 1 & 2) for the amount of €1,500 thousand (2024: €352 thousand). The total amount of reversals, €-125 thousand (2024: €-1,395 thousand) in all in the reporting year includes reversals of risk provisions for expected credit losses (level 1 & level 2) in the amount of €0 thousand (2024: €204 thousand) and reversals of specific allowances (level 3) in the amount of €125 thousand (2024: €1,191 thousand). The claims in the reporting year essentially relate to the derecognition of irrecoverable receivables for which individual value adjustments were made in full in previous years.

The average default rates used for setting up risk provisions for expected credit losses for accounts receivable vary, depending on both the due dates of the receivables, and on the default patterns of different customer groups, and currently stand at between 1.28 and 30 percent. Should there be clear evidence of customers failing to fulfill their payment obligations, this is taken into due account.

With regard to the balance of accounts receivable and other financial assets which are neither overdue nor impaired, there is no indication on the reporting date that the debtors will not meet their payment obligations. Delays in payment are the result of various factors, including security deposits and agreements on the concrete handling of payments which are currently being negotiated. For this reason, we still expect to receive payment.

The Group has established an internal risk monitoring system geared to individual customer risks. All receivables which are neither overdue nor impaired are assigned to the risk category of contractual partners with good credit ratings.

The investments and securities are measured at fair value. In the case of equity interests for which no market price is available, the acquisition costs are applied as a reasonable estimate of the fair value. In the financial assets, shares in non-consolidated subsidiaries and other investments are recognized at acquisition cost, taking impairments into account, as no observable fair values are available and other admissible methods of evaluation do not produce reliable results. There are currently no plans to sell these financial instruments.

Accounts payable and other financial liabilities regularly have short terms to maturity, and the values posted are close approximations of the fair values.

In accordance with IFRS 9, a distinction is made between the following financial assets and financial liabilities, aggregated as per valuation category:

- [AC] Financial Assets measured at Amortized Costs
- [FVtPL] Financial Assets at Fair Value through Profit and Loss
- [AC] Financial Liabilities measured at Amortized Costs
- [FVtPL] Financial Liabilities at Fair Value through Profit and Loss

The carrying amounts and fair values of all financial instruments recorded in the Consolidated Financial Statements are shown in the following table.

| in € thousand | Measured at fair value through profit and loss [FVtPL] | Measured at amortized cost [AC] | | Not allocated to a measurement category [n.a.] | Balance sheet items as per 12/31/2025 |
|---|---|---|---|---|---|
| | | Carrying amount | Fair value | | |
| **Financial assets (assets)** | | | | | |
| Financial assets[1] | 105 | 81 | 81 | - | 186 |
| Non-current other financial assets | - | 548 | 548 | - | 548 |
| Current contract assets | - | - | - | 61,503 | 61,503 |
| Current accounts receivable | - | 106,942 | 106,942 | - | 106,942 |
| Current other financial assets | - | 2,540 | 2,540 | - | 2,540 |
| Current securities, loans and financial instruments | 28 | 20 | 20 | - | 48 |
| Cash and cash equivalents | - | 42,931 | 42,931 | - | 42,931 |
| **Financial assets (assets)** | **133** | **153,062** | **153,062** | **61,503** | **214,698** |
| **Financial liabilities (liabilities)** | | | | | |
| Non-current financial liabilities | - | 65,144 | 66,558 | - | 65,144 |
| Non-current lease liabilities | - | - | - | 115,725 | 115,725 |
| Non-current other financial liabilities | 110 | - | - | - | 110 |
| Current financial liabilities | 2 | 55,873 | 55,873 | - | 55,875 |
| Current lease liabilities | - | - | - | 22,524 | 22,524 |
| Current contract liabilities | - | - | - | 63,754 | 63,754 |
| Current accounts payable | - | 26,723 | 26,723 | - | 26,723 |
| Current other financial liabilities | 128 | 3,505 | 3,505 | - | 3,633 |
| **Financial liabilities (liabilities)** | **240** | **151,245** | **152,659** | **202,003** | **353,488** |

[1] In the financial assets, classified at fair value through profit or loss [FVtPL], shares in non-consolidated subsidiaries are recognized at carried-forward acquisition cost in accordance with IFRS 9.B5.2.3.

| in € thousand | Measured at fair value through profit and loss [FVtPL] | Measured at amortized cost [AC] | | Not allocated to a measurement category [n.a.] | Balance sheet items as per 12/31/2024 |
|---|---|---|---|---|---|
| | | Carrying amount | Fair value | | |
| **Financial assets (assets)** | | | | | |
| Financial assets[1] | 80 | 60 | 60 | - | 140 |
| Non-current other financial assets | - | 506 | 506 | - | 506 |
| Current contract assets | - | - | - | 67,430 | 67,430 |
| Current accounts receivable | - | 115,039 | 115,039 | - | 115,039 |
| Current other financial assets | - | 2,043 | 2,043 | - | 2,043 |
| Current securities, loans and financial instruments | 29 | - | - | - | 29 |
| Cash and cash equivalents | - | 125,469 | 125,469 | - | 125,469 |
| **Financial assets (assets)** | **109** | **243,117** | **243,117** | **67,430** | **310,656** |
| **Financial liabilities (liabilities)** | | | | | |
| Non-current financial liabilities | - | 101,005 | 105,022 | - | 101,005 |
| Non-current lease liabilities | - | - | - | 168,789 | 168,789 |
| Current financial liabilities | 200 | 57,498 | 57,498 | - | 57,698 |
| Current lease liabilities | - | - | - | 17,686 | 17,686 |
| Current contract liabilities | - | - | - | 69,295 | 69,295 |
| Current accounts payable | - | 24,372 | 24,372 | - | 24,372 |
| Current other financial liabilities | 330 | 3,473 | 3,473 | - | 3,803 |
| **Financial liabilities (liabilities)** | **530** | **186,568** | **190,585** | **255,770** | **442,868** |

[1] In the financial assets, classified at fair value through profit or loss [FVtPL], shares in non-consolidated subsidiaries are recognized at carried-forward acquisition cost in accordance with IFRS 9.B5.2.3.

The fair values of securities correspond to the nominal value multiplied by the exchange quotation on the reporting date.

The attributable fair values of liabilities due to credit institutions, loans, other financial liabilities and other interest-bearing liabilities are calculated as present values of the debt-related payments, based on the EDAG current yield curve valid at the time. The fair value was measured in accordance with the "Level 2" measurement category on the basis of a discounted cash flow model. In this context, the current market rates of interest and the contractually agreed parameters were taken as the basis.

The information for the determination of attributable fair value is given in tabular form, based on a three-level fair value hierarchy for each class of financial instrument. There are three measurement categories:

**Level 1**: At level 1 of the fair value hierarchy, the attributable fair values are measured using listed market prices, as the best possible fair values for financial assets or liabilities can be observed in active markets.

**Level 2**: If there is no active market for a financial instrument, a company uses valuation models to determine the attributable fair value. Valuation models include the use of current business transactions between competent, independent business partners willing to enter into a contract; comparison with the current attributable fair value of another, essentially identical financial instrument; use of the discounted cash flow method; or of option pricing models. The attributable fair value is estimated on the basis of the results achieved using one of the valuation methods, making the greatest possible use of market data and relying as little as possible on company-specific data.

**Level 3**: The valuation models used at this level are not based on observable market data.

| in € thousand | Assessed at fair value 12/31/2025 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets (assets)** | | | | |
| Financial receivables | 28 | - | - | 28 |
| **Financial liabilities (liabilities)** | | | | |
| Other financial liabilities | - | 2 | 238 | 240 |

| in € thousand | Assessed at fair value 12/31/2024 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets (assets)** | | | | |
| Financial receivables | 28 | - | - | 28 |
| **Financial liabilities (liabilities)** | | | | |
| Other financial liabilities | - | 200 | 550 | 750 |

## Offsetting of Financial Assets and Liabilities

The financial assets and liabilities are generally shown with the gross value. A netting is only possible if – and only if – the netting of the recognized amounts can be legally realized at the present point in time and it is intended to carry out the settlement on a net basis, or to realize the asset and extinguish the liability at the same time.

As at December 31, 2025 and 2024, there were no offsetting effects on the consolidated statement of financial position.

## Net Results as per Valuation Category

With the exception of the adjustments attributable to the measurement category "financial assets at amortized cost (AC)", which are posted under the net result from the impairment/impairment loss reversal of financial assets (see chapter "[7] Net Result from the Impairment/Impairment Loss Reversal of Financial Assets"), EDAG records interest from financial instruments and the other components of the net result in the financial results.

The net profit or loss from assets and liabilities which are valued at the attributable fair value through profit or loss includes not only the results from changes in market value, income from investments, and realized gains from the disposal of these shares, but also interest paid or received on these financial instruments.

The net interest profit/loss from financial liabilities valued at amortized acquisition cost mainly includes interest expenses from financial liabilities.

The net results, according to the valuation categories in IFRS 9, are as follows:

| in € thousand | From interest, dividends | From subsequent valuation | | | On disposal | Net result 2025 |
|---|---|---|---|---|---|---|
| | | At fair value | Currency translation | Value adjustment | | |
| Financial assets at amortized cost (AC) | 1,990 | - | 60 | -2,531 | -60 | -541 |
| Financial assets at fair value through profit and loss (FVtPL) | - | 197 | - | - | - | 197 |
| Financial liabilities measured at amortized cost (FLAC) | -6,371 | - | - | - | - | -6,371 |
| **Total** | **-4,381** | **197** | **60** | **-2,531** | **-60** | **-6,715** |

| in € thousand | From interest, dividends | From subsequent valuation | | | On disposal | Net result 2024 |
|---|---|---|---|---|---|---|
| | | At fair value | Currency translation | Value adjustment | | |
| Financial assets at amortized cost (AC) | 3,696 | - | -367 | -1,445 | -242 | 1,642 |
| Financial assets at fair value through profit and loss (FVtPL) | - | -197 | - | - | - | -197 |
| Financial liabilities measured at amortized cost (FLAC) | -7,345 | - | - | - | - | -7,345 |
| **Total** | **-3,649** | **-197** | **-367** | **-1,445** | **-242** | **-5,900** |

## Financial Risk Management Objectives and Methods

### Risk Management Principles

The primary financial instruments used by the Group are -with the exception of derivative financial instruments -bank loans and current account overdraft, accounts payable, and loans which have been granted. The main purpose of these financial instruments is to finance the business activities of the Group. Further, the Group has at its disposal various financial assets such as securities, accounts receivable, cash and short-term deposits resulting directly from its business activities.

With regard to financial instruments, EDAG is particularly subject to risks resulting from changes in exchange rates and interest rates, as well as to liquidity and credit risks. The aim of financial risk management is to limit these risks by means of on-going operating and finance-oriented activities. Selected derivative hedging instruments are employed to this effect.

As a general rule, collateral is provided only against risks that will affect the cash flow of the Group. The derivative financial instruments primarily include forward exchange contracts. The purpose of the derivative financial instruments is to provide security against interest and currency risks resulting from the business activities of the Group and its funding sources. Derivative financial instruments are used solely as hedging instruments, i.e. they are not implemented for trading or other speculative purposes.

Every year, the basic intentions underlying company financial policy are defined by the Group Executive Management and monitored by the Board of Directors. Group Treasury is responsible for the implementation of the financial policy and for on-going risk management.

### Credit Risk

As a result of its operating business and certain financial activities, EDAG is at risk of default. In the funding area, business is done only with contracting parties whose creditworthiness is impeccable. In the operating divisions, the Group does business with creditworthy third parties only. A credit assessment is carried out on almost all customers wishing to do business on a credit basis.

As a general rule, the creditworthiness of any other customers is automatically monitored. Any risk of default is addressed by means of risk provisions and specific valuation adjustments.

In addition, receivables are continuously monitored on a divisional, i.e. decentralized, basis, so that, as shown in section "Carrying Amounts, Valuation Rates and Fair Values of the Financial Instruments as per Measurement Category", the EDAG Group is not exposed to any significant default risk.

The maximum risk in the event of non-payment by a contracting party is reflected in the carrying amounts of the financial assets recorded in the statement of financial position (including derivative financial instruments with positive market values). On the reporting date, there are no significant agreements in existence that would reduce the maximum default risk (such as offsetting agreements).

Assessments indicate that there is very little probability of any default risk occurring.

### Liquidity Risk

The liquidity risk is shown separately in chapter "[30] Financial Liabilities".

As a general rule, it is the responsibility of the management of each individual company to keep a constant check on solvency.

The centrally specified objective of the EDAG Group is to guarantee that funding requirements of the group companies are continually met by making use of bank loans, current account overdrafts, inter-company loans and leases. Reports are sent to the parent company on a weekly basis, to enable the liquidity of the individual Group companies to be monitored centrally. The information gained from these is submitted to Group Executive Management for risk control purposes. Given the

challenging macroeconomic and automotive industry conditions and the resulting dampening effect on lenders' willingness to extend credit, and in light of a loan maturity due in 2026 and the fact that our bilateral lines of credit without fixed terms (until further notice) are still in place, we initiated financing discussions at an early stage, with the external support of a debt advisor.

The company objective is to ensure that sufficient open lines of credit are available at any time. To this end, appropriate measures, such as intensive working capital management, are constantly implemented. Suitable measures are applied in good time, to guarantee the financing of any pending investments.

## Market Risks

### Interest Risks

Due to the fact that the Group is predominantly financed through fixed interest loans from banks and a related company, VKE-Versorgungskasse EDAG-Firmengruppe e.V., we are of the opinion that any risk posed by fluctuations of market interest rates is very slight.

Changes to market interest rates of original, fixed-interest financial instruments do not affect the results unless they are valued at their attributable fair values. Accordingly, no financial instruments with a fixed interest rate valued at amortized acquisition costs are subject to risk due to changes in interest, in terms of IFRS 7.

The table below Chapter "[30] Financial Liabilities" shows the carrying amount of the Group's financial instruments that are subject to risk from changes in interest, organized according to their contractually defined maturity dates.

Only an insignificant number of variable interest-bearing financial instruments exists. The interest rate for these is derived from a standard, fluctuating reference rate and a company-specific credit margin. On the basis of the Group tax rate of 28.77 percent (previous year 23.96 percent), an amendment of the reference interest rate by +1 percentage point would have an effect of €-232 thousand (previous year €-331 thousand) on the profit or loss for the period after income tax and on equity. The interest rate for fixed-interest financial instruments is defined up to the maturity date of the particular financial instrument. The Group's other financial instruments, which are not included in the table under chapter "[30] Financial Liabilities" are not interest-bearing, and therefore not subject to risk from changes in interest.

### Currency Risks

Currency-related risks to the EDAG Group result from financing measures and operating activities. Insofar as they have a significant effect on the Group cash flow, foreign currency risks are always hedged. On the other hand, foreign currency risks not affecting the Group cash flow (i.e. risks resulting from the conversion of assets and liabilities of group companies located abroad into the reporting currency of the Group), are not generally hedged.

Foreign currency risks from financing activities result from financial liabilities in foreign currencies and foreign currency loans.

These risks are covered by the Treasury Department. Currency derivatives are used to convert financial obligations and intra-group loans denominated in foreign currencies into the Group entities' functional currencies.

On the balance sheet date, the receivables and liabilities denominated in foreign currencies, and for which the currency risks have been hedged, exist in USD, GBP, TRY, CZK and MXN. Due to these hedging activities, the EDAG Group was not exposed to any significant currency risks from financing activities as per the reporting date.

In the operating area, the individual group companies do most of their business in their own functional currencies. This means that any currency risk to the EDAG Group from current operating activities is assessed as being moderate. Some group companies are, however, exposed to foreign currency risks in connection with planned payments not in their own functional currencies.

For the presentation of market risks, IFRS 7 requires sensitivity analyses that show the effects of hypothetical changes of relevant risk variables on profit or loss and equity. The periodic effects are determined by relating the hypothetical changes in the risk variables to the balance of financial instruments on the reporting date. It is assumed that the balance on the reporting date is representative of the entire year.

Currency risks as defined by IFRS 7 arise as a result of financial instruments being denominated in a currency that is not the functional currency and being of a monetary nature; differences resulting from the translation of financial statements into the Group's presentation currency are not taken into consideration. Relevant risk variables are generally all non-functional currencies in which EDAG holds financial instruments.

The currency sensitivity analysis is based on the following assumptions:

Major non-derivative monetary financial instruments (liquid assets, receivables, interest-bearing liabilities, non-interest-bearing liabilities) are either directly denominated in the functional currency, or transferred to the functional currency through the use of derivatives.

The EDAG Group is subject only to currency risks from certain currency derivatives. These derivatives serve as hedges for planned items. Exchange rate fluctuations in the currencies on which such financial instruments are based affect other operating expenses/income, as any currency losses/gains from the underlying transactions are also shown here (net gain/loss from the adjustment of financial assets to fair value).

**Sensitivity Analysis**

If each of the functional currencies had increased or decreased in value by 10 percent compared with the other currencies, the following effects on the profit or loss for the period after income tax and on equity would have resulted in relation to the currency relations outlined below. For the effects of the sensitivities on the profit or loss for the period, a group tax rate of 28.77 percent was anticipated (previous year 23.96 percent). It would not be useful to add together the individual values, as, depending on the functional currency in question, the results are based on different scenarios.

| in € thousand | 12/31/2025 | 12/31/2024 |
|---|---|---|
| **Currency sensitivities** | | |
| **10% appreciation** | | |
| EUR/USD | -8 | - |
| EUR/CHF | 101 | 113 |
| EUR/PLN | 114 | 144 |
| EUR/SEK | 108 | 175 |
| EUR/CNY | - | -56 |
| EUR/CZK | 81 | 86 |
| **Total revaluation** | **397** | **463** |
| **10% devaluation** | | |
| EUR/USD | -81 | -110 |
| EUR/CHF | -124 | -135 |
| EUR/PLN | -139 | -176 |
| EUR/SEK | -132 | -214 |
| EUR/CNY | - | 65 |
| EUR/CZK | -99 | -105 |
| **Total devaluation** | **-576** | **-675** |

### Other Price Risks

In the presentation of market risks, IFRS 7 also requires details of the effects hypothetical changes of risk variables would have on the prices of financial instruments. Important risk variables are stock exchange prices or indices. There are no substantial risks in this area in the EDAG Group.

## Related Parties

In the course of its regular business activities, the EDAG Group correlates either directly or indirectly not only with the subsidiaries included in the Consolidated Financial Statements, but also with subsidiaries which are affiliated but not consolidated, and with other related companies and persons. The disclosure requirements set out in IAS 24 apply with regard to these relations. Related companies which are controlled by the EDAG Group, or upon which the EDAG Group can exercise significant influence, are listed in chapter 5.2 "Scope of Consolidation".

EDAG Group AG is the ultimate group company and therefore the parent company of the EDAG Group. With a 74.66 percent share, the major shareholder in the EDAG Group is ATON Austria Holding GmbH, Going am Wilden Kaiser, Austria. ATON Austria Holding GmbH is wholly owned by the family of Dr. Helmig.

The volumes of the services rendered to and received from related companies and individuals by the EDAG Group during the reporting year and any resulting claims and obligations on the accounting date are as follows:

| in € thousand | 2025 | 2024 |
|---|---|---|
| **EDAG Group with Board of Directors[1] (EDAG Group AG)** | | |
| Work-related expenses | 982 | 978 |
| Travel and other expenses | 40 | 48 |
| Consulting expenses | 24 | 37 |
| Liabilities from remuneration | 554 | 560 |
| **EDAG Group with supervisory boards[1] (EDAG Engineering GmbH & EDAG Engineering Holding GmbH)** | | |
| Work-related expenses | 87 | 54 |
| Travel and other expenses | 12 | 13 |
| Compensation costs | 841 | 996 |
| **EDAG Group with Group Executive Management[1]** | | |
| Liabilities from remuneration | 333 | 530 |

| in € thousand | 2025 | 2024 |
|---|---|---|
| **EDAG Group with ATON companies (parent company and its affiliated companies)** | | |
| Goods and services rendered | 607 | 208 |
| Goods and services received | 10 | 92 |
| Other operating expenses | 75 | 1 |
| Receivables | 75 | 79 |
| **EDAG Group with unconsolidated subsidiaries** | | |
| Goods and services rendered | 8 | - |
| Interest income | 1 | - |
| Other operating income | 29 | - |
| Other operating expenses | 8 | 8 |
| Receivables | 44 | - |
| Short-term claim in respect of a loan | 20 | - |
| **EDAG Group with associated companies** | | |
| Goods and services rendered | 20 | 280 |
| Goods and services received | 253 | 129 |
| Other operating income | 11 | 34 |
| Other operating expenses | 61 | 62 |
| Income from investments | 1,150 | 58 |
| Receivables | - | 34 |
| Liabilities | 10 | - |
| **EDAG Group with other related companies and persons** | | |
| Goods and services rendered | - | 43 |
| Interest expense | 458 | 477 |
| Rental and lease payments from rights of use | 8,613 | 8,212 |
| Receivables | - | 27 |
| Rights of use from leases IFRS 16 | 48,982 | 53,233 |
| Liabilities from leases IFRS 16 | 54,936 | 58,854 |
| Non-current loan obligations | 15,144 | - |
| Current loan obligations | - | 15,843 |

[1] Overall, these are all payments due at short notice.

Standard market conditions apply to the sale or delivery of products and services to, and the purchase of products or services from related companies and persons.

There are long-term sale-and-lease-back agreements with six subsidiaries of KINREFD GmbH, Munich for the use of five properties and their operating facilities; these have an original fixed term until September 15, 2030. An amendment to one of the original sale-and-lease-back agreements was concluded with IN Immo GmbH, one of the six above-mentioned subsidiaries of KINREFD GmbH. This includes new premises and a new fixed term until December 31, 2035.

In addition to this, there is a short-term real estate lease with a KINREFD GmbH subsidiary, and this has a fixed term until April 5, 2026. HORUS Vermögensverwaltungs GmbH & Co. KG, a company closely associated with EDAG, holds a 49.9 percent interest in KINREFD GmbH, Munich and its wholly owned subsidiaries with which EDAG has entered into long-term rental contracts. On the balance sheet date, lease liabilities from the previously mentioned agreements amounting to €32.5 million (2024: €35.4 million) are shown in accordance with IFRS 16. These are offset by rights of use amounting to €28.1 million on the reporting date (2024: €30.8 million).

In addition, there is a further real estate lease along with operating facilities with a fixed term until June 30, 2036 with FR 73 Immo GmbH, Munich. HORUS Vermögensverwaltungs GmbH & Co. KG has a 49.9 percent share in this company. On the balance sheet date, lease liabilities from the above-mentioned agreement amounting to €22.4 million (2024: €23.5 million) are shown in accordance with IFRS 16. These are offset by rights of use amounting to €20.9 million on the reporting date (2024: €22.4 million).

In addition, there is a medium-term unsecured loan with VKE Versorgungskasse EDAG-Firmengruppe e.V. This loan has a term of three years, and carried an interest rate of 3 percent per annum in the reporting year. On the reporting date, the carrying amount, including interest, amounts to €15.1 million.

The other items which were open at the end of the financial year are not collateralized, and are regularly paid.

As far as the receivables refer to down payments that have been made, these are balanced through services rendered. Receivables due from related companies and persons were not impaired in the 2025 financial year. An impairment test is carried out annually. This includes an assessment of the financial position of the related company or person, and the development of the market in which they are active.

## Compensation of the Members of the Board of Directors and the Group Executive Management

Details of the compensation of the members of the Group Executive Management and Board of Directors in accordance with the requirements of the Swiss Code of Obligations and the Swiss regulation to counter excessive compensation in listed companies are disclosed in the compensation report.

The **Board of Directors** of EDAG Group AG consisted of the following persons in the financial year just ended:

- Georg Denoke
  Chairman of the board of directors, chairman of the nomination and compensation committee
  Managing Director of ATON GmbH, Munich
  *Mandates in other management committees:*
  - EDAG Engineering Holding GmbH (non-listed), Munich, Germany (chairman of the supervisory board)
  - EDAG Engineering GmbH (non-listed), Wiesbaden, Germany (chairman of the supervisory board)
  - Redpath Mining Inc. (non-listed), North Bay, Canada, (member of the board of directors)
  - Ziehm Imaging GmbH (non-listed), Nurenberg, Germany (Chairman of the Supervisory Board)
  - SGL Carbon SE (listed), Wiesbaden, Germany (member of the supervisory board, vice-chairman of the supervisory board)

- Sylvia Schorr
  Chairwoman of the Audit Committee
  Investment manager ATON GmbH, Munich
  *Mandates in other management committees:*
  - EDAG Engineering Holding GmbH (non-listed), Munich, Germany (member of the supervisory board)
  - EDAG Engineering GmbH (non-listed), Wiesbaden, Germany (member of the supervisory board)

- Dr. Philippe Weber
  Member of the nomination and compensation committee
  *Mandates in other management committees:*
  - Banca del Ceresio SA (non-listed), Lugano, Switzerland (member of the board of directors)
  - Leonteq AG (listed), Zürich, Switzerland (vice chairman of the board of directors and member of the compensation committee)
  - Leonteq Securities AG (non-listed), Zurich, Switzerland, (vice chairman of the board of directors)
  - Medacta Group AG (listed), Castel San Pietro, Switzerland (member of the board of directors and chairman of the compensation committee)

  - Newron Suisse SA (non-listed), Zurich, Switzerland (member of the board of directors)
  - Niederer Kraft Frey AG (non-listed), Zurich, Switzerland, (member of the board of directors)
  - NorthStar Holding AG (non-listed), Schindellegi, Switzerland (member of the board of directors)
  - PolyPeptide Group AG (listed), Zürich, Switzerland (member of the board of directors and chairman of the management committee)

- Clemens Prändl
  Member of the audit committee
  Senior Vice President, SAP SE, Walldorf
  *Mandates in other management committees:*
  - EDAG Engineering GmbH (non-listed), Wiesbaden, Germany (member of the supervisory board)
  - EDAG Engineering Holding GmbH (non-listed), Munich, Germany (member of the supervisory board)

- Frank Leidenberger
  Member of the audit committee (since June 25 2025)
  *Mandates in other management committees:*
  - Dynamit Nobel Defence GmbH (non-listed), Burbach, Germany, member of the supervisory board, vice-chairman of the supervisory board (until September 30, 2025)

- Manfred Hahl
  Member of the audit committee (until June 25, 2025)
  Owner and director of Manfred Hahl Management + Innovation GmbH
  *Mandates in other management committees:*
  - Autotest Südtirol GmbH (non-listed), Franzensfeste/Mittewald, Italy, (chairman of the board of directors)
  - EDAG Engineering GmbH (non-listed), Wiesbaden, Germany (member of the supervisory board)
  - EDAG Engineering Holding GmbH (non-listed), Munich, Germany (member of the supervisory board)

The compensation of members of the board of directors is regulated in § 25 of the articles of incorporation of EDAG Group AG. The level of compensation is set at the annual shareholders' meeting in accordance with article 12 of the articles of incorporation.

For taking over the function of the ultimate control and management organ of EDAG Group AG and EDAG Engineering Schweiz Sub-Holding AG, and for committee activities in the supervisory boards of EDAG Engineering Holding GmbH and EDAG Engineering GmbH, the members of the Board of Directors only receive short-term benefits. In the 2025 financial year, these amounted to €972 thousand (2024: €968 thousand). Employer's social security contributions amounted to €10 thousand

(2024: €10 thousand). For the personal performance of services above and beyond board activities, particularly consulting services, the members of the board of directors are remunerated at the usual market rates. In the reporting year, costs of €24 thousand (2024: €37 thousand) were incurred. No advances or loans were granted to members of the board of directors of EDAG Group AG. No share-based payments were received by members of the board of directors.

The members of the board of directors are insured for legal expenses and D&O liability through the company insurance policies.

The **Group Executive Management** consists of the following persons:

- Harald Keller, Diplom-Ingenieur
  Member of the Group Executive Management, CEO

- Holger Merz, Diplom-Betriebswirt, MBA
  Member of the Group Executive Management, CFO

In the reporting year, the short-term compensation of the Group Executive Management (payments due at short notice) amounted to €1,258 thousand (2024: €1,982 thousand). The compensation of the Group Executive Management includes non-cash benefits (including non-cash benefits for company cars). It does not include the aggregated expenses for accident, legal protection and D&O insurance in the amount of €220 thousand (2024: €224 thousand). Furthermore, EDAG Group AG did not grant the members of the Group Executive Management credits or loans. As of December 31, 2025, the present value of current pension obligations for active members of the Executive Management totaled €63 thousand (2024: €62 thousand). The current service cost for the pension provisions according to IFRS in 2025 aggregates to €3 thousand (2024: €3 thousand).

At the end of the financial year, the individual members of the Board of Directors and Group Executive Management hold the following number of shares in EDAG Engineering Group AG:

| **Number of shares** | **12/31/2025** | **12/31/2024** |
|---|---|---|
| **Group Executive Management** | | |
| Holger Merz | 115 | 115 |
| **Total, Group Executive Management** | **115** | **115** |

*Table: Shares Held*

## Auditor's Fees and Services

The following table provides a breakdown of the auditor's fees for the Consolidated Financial Statements for the financial year as per article 961a No. 2 of the Swiss Code of Obligations (OR) or § 314, paragraph 1, No. 9 of the German Commercial Code (HGB):

| in € thousand | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Total | of which from | | Total | of which from | |
| | | Switzerland | Germany | | Switzerland | Germany |
| Auditing services | 448 | (83) | (365) | 462 | (81) | (354) |
| Other auditing services | 125 | - | (125) | 190 | - | (190) |
| Other services | - | - | (0) | 17 | - | (17) |
| **Total** | **573** | **(83)** | **(490)** | **669** | **(81)** | **(561)** |

In particular, the fees for the auditing services include fees for the statutory auditing of Annual and Consolidated Financial Statements.

## Subsequent Events

No important events took place after the reporting period.

Arbon, March 25, 2026

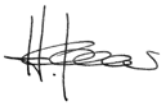
EDAG Engineering Group AG



Georg Denoke, President of the Board of Directors



Sylvia Schorr, Member of the Board of Directors and
Chairwoman of the Audit Committee



Harald Keller, Member of the Group Executive Management (CEO)



Holger Merz, Member of the Group Executive Management (CFO)

# 5.8 Share Ownership List

| | Head office in Switzerland and Germany | City | Country of domicile | Capital share in % | |
|---|---|---|---|---|---|
| | | | | Direct | Indirect |
| 1. | EDAG Engineering Group AG [2] | Arbon | Switzerland | - | - |
| 2. | EDAG Engineering Holding GmbH | Munich | Germany | 100 | - |
| 3. | EDAG Engineering GmbH | Wiesbaden | Germany | - | 100 |
| 4. | EDAG-Beteiligung GmbH [3] | Fulda | Germany | - | 100 |
| 5. | EDAG Production Solutions GmbH & Co. KG | Fulda | Germany | - | 100 |
| 6. | EDAG Production Solutions Verwaltungs GmbH [3] | Fulda | Germany | - | 100 |
| 7. | FFT Werkzeug + Karosserie GmbH | Fulda | Germany | - | 49 |
| 8. | EDAG aeromotive GmbH | Gaimersheim | Germany | - | 100 |
| 9. | projekt urban 2\|3 GmbH [3] | Fulda | Germany | - | 100 |
| 10. | EDAG Akademie GmbH | Fulda | Germany | - | 100 |
| 11. | EDAG Engineering Schweiz GmbH | Arbon | Switzerland | - | 100 |
| 12. | HYKONIS GmbH [3] | Stuhr | Germany | - | 100 |

| | Head office in Switzerland and Germany | Voting right in % | Currency | Equity capital[1] 12/31/2025 | Result[1] 2025 |
|---|---|---|---|---|---|
| 1. | EDAG Engineering Group AG [2] | - | EUR | 470,877,989 | -2,255,685 |
| 2. | EDAG Engineering Holding GmbH | 100 | EUR | 9,218,542 | 378,995 |
| 3. | EDAG Engineering GmbH | 100 | EUR | 72,000,000 | - |
| 4. | EDAG-Beteiligung GmbH [3] | 100 | EUR | 43,435 | 675 |
| 5. | EDAG Production Solutions GmbH & Co. KG | 100 | EUR | 2,630,223 | -12,341,172 |
| 6. | EDAG Production Solutions Verwaltungs GmbH [3] | 100 | EUR | 25,695 | 1,136 |
| 7. | FFT Werkzeug + Karosserie GmbH | 49 | EUR | 25,652,025 | 504,575 |
| 8. | EDAG aeromotive GmbH | 100 | EUR | 1,316,636 | 527,107 |
| 9. | projekt urban 2\|3 GmbH [3] | 100 | EUR | 10,413 | -713 |
| 10. | EDAG Akademie GmbH | 100 | EUR | 212,868 | - |
| 11. | EDAG Engineering Schweiz GmbH | 100 | CHF | 1,576,332 | 430,857 |
| 12. | HYKONIS GmbH [3] | 100 | EUR | -65,366 | -90,366 |

| Head office in other countries | | City | Country of domicile | Capital share in % | |
|---|---|---|---|---|---|
| | | | | Direct | Indirect |
| 13. | EDAG Engineering Limited | London Colney | Great Britain | - | 100 |
| 14. | EDAG do Brasil Ltda. | São Bernardo do Campo | Brazil | - | 100 |
| 15. | EDAG, Inc. | Troy | USA | - | 100 |
| 16. | EDAG HOLDING SDN. BHD. | Shah Alam | Malaysia | - | 100 |
| 17. | EDAG Hungary Atófejlesztö Méröki Kft. | Györ | Hungary | - | 100 |
| 18. | EDAG Production Solutions India Pvt. Ltd. | New Delhi | India | - | 100 |
| 19. | CAXSOL Tech Private Limited [formerly: EDAG Technologies India Priv. Ltd.] | New Delhi | India | - | 60 |
| 20. | EDAG Japan Co., Ltd. | Yokohama | Japan | - | 100 |
| 21. | EDAG Engineering and Design (Shanghai) Co. Ltd. | Shanghai | China | - | 100 |
| 22. | EDAG México S.A. de C.V. | Puebla | Mexico | - | 100 |
| 23. | EDAG Servicios México S.A. de C.V. | Puebla | Mexico | - | 100 |
| 24. | EDAG Production Solutions, Inc. | Troy | USA | - | 100 |
| 25. | EDAG Italia S.R.L. | Turin | Italy | - | 100 |
| 26. | EDAG Engineering CZ spol. s r.o. | Mladá Boleslav | Czech Republic | - | 100 |
| 27. | EDAG Engineering Polska Sp.z.o.o. | Warsaw | Poland | - | 100 |
| 28. | EDAG Engineering Spain, S.L. | Cornellá de Llobregat | Spain | - | 100 |
| 29. | EDAG Engineering Scandinavia AB | Gothenburg | Sweden | - | 100 |
| 30. | EDAG Netherlands B.V. | Helmond | Netherlands | - | 100 |
| 31. | EDAG Turkey Mühendislik Ltd. Sirketi | Gebze/Kocaeli | Turkey | - | 100 |
| 32. | EDAG Engineering Austria GmbH | Steyr | Austria | - | 100 |

[1] National commercial law

[2] EDAG Engineering Group AG, Arbon belongs to the EDAG Group. However, the company is not a component of the Shareholdings as defined in Article 959c Paragraph 2 No. 3 of the Swiss Code of Obligations (OR).

[3] Companies included at acquisition cost

| | Head office in other countries | Voting right in % | Currency | Equity capital[1] 12/31/2025 | Result[1] 2025 |
|---|---|---|---|---|---|
| 13. | EDAG Engineering Limited | 100 | GBP | -314,644 | -130,567 |
| 14. | EDAG do Brasil Ltda. | 100 | BRL | 26,511,847 | 3,976,906 |
| 15. | EDAG, Inc. | 100 | USD | 3,511,425 | -6,229,275 |
| 16. | EDAG HOLDING SDN. BHD. | 100 | MYR | 2,004,074 | -916,055 |
| 17. | EDAG Hungary Atófejlesztö Méröki Kft. | 100 | HUF | 848,669,016 | 75,037,698 |
| 18. | EDAG Production Solutions India Pvt. Ltd. | 100 | INR | 350,594,848 | -25,071,627 |
| 19. | CAXSOL Tech Private Limited [formerly: EDAG Technologies India Priv. Ltd.] | 60 | INR | -32,920,749 | -118,712,185 |
| 20. | EDAG Japan Co., Ltd. | 100 | JPY | 60,291,834 | 3,992,380 |
| 21. | EDAG Engineering and Design (Shanghai) Co. Ltd. | 100 | CNY | 42,912,350 | 10,851,564 |
| 22. | EDAG México S.A. de C.V. | 100 | MXN | 105,903,191 | 41,687,399 |
| 23. | EDAG Servicios México S.A. de C.V. | 100 | MXN | 10,407 | - |
| 24. | EDAG Production Solutions, Inc. | 100 | USD | 893,786 | -2,353,022 |
| 25. | EDAG Italia S.R.L. | 100 | EUR | 960,661 | -1,437,533 |
| 26. | EDAG Engineering CZ spol. s r.o. | 100 | CZK | 75,186,562 | 732,217 |
| 27. | EDAG Engineering Polska Sp.z.o.o. | 100 | PLN | 4,711,727 | -1,396,356 |
| 28. | EDAG Engineering Spain, S.L. | 100 | EUR | 12,643,769 | -90,725 |
| 29. | EDAG Engineering Scandinavia AB | 100 | SEK | 25,145,201 | 8,143,553 |
| 30. | EDAG Netherlands B.V. | 100 | EUR | 1,617,269 | 513,400 |
| 31. | EDAG Turkey Mühendislik Ltd. Sirketi | 100 | TRY | 41,414,147 | -6,930,567 |
| 32. | EDAG Engineering Austria GmbH | 100 | EUR | -79,892 | -180,370 |

# Report of the Statutory Auditor
(Consolidated Financial Statements)

Report of the statutory auditor
to the General Meeting of
EDAG Engineering Group AG
Arbon

## Report on the audit of the consolidated financial statements

### Audit opinion

We have audited the consolidated financial statements of EDAG Engineering Group AG and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2025 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and notes on the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 118 to 233) give a true and fair view of the consolidated financial position of the Group as at December 31, 2025 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the IFRS accounting standards as adopted by the European Union (EU), and comply with Swiss law.

### Basis for opinion

We conducted our annual audit in accordance with Swiss law, the International Standards on Auditing (ISA) and Swiss Auditing Standards (SA-CH). Our responsibilities under these provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, the requirements of the profession relevant to audits of public interest entities, and the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code), as applicable to audits of public interest entities. We have also fulfilled our other professional responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

## Key audit matters

Key audit matters are those matters which, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Valuation of goodwill

**Key audit matters**

The consolidated financial statements of EDAG Engineering Group AG as of December 31, 2025 disclose goodwill in the amount of €75.9 million (12.9 % of the Group's total assets). In this process, the company considers each of its three segments as a separate cash-generating unit (CGU). Centralized impairment tests are performed at the CGU level on an annual basis or when necessary. The goodwill included in this item is tested for impairment, which is consistent with the requirements of IAS 36 regarding impairment testing.

Goodwill is regularly measured on the basis of the value in use of the cash-generating unit to which the assets concerned are to be allocated. This is because a market price for the individual units is usually not observable. The value in use is calculated using the discounted cash flow method, based in principle on a five-year planning horizon. The five-year plan is the starting point for the impairment tests, and is updated with assumptions relating to future incoming orders, costs, industry trends, long-term market growth rates and economic cycles, among other things. The discounting is based on the weighted average cost of capital rates of the cash-generating units concerned. The outcome of this valuation depends heavily on the estimates by the Board of Directors of future cash inflows and on the discount rates used; hence, it is

**How our audit addressed the key audit matters**

During our audit, we (accompanied by an internal expert) performed following audit procedures:

- We reviewed and assessed the internal controls established by EDAG Engineering Group AG management to measure goodwill.
- We verified the method used to test the investment for impairment and assessed the calculation of the weighted average cost of capital rates.
- We also assessed the appropriateness of the future cash inflows used for the valuation. The following checks were performed to assess the forecast accuracy of the future cash inflows:
  - Comparison of the previous year's budget with the actual figures;
  - Comparison of the cash inflow with the latest budget figures taken from the five-year plan prepared by the Board of Directors;
  - Reconciliation to general and industry-specific market expectations..
- We also performed sensitivity analyses on the growth rate underlying the impairment test.
- Finally, we verified the appropriateness of the parameters used in calculating the discount rate by carrying out own plausibility checks and, taking sensitivity analyses into account, verified the calculation method and examined the calculation model.

subject to a high degree of uncertainty. In light of this and given the complexity of the valuation method's requirements, we deemed this to be a key audit matter in our audit.

The Group disclosures concerning goodwill and the associated company are set out in the chapter "Accounting and valuation principles" under "Impairment" and chapter "[16] Intangible Assets" of the notes to the consolidated financial statements.

- In addition, we also reviewed the completeness and appropriateness of the disclosures required by IAS 36.

On the basis of our audit activities and the evidence obtained, we consider the valuation procedures and the valuation assumptions applied to be an appropriate and sufficient basis for testing goodwill for impairment.

## Recognition of sales revenue from contracts with customers (construction contracts)

**Key audit matters**

The consolidated financial statements of EDAG Engineering Group AG as of December 31, 2025 disclose sales revenue from contracts with customers in the amount of €713.6 million. The Group's income is influenced significantly by the recognition and measurement of construction contracts.

Provided the requirements of IFRS 15 are met, the Group applies the percentage-of-completion (PoC) method. The stage of completion is determined using the cost-to-cost method.

We considered recognition of sales revenue from contracts with customers to be a key audit matter in the course of our audit because the valuation of these construction contracts is subject to uncertainty regarding future income from the project and its stage of completion.

The Group disclosures regarding contracts with customers are set out in the chapter "Accounting and valuation principles", under "Contracts with Customers" and in chapters

**How our audit addressed the key audit matters**

During our audit, we performed the following audit procedures:

- We reviewed and assessed the internal controls established by the management of EDAG Engineering Group AG relating to revenue recognition from contracts with customers. Among other things here, we assessed the appropriateness and effectiveness of the internal controls implemented, including the IT systems used for the recording and recognition of project income.
- Building on this, on the basis of the related contractual agreements, we challenged the determination of the stage of completion based on the costs incurred to date and on the estimate of the expected total costs by carrying out random tests, and compared this with the underlying evidence.
- Further, we assessed the expected sales revenue from construction contracts and the estimates relating to contracts that had already been completed. In the event

"[21] Contract assets" and "[32] Contract liabilities" of the notes to the consolidated financial statements.

of unforeseeable effects on the construction contracts, we assessed the modifications made to the initial project assumptions (in particular, project costs until completion) and the resulting accounting treatment. Further, we verified the continuity and the consistency of the method used to calculate the sales revenue.

- In addition, we also reviewed the completeness and appropriateness of the disclosures required by IFRS 15.

As a result of our audit activities, we have gained sufficient evidence to assess the recognition of sales revenue from contracts with customers (construction contracts) in accordance with IFRS 15.

## Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the combined management report, the consolidated financial statements, the stand-alone financial statements and the compensation report of EDAG Engineering Group AG and our auditor's reports thereon.

Our audit opinion on the consolidated financial statements does not cover the other information, and we do not express any form of conclusion thereon.

In connection with our year-end audit, it is our responsibility to read the other information and, when doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, on the basis of the work we have performed, we conclude that there is a material misstatement of this other information, we are obliged to report this fact. We have nothing to report in this regard.

## Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS accounting standards as adopted by the European Union (EU) and the provisions of the law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether as a result of fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors intends either to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement, whether as a result of fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that a year-end audit conducted in accordance with Swiss law, ISAs and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise as a result of fraud or error, and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the of the consolidated financial statements is located at the website of EXPERTsuisse: http://expertsuisse.ch/wirtschaftspruefung-revisionsbericht. This description forms part of our auditor's report.

## Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 OR and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Deloitte AG



Chris Krämer
Accredited Audit Expert
Auditor in charge



Mario Sosic
Accredited Audit Expert

Zurich, March 25, 2026





# STATUTORY FINANCIAL STATEMENTS OF EDAG ENGINEERING GROUP AG

**EDAG Engineering Group AG**

January to December 2025


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# 1 Statement of Financial Position

| in € thousand / CHF thousand | Annex | 12/31/2025 € thousand | 12/31/2025 CHF thousand | 12/31/2024 € thousand | 12/31/2024 CHF thousand |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| **Current assets** | | | | | |
| Cash and cash equivalents and current assets with market price | | 181 | 169 | 83 | 78 |
| Other current receivables | (A1) | 15 | 14 | 6 | 6 |
| Accrued income | (A2) | 16 | 15 | 57 | 54 |
| **TOTAL current assets** | | **212** | **198** | **146** | **138** |
| **Fixed assets** | (A3) | | | | |
| Investments | | 271,160 | 252,558 | 476,160 | 448,162 |
| Property, plant and equipment | | 20 | 19 | 18 | 16 |
| **TOTAL fixed assets** | | **271,180** | **252,577** | **476,178** | **448,178** |
| **TOTAL assets** | | **271,392** | **252,775** | **476,324** | **448,316** |

| in € thousand / CHF thousand | Annex | 12/31/2025 | 12/31/2025 | 12/31/2024 | 12/31/2024 |
|---|---|---|---|---|---|
| | | € thousand | CHF thousand | € thousand | CHF thousand |
| **Liabilities** | | | | | |
| **Current liabilities and provisions** | | | | | |
| Accounts payable | (A4) | 73 | 68 | 84 | 79 |
| Current interest-bearing liabilities | (A4) | 4,700 | 4,377 | 2,350 | 2,212 |
| Other current liabilities | (A4) | 561 | 523 | 570 | 537 |
| Provisions | (A5) | 180 | 168 | 186 | 175 |
| **TOTAL current liabilities and provisions** | | **5,514** | **5,136** | **3,190** | **3,003** |
| **Equity** | | | | | |
| Share capital | (A6) | 920 | 1,000 | 920 | 1,000 |
| Capital reserves | (A7) | 367,080 | 398,821 | 367,080 | 398,821 |
| of which capital contribution reserves | | (367,160) | (398,908) | (367,160) | (398,908) |
| of which other capital reserves | | (-80) | (-87) | (-80) | (-87) |
| Net loss/profit | | -102,122 | -86,071 | 105,134 | 108,148 |
| Currency translation differences | | 0 | -66,111 | 0 | -62,656 |
| **TOTAL equity** | | **265,878** | **247,639** | **473,134** | **445,313** |
| **TOTAL liabilities** | | **271,392** | **252,775** | **476,324** | **448,316** |

# 2 Income Statement

| in € thousand / CHF thousand | Annex | 2025 | 2025 | 2024 | 2024 |
|---|---|---|---|---|---|
| | | € thousand | CHF thousand | € thousand | CHF thousand |
| Other operating income | (A8) | 232 | 217 | 215 | 205 |
| Personnel expenses | (A9) | -1,487 | -1,393 | -1,532 | -1,459 |
| Other operating expenses | (A10) | -749 | -701 | -726 | -692 |
| Depreciation, amortization and impairment of fixed assets | (A11) | -205,007 | -192,112 | -5 | -5 |
| Financial Expense and Financial Income | (A12) | -205 | -192 | 46,256 | 44,063 |
| Direct taxes | (A13) | -40 | -37 | -32 | -30 |
| **Annual loss/profit** | | **-207,256** | **-194,219** | **44,176** | **42,082** |

# 3 Cash Flow Analysis

| | in € thousand / CHF thousand | 2025 € thousand | 2025 CHF thousand | 2024 € thousand | 2024 CHF thousand |
|---|---|---|---|---|---|
| | **Annual loss/profit** | **-207,256** | **-194,220** | **44,176** | **42,082** |
| - | Payments received from investments | 0 | 0 | -47,468 | -45,218 |
| +/- | Depreciation/appreciation on fixed assets | 205,007 | 192,112 | 6 | 5 |
| -/+ | Increase/decrease in receivables and other assets | 32 | 30 | 14 | 13 |
| +/- | Increase/decrease in current provisions | -5 | -5 | 48 | 46 |
| +/- | Increase/decrease in accounts payable, other current liabilities, other provisions and deferred income | -20 | -19 | -430 | -410 |
| = | **Cash inflow/outflow from operating activities/ operating cash flow** | **-2,242** | **-2,101** | **-3,654** | **-3,481** |
| - | Payments for investments in tangible fixed assets | -10 | -9 | 0 | 0 |
| = | **Cash inflow/outflow from investing activities/investing cash flow** | **-10** | **-9** | **0** | **0** |
| - | Dividends for shareholders | 0 | 0 | -13,750 | -13,099 |
| +/- | Cash inflows/outflows from financing activities with affiliated companies | 2,350 | 2,189 | -30,450 | -28,660 |
| + | Payments received from investments | 0 | 0 | 47,468 | 45,218 |
| = | **Cash inflow/outflow from financing activities / financing cash flow** | **2,350** | **2,189** | **3,268** | **3,459** |
| | **Net cash changes in financial funds** | **98** | **78** | **-386** | **-22** |
| -/+ | Exchange rate-related changes in financial funds | 0 | 12 | 0 | -334 |
| + | Financial funds at the start of the period | 83 | 78 | 469 | 434 |
| = | **Financial funds at the end of the period** | **181** | **169** | **83** | **78** |
| = | **Free cash flow (FCF) – equity approach** | **-2,252** | **-2,110** | **-3,654** | **-3,481** |

The free cash flow is composed of the cash inflow/outflow from operating activities and investment activities.

# 4 Annex

## 4.1 General Disclosures

EDAG Engineering Group AG, Arbon (EDAG Group AG) was founded on November 2, 2015, and entered in the commercial register of the Swiss canton Thurgau on November 3, 2015. The registered office of the company is: Schlossgasse 2, 9320 Arbon, Switzerland.

At the time when the company was founded, according to the contract of November 2, 2015, the former shareholder, ATON GmbH, Munich, purchased 100 percent of the shares by cash capital contribution. ATON GmbH provided the entire share capital, split into 25,000,000 bearer shares each with a nominal value of CHF 0.04, as a contribution (CHF 1,000,000).

Since December 2, 2015, the company has been listed for trading on the regulated market of the Frankfurt Stock Exchange with concurrent admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard):

| | |
|---|---|
| International Securities Identification Number (ISIN): | CH0303692047 |
| Securities identification number (WKN): | A143NB |
| Trading symbol: | ED4 |

The shares are denominated in Swiss francs. The functional currency is the euro, and shares are traded in euros. The company's shares are briefed in a global certificate and deposited with Clearstream. As the securities of the company are admitted to trading on the organized market in the Federal Republic of Germany only, the Federal Republic of Germany is the country of origin of EDAG Group AG. Each company share entitles its holder to a vote at the company's annual shareholders' meeting. There are no restrictions on voting rights. On December 31, 2025, as in the year before, the largest individual shareholder of EDAG Group AG is ATON Austria Holding GmbH, which holds 74.66 percent. Further shareholders with holdings of more than 3 percent are Hauck & Aufhäuser Fund Services S.A. with 5.4 percent, Axxion S.A. with 4.98 percent and LOYS Sicav with 4.24 percent.

For the financial year ending December 31, 2025, all the company shares fully qualify for dividends.

According to the company's statutes, the company's objective is the holding and administration of domestic and foreign investments. The company performs no operative business activities.

EDAG Engineering Group AG indirectly holds all the shares in EDAG Engineering GmbH, Wiesbaden, through EDAG Engineering Holding GmbH, a German intermediate holding company based in Munich.

In principle, this company, with its subsidiaries, manages the entire operative business of the corporate group. Its main activities are the development of vehicles, derivatives, modules and production facilities. The EDAG Group is divided into the following three segments:

- Vehicle Engineering
- Electrics/Electronics
- Production Solutions

This annual financial statement was prepared in compliance with the regulations governing commercial accounting set out in the Swiss Code of Obligations (OR) (articles 957 – 963b OR).

The financial year is the same as the calendar year. The reporting period is from January 1, 2025 to December 31, 2025. The functional currency of the company is the euro.

Unless otherwise stated, all amounts are given in thousands of euros and in thousands of francs. Where percentage values and figures are given, differences may occur due to rounding.

In the interests of clarity and transparency, any comments legally required to be added when posting items in the statement of financial position and income statement, along with any comments that may optionally be included in the statement of financial position and income statement, will, for the most part, be included in the Notes.

## 4.2 Information on Accounting, Valuation and Disclosure Methods

### General Disclosures

The income statement has been prepared in accordance with the nature of expense method (production income statement) in accordance with article 959b No. 2 of the Swiss Code of Obligations (OR). The annual financial statements were prepared on the assumption that the company is a going concern, according to article 958a No. 1 of the Swiss Code of Obligations (OR).

### Foreign Currency Translation

Foreign currency transactions are always recognized at the historical exchange rate on the date of initial booking. For initial recognition, foreign currency transactions are valued using the exchange rate at the time of the business transaction. Balance sheet items (current foreign currency liabilities and receivables and liquid funds or other current assets) in foreign currencies are converted into the functional currency using the spot exchange rate on the balance sheet date. The exchange rate gains and losses arising from the valuation or settlement of these items are shown in the income statement.

According to article 958d No. 3 of the Swiss Code of Obligations (OR), if the house currency is not the Swiss franc, values in the statement of financial position and income statement must also be given in the national currency. The following conversion rates were used here:

| | | 2025 | 2024 | |
|---|---|---|---|---|
| Statement of Financial Position | EUR into CHF | 0.9314 | 0.9412 | (spot exchange rate on accounting date) |
| Income Statement | EUR into CHF | 0.9371 | 0.9526 | (average exchange rate for the financial year) |

Equity is valued at historical rates. The currency translation differences arising from translation into the national currency are recognized in equity.

## Accounting for and Valuation of Assets

**Liquid funds** are shown at nominal value on the balance sheet key date.

**Receivables and other assets** are recognized at their nominal values, or at their attributable values on the accounting date, if these are lower. Should the recoverability of receivables be at risk, the value of such receivables is reduced proportionately; non-recoverable receivables are written off. No flat-rate value adjustment is formed to cover the general credit risk.

Expenses before the accounting date are recognized as **accrued income**, provided they do not represent expenditure for a certain period after this date.

For **investments** purchased by way of the non-cash contribution when the company was founded, the transfer value of the items contributed always counts as the acquisition value according to the audited formation report (according to article 634 No. 3 of the Swiss Code of Obligations [OR]). Due to the fact that investments are not typically subject to a decrease in value due to either use or age, there no scheduled depreciation of the acquisition costs in the subsequent valuation; instead, adjustments, or impairments, are made for any decrease in value (cf. article 960 paragraph 3 and 960a paragraph 3 of the Swiss Code of Obligations [OR]). Investments that are subject to the individual valuation principle (in accordance with article 960 paragraph 1 of the Swiss Code of Obligations [OR]) are written down according to the principle of caution, in line with the profitability of the company concerned.

**Property, plant and equipment** are valued at acquisition or production cost less scheduled, straight-line depreciation. Depreciation, amortization and impairments of additions to property, plant and equipment are always reported on a pro rata temporis basis.

The depreciation schedule is based predominantly on the following estimated useful lives:

| | Years |
|---|---|
| Other equipment, operating and office equipment | 3–13 |

## Accounting for and Valuation of Liabilities

**Liabilities** are recognized at their nominal values.

For past events which are expected to result in a cash outflow in future years, **provisions** amounting to the sum which, based on sound commercial judgement, the company can expect to have to pay (expected value) are formed.

Expenses relating to the reporting year for which the corresponding invoice has not yet been received from the supplier are recognized as **deferred income**. The expenditure is concretized in terms of reason and amount.

**Share capital** is recognized at nominal value.

# 4.3 Notes on the Balance Sheet Items

## Receivables and Other Assets (A1)

All **receivables** and **other assets** have a term to maturity of less than a year.

| in € thousand / CHF thousand | 12/31/2025 | 12/31/2025 | 12/31/2024 | 12/31/2024 |
|---|---|---|---|---|
| | € thousand | CHF thousand | € thousand | CHF thousand |
| **Other current receivables** | **15** | **14** | **6** | **6** |
| due to third parties | 15 | 14 | 6 | 6 |
| **Total** | **15** | **14** | **6** | **6** |

## Accrued income (A2)

Essentially, the **accrued income** includes advance payments for insurance services and to other suppliers.

## Fixed Assets (A3)

Under **investments**, only EDAG Engineering Holding GmbH, Munich is listed. This investment was taken on in the course of the fusion of EDAG Engineering Schweiz Sub-Holding AG. The shares are valued at acquisition cost less any impairment losses.

EDAG Engineering Holding GmbH, Munich, is a German intermediate holding company, and holds 100 percent of the shares in EDAG Engineering GmbH, Wiesbaden, which, along with its subsidiaries, in turn embodies the entire operative business of the EDAG Group.

**Shares in affiliated companies and holdings** (shareholdings) -i.e. the companies for which the company either directly or indirectly holds at least 20 percent of the shares -are included in the Notes.

The **intangible assets** include software.

## Liabilities (A4)

| in € thousand / CHF thousand | 12/31/2025 € thousand | 12/31/2025 CHF thousand | 12/31/2024 € thousand | 12/31/2024 CHF thousand |
|---|---|---|---|---|
| **Accounts payable** | **73** | **68** | **84** | **79** |
| due to affiliates | 70 | 66 | 36 | 33 |
| due to third parties | 2 | 2 | 48 | 46 |
| **Current interest-bearing liabilities** | **4,700** | **4,378** | **2,350** | **2,212** |
| due to affiliates | 4,700 | 4,378 | 2,350 | 2,212 |
| **Other current liabilities** | **561** | **523** | **570** | **537** |
| due to organs | 554 | 516 | 560 | 528 |
| due to third parties | 7 | 7 | 10 | 9 |
| **Total amount of liabilities** | **5,334** | **4,968** | **3,004** | **2,828** |

## Provisions (A5)

| in € thousand / CHF thousand | 12/31/2025 € thousand | 12/31/2025 CHF thousand | 12/31/2024 € thousand | 12/31/2024 CHF thousand |
|---|---|---|---|---|
| Provisions | 180 | 168 | 186 | 175 |
| **Total** | **180** | **168** | **186** | **175** |

The **provisions** include personnel expenses in the amount of €68 thousand (CHF 64 thousand) [previous year: €76 thousand (CHF 72 thousand)] and accounting and auditing costs in the amount of €112 thousand (CHF 104 thousand) [previous year: €110 thousand (CHF 103 thousand)].

### Share Capital (A6)

On the reporting date, the company's **share capital**, which was paid in full on November 2, 2015, amounted to €920 thousand (CHF 1,000 thousand), and is covered by 25 million bearer shares. This is equivalent to a nominal value of €0.04 (CHF 0.04) per share. Each share entitles its holder to a right to vote and to receive dividends.

### Capital reserves (A7)

On the reporting date, the **capital reserves** remained unchanged from the previous year at €367,080 thousand (CHF 398,821 thousand). The capital reserves are composed of the capital contribution reserves in the amount of €367,160 thousand (CHF 398,908 thousand) and other capital reserves in the amount of €-80 thousand (CHF -87 thousand).

## 4.4 Notes on Income Statement

### Other Operating Income (A8)

The **other operating income** in the amount of €232 thousand (CHF 217 thousand) [previous year: €215 thousand (CHF 205 thousand)] is composed of administrative service contracts with affiliated companies, foreign currency earnings, income from the reversal of provisions and salary subsidies.

### Personnel Expenses (A9)

**Personnel expenses** can be broken down as follows:

| **in € thousand / CHF thousand** | **2025** | **2025** | **2024** | **2024** |
|---|---|---|---|---|
| | € thousand | CHF thousand | € thousand | CHF thousand |
| Wages and salaries | 1,391 | 1,303 | 1,461 | 1,391 |
| Social contributions and expenses for retirement plans and support | 96 | 90 | 71 | 68 |
| **Total** | **1,487** | **1,393** | **1,532** | **1,459** |

The salaries of the Executive Management, Board of Directors and administrative employees are listed under Salaries. Included in the salaries are bonuses in the amount of €64 thousand (CHF 60 thousand) [previous year: €64 thousand (CHF 61 thousand)] for the Executive Management.

## Other Operating Expenses (A10)

**Other operating expenses** are mainly made up of:

| in € thousand / CHF thousand | 2025 € thousand | 2025 CHF thousand | 2024 € thousand | 2024 CHF thousand |
|---|---|---|---|---|
| Consulting, contributions and other fees | 365 | 342 | 299 | 285 |
| Insurances | 114 | 107 | 116 | 111 |
| General administration expenses | 93 | 87 | 94 | 90 |
| Travel expenses | 53 | 50 | 58 | 55 |
| Rents, leases, leaseholds | 44 | 41 | 45 | 43 |
| Advertising, sales costs | 37 | 34 | 34 | 32 |
| Expenses for group services for affiliated companies | 11 | 10 | 13 | 12 |
| Further training and education | 11 | 10 | 3 | 3 |
| Maintenance | 9 | 8 | 1 | 1 |
| Expenses for currency translation | 6 | 6 | 61 | 58 |
| Other operating expenses | 4 | 4 | 0 | 0 |
| Other operation-related personnel expenses | 2 | 2 | 2 | 2 |
| **Total** | **749** | **701** | **726** | **692** |

No material expenses for other accounting periods were incurred.

## Depreciation, amortisation, impairments and value adjustment (A11)

Depreciation was carried out on property, plant and equipment. During the reporting year, an value adjustment of €205,000 thousand (CHF 192,106 thousand) was recognized on the sole investment in EDAG Engineering Holding GmbH, Munich.

## Financial Expense and Financial Income (A12)

| in € thousand / CHF thousand | 2025 € thousand | 2025 CHF thousand | 2024 € thousand | 2024 CHF thousand |
|---|---|---|---|---|
| Investment result | 0 | 0 | 47,468 | 45,218 |
| (of which from shareholder) | (0) | (0) | (47,468) | (45,218) |
| Other interest and similar expenses | 205 | 192 | 1,212 | 1,155 |
| (of which to affiliates) | (205) | (192) | (1,212) | (1,155) |
| **Total** | **-205** | **-192** | **46,256** | **44,063** |

In the previous year, dividend payouts totaling €47,468 thousand (TCHF 45,218) were made to the company by EDAG Engineering Holding GmbH, München on May 22, 2024 and July 25, 2024.

No material interest income or interest expense for other accounting periods is included.

## Direct Taxes (A13)

| in € thousand / CHF thousand | 2025 € thousand | 2025 CHF thousand | 2024 € thousand | 2024 CHF thousand |
|---|---|---|---|---|
| **Direct taxes** | **40** | **37** | **32** | **30** |
| Capital tax | 40 | 37 | 32 | 30 |
| **Total** | **40** | **37** | **32** | **30** |

No material tax expenses or tax revenues for other accounting periods are included.

# 4.5 Other Information

## Employees

As in the previous year, the company employed no more than an annual average of 10 employees during this financial year.

## Guarantees

According to article 959c paragraph 2 No. 8 of the Swiss Code of Obligations (OR), EDAG Group AG is liable for a promissory note loan in the amount of €101 million issued to the operational company EDAG Engineering GmbH.

## Contingent Liabilities

No **contingent liabilities** according to article 959c paragraph 2 No. 10 of the Swiss Code of Obligations (OR) existed on either December 31, 2025 or December 31, 2024.

## Other Financial Obligations

**Other financial obligations** due to affiliates exist for future costs from existing rental and service agreements; these amount to €141 thousand (CHF 131 thousand) [previous year: €111 thousand (CHF 105 thousand)].

## Auditor's Fees and Services

Details of the auditor's fees according to article 961a No. 2 of the Swiss Code of Obligations (OR) are not included, as these are given in the consolidated financial statements of EDAG Group AG.

## Information on the Company's Organs

### Group Executive Management

The members of the Group Executive Management represent the company jointly, in twos. The Group Executive Management consisted of the following persons in the financial year:

- Harald Keller, Petersberg, Member of the Group Executive Management, CEO
- Holger Merz, Hosenfeld, Member of the Group Executive Management, CFO

The compensation of the Group Executive Management amounts to €128 thousand (CHF 119 thousand) [previous year: €164 thousand (CHF 156 thousand)] plus bonus payments in the amount of €50 thousand (CHF 47 thousand) [previous year: €64 thousand (CHF 61 thousand)].

At the end of the financial year, the individual members of the Group Executive Management held the following number of shares in EDAG Group AG.

| Number of shares | 12/31/2025 | 12/31/2024 |
|---|---|---|
| **Group Executive Management** | | |
| Harald Keller | - | - |
| Holger Merz | 115 | 115 |
| **Total, Group Executive Management** | **115** | **115** |

### Board of Directors

The Board of Directors consisted of the following persons:

- Georg Denoke, Munich, President of the Board of Directors (single signatory) [Chairman of the Nomination and Compensation Committee]
- Sylvia Schorr, Karlsfeld, Member of the Board of Directors (joint signatory, two signatures required) [Chairwoman of the Audit Committee]
- Dr. Philippe Weber, Pura, Member of the Board of Directors (single signatory) [Member of the Nomination and Compensation Committee]
- Frank Leidenberger, Dießen, Member of the Board of Directors (since June 25, 2025) (joint signatory, two signatures required) [Member of the Audit Committee]
- Manfred Hahl, Abtsroda, Member of the Board of Directors (until June 25, 2025) (joint signatory, two signatures required) [Member of the Audit Committee]
- Clemens Prändl, Odenthal, Member of the Board of Directors (joint signatory, two signatures required) [Member of the Audit Committee]

The proportional compensation of the Board of Directors amounts to €944 thousand (CHF 884 thousand) [previous year: €950 thousand (CHF 905 thousand)].

Further information on the compensation of the Group Executive Management and the Board of Directors can be found in the compensation report in accordance with article 734 et seq. of the Swiss Code of Obligations (OR).

## Group Relations

The Annual Financial Statements will be included in the Consolidated Financial Statements. These are based on the International Financial Reporting Standards, as applicable in the European Union. The Consolidated Financial Statements and Management Report can be obtained from the address of EDAG Group AG. It is also available on the Internet on the following link: https://ir.edag.com/en/publikationen-events#finanzberichte, and will be submitted to the Electronic Company Register in Germany.

## Appropriation of Net Income

| in € thousand / CHF thousand | 2025 | 2025 | 2024 | 2024 |
|---|---|---|---|---|
| | € thousand | CHF thousand | € thousand | CHF thousand |
| **Net profit/net loss at the beginning of the financial year** | **105,134** | **108,148** | **60,958** | **66,066** |
| Appropriation of profit in accordance with the resolution of the general meeting | 0 | 0 | 0 | 0 |
| Withdrawals from capital contribution reserves | 0 | 0 | 13,750 | 13,071 |
| Dividend payout to shareholders | 0 | 0 | -13,750 | -13,071 |
| Merger result | 0 | 0 | 0 | 0 |
| **Annual loss/profit** | **-207,256** | **-194,219** | **44,176** | **42,082** |
| **Net loss/profit** | **-102,122** | **-86,071** | **105,134** | **108,148** |

## Motion of the Board of Directors regarding appropriation of reserves

| in € thousand / CHF thousand | 2025 | 2025 | 2024 | 2024 |
|---|---|---|---|---|
| | Motion of the Board of Directors | Motion of the Board of Directors | Motion of the Board of Directors | Motion of the Board of Directors |
| | € thousand | CHF thousand | € thousand | CHF thousand |
| **Net loss/profit** | **-102,122** | **-86,071** | **105,134** | **108,148** |
| Allocation to statutory retained earnings | 0 | 0 | 0 | 0 |
| Withdrawals from statutory retained earnings | 0 | 0 | 0 | 0 |
| Allocation to capital reserves | 0 | 0 | 0 | 0 |
| Withdrawals from capital reserves | 0 | 0 | 0 | 0 |
| Dividend payout to shareholders | 0 | 0 | 0 | 0 |
| **Balance brought forward to new account** | **-102,122** | **-86,071** | **105,134** | **108,148** |

Subject to approval of the annual shareholders' meeting, the Board of Directors recommends that the entire net loss of €102,122 thousand (CHF 86,071 thousand) should be carried forward to the new statement. Further, the Board of Directors will propose to the Annual General Meeting that no dividend should be paid in the 2026 financial year.

## Subsequent Events

No important events took place after the reporting period.

Arbon, March 25, 2026

EDAG Engineering Group AG



Georg Denoke, President of the Board of Directors



Sylvia Schorr, Member of the Board of Directors and
Chairwoman of the Audit Committee



Harald Keller, Member of the Group Executive Management CEO



Holger Merz, Member of the Group Executive Management (CFO)

# 4.6 Assets

## Development of Fixed Assets

| in € thousand | (Historical) cost | | | | |
|---|---|---|---|---|---|
| | 1/1/2025 | Additions | Disposals | Currency Translation | 12/31/2025 |
| **Intangible assets** | | | | | |
| Purchased software | 1 | 0 | 0 | 0 | 1 |
| **Total intangible assets** | **1** | **0** | **0** | **0** | **1** |
| **Property, plant and equipment** | | | | | |
| Other equipment, operating and office equipment | 81 | 10 | 0 | 0 | 91 |
| **Total property, plant and equipment** | **81** | **10** | **0** | **0** | **91** |
| **Investments** | | | | | |
| Shares in affiliated companies | 689,971 | 0 | 0 | 0 | 689,971 |
| **Total financial assets** | **689,971** | **0** | **0** | **0** | **689,971** |
| **Sum total** | **690,053** | **10** | **0** | **0** | **690,063** |

| in CHF thousand | (Historical) cost | | | | |
|---|---|---|---|---|---|
| | 1/1/2025 | Additions | Disposals | Currency Translation | 12/31/2025 |
| **Intangible assets** | | | | | |
| Purchased software | 1 | 0 | 0 | 0 | 1 |
| **Total intangible assets** | **1** | **0** | **0** | **0** | **1** |
| **Property, plant and equipment** | | | | | |
| Other equipment, operating and office equipment | 76 | 9 | 0 | -1 | 84 |
| **Total property, plant and equipment** | **76** | **9** | **0** | **-1** | **84** |
| **Investments** | | | | | |
| Shares in affiliated companies | 649,401 | 0 | 0 | -6,762 | 642,639 |
| **Total financial assets** | **649,401** | **0** | **0** | **-6,762** | **642,639** |
| **Sum total** | **649,478** | **9** | **0** | **-6,763** | **642,724** |

| in € thousand | Depreciation, amortization and impairment | | | | Carrying amounts | |
|---|---|---|---|---|---|---|
| | 1/1/2025 | Additions | Currency translation | 12/31/2025 | 1/1/2025 | 12/31/2025 |
| **Intangible assets** | | | | | | |
| Purchased software | 1 | 0 | 0 | 1 | 0 | 0 |
| **Total intangible assets** | **1** | **0** | **0** | **1** | **0** | **0** |
| **Property, plant and equipment** | | | | | | |
| Other equipment, operating and office equipment | 63 | 7 | 0 | 71 | 18 | 20 |
| **Total property, plant and equipment** | **63** | **7** | **0** | **71** | **18** | **20** |
| **Investments** | | | | | | |
| Shares in affiliated companies | 213,811 | 205,000 | 0 | 418,811 | 476,160 | 271,160 |
| **Total financial assets** | **213,811** | **205,000** | **0** | **418,811** | **476,160** | **271,160** |
| **Sum total** | **213,875** | **205,007** | **0** | **418,883** | **476,178** | **271,180** |

| in CHF thousand | Depreciation, amortization and impairment | | | | Carrying amounts | |
|---|---|---|---|---|---|---|
| | 1/1/2025 | Additions | Currency translation | 12/31/2025 | 1/1/2025 | 12/31/2025 |
| **Intangible assets** | | | | | | |
| Purchased software | 1 | 0 | 0 | 1 | 0 | 0 |
| **Total intangible assets** | **1** | **0** | **0** | **1** | **0** | **0** |
| **Property, plant and equipment** | | | | | | |
| Other equipment, operating and office equipment | 60 | 7 | -1 | 65 | 17 | 18 |
| **Total property, plant and equipment** | **60** | **7** | **-1** | **66** | **17** | **18** |
| **Investments** | | | | | | |
| Shares in affiliated companies | 201,239 | 192,106 | -3,264 | 390,081 | 448,162 | 252,558 |
| **Total financial assets** | **201,239** | **192,106** | **-3,264** | **390,081** | **448,162** | **252,558** |
| **Sum total** | **201,300** | **192,112** | **-3,265** | **390,148** | **448,178** | **252,577** |

## Changes in equity

| in € thousand | Share capital | Capital contribution reserves | Other capital reserves | Total capital reserves | Net loss / profit | Currency conversion differences | Total equity |
|---|---|---|---|---|---|---|---|
| **As per 1/1/2025** | **920** | **367,160** | **-80** | **367,080** | **105,134** | **-** | **473,134** |
| Annual loss | - | - | - | - | -207,256 | - | -207,256 |
| Withdrawals | - | - | - | - | - | - | - |
| **As per 12/31/2025** | **920** | **367,160** | **-80** | **367,080** | **-102,122** | **-** | **265,878** |

| in CHF thousand | Share capital | Capital contribution reserves | Other capital reserves | Total capital reserves | Net loss / profit | Currency conversion differences | Total equity |
|---|---|---|---|---|---|---|---|
| **As per 1/1/2025** | **1,000** | **398,908** | **-87** | **398,821** | **108,148** | **-62,656** | **445,314** |
| Currency translation differences | - | - | - | - | - | -3,455 | -3,455 |
| Annual loss | - | - | - | - | -194,219 | - | -194,219 |
| Unloading/Removal | - | - | - | - | - | - | - |
| **As per 12/31/2025** | **1,000** | **398,908** | **-87** | **398,821** | **-86,071** | **-66,111** | **247,639** |

## Share Ownership List in Accordance with article 959c p. 2 No. 3 of the Swiss Code of Obligations (OR)

| | Head office in Switzerland and Germany | Country of domicile | Capital share in % | | Voting right in % |
|---|---|---|---|---|---|
| | | | Direct | Indirect | |
| 1. | EDAG Engineering Holding GmbH | Germany | 100 | - | 100 |
| 2. | EDAG Engineering GmbH | Germany | - | 100 | 100 |
| 3. | EDAG-Beteiligung GmbH | Germany | - | 100 | 100 |
| 4. | EDAG Production Solutions GmbH & Co. KG | Germany | - | 100 | 100 |
| 5. | EDAG Production Solutions Verwaltungs GmbH | Germany | - | 100 | 100 |
| 6. | FFT Werkzeug + Karosserie GmbH | Germany | - | 49 | 49 |
| 7. | EDAG aeromotive GmbH | Germany | - | 100 | 100 |
| 8. | projekt urban 2\|3 GmbH | Germany | - | 100 | 100 |
| 9. | EDAG Akademie GmbH | Germany | - | 100 | 100 |
| 10. | HYKONIS GmbH | Germany | - | 100 | 100 |
| 11. | EDAG Engineering Schweiz GmbH | Switzerland | - | 100 | 100 |

| Head office in other countries | | Country of domicile | Capital share in % | | Voting right in % |
|---|---|---|---|---|---|
| | | | Direct | Indirect | |
| 12. | EDAG Engineering Limited | Great Britain | - | 100 | 100 |
| 13. | EDAG do Brasil Ltda. | Brazil | - | 100 | 100 |
| 14. | EDAG, Inc. | USA | - | 100 | 100 |
| 15. | EDAG HOLDING SDN. BHD. | Malaysia | - | 100 | 100 |
| 16. | EDAG Hungary Atófejlesztö Méröki Kft. | Hungary | - | 100 | 100 |
| 17. | EDAG Production Solutions India Pvt. Ltd. | India | - | 100 | 100 |
| 18. | CAXSOL Tech Private Limited [formerly: EDAG Technologies India Priv. Ltd.] | India | - | 60 | 60 |
| 19. | EDAG Japan Co., Ltd. | Japan | - | 100 | 100 |
| 20. | EDAG Engineering and Design (Shanghai) Co., Ltd. | China | - | 100 | 100 |
| 21. | EDAG México S.A. de C.V. | Mexico | - | 100 | 100 |
| 22. | EDAG Servicios México S.A. de C.V. | Mexico | - | 100 | 100 |
| 23. | EDAG Production Solutions, Inc. | USA | - | 100 | 100 |
| 24. | EDAG Italia S.R.L. | Italy | - | 100 | 100 |
| 25. | EDAG Engineering CZ spol. s r.o. | Czech Republic | - | 100 | 100 |
| 26. | EDAG Engineering Polska Sp.z.o.o. | Poland | - | 100 | 100 |
| 27. | EDAG Engineering Spain, S.L. | Spain | - | 100 | 100 |
| 28. | EDAG Engineering Scandinavia AB | Sweden | - | 100 | 100 |
| 29. | EDAG Netherlands B.V. | Netherlands | - | 100 | 100 |
| 30. | EDAG Turkey Muhendeslik Ltd. Sirketi | Turkey | - | 100 | 100 |
| 31. | EDAG Engineering Austria GmbH | Austria | - | 100 | 100 |

HYKONIS GmbH, Stuhr was founded and registered on April 3, 2025. EDAG Engineering GmbH holds 100 percent of the shares.

With effect from December 11, 2025, HRM Engineering AB, Gothenburg was merged with EDAG Engineering Scandinavia AB, Gothenburg.

# Report of the Statutory Auditor
(Statutory Financial Statement)

Report of the statutory auditor
to the General Meeting of
EDAG Engineering Group AG
Arbon

## Report on the audit of the financial statements

### Audit opinion

We have audited the financial statements of EDAG Engineering Group AG (the company), which comprise the balance sheet as at December 31, 2025, the income statement and cash flow statement for the year then ended, and the notes, including a summary of significant accounting policies.

In our opinion, the attached financial statements (pages 242 to 261) comply with Swiss law and the articles of association.

### Basis for opinion

We conducted our year-end audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under these provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other professional responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

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

## Recoverability of the investment in the subsidiary

**Key audit matter**

Investment in EDAG Engineering Holding GmbH in the amount of €271 million (CHF 253 million) represents the largest asset on the balance sheet (99.9 % of total assets) as of December 31, 2025. If this investment had to be impaired, it would have a significant impact on the equity of the Company. Testing the investment for impairment depends on the future results of the company concerned. In addition, there is significant scope for judgement in determining the assumptions relating to future results.

Please refer to the notes and, in particular, 'Information on accounting, valuation and disclosure methods' (accounting for and valuation of assets) and the 'Notes on balance sheet items' (fixed assets).

**How our audit addressed the key audit matter**

Building on the impairment tests of the balance sheet item "Goodwill" in the Consolidated Financial Statements, we focused our audit on the following audit procedures:

- We reviewed and assessed the internal controls established by the management of EDAG Engineering Group AG to measure the value of investments.
- We verified the method used to test the investment for impairment in the separate financial statements and assessed the calculation of the discount rate.
- We also assessed the appropriateness of the future cash inflows used for the valuation on the basis of a five-year plan drawn up by the Board of Directors.
- We also performed sensitivity analyses on the growth rate underlying the impairment test.
- Finally, we verified the appropriateness of the parameters used in calculating the discount rate, and examined the calculation model.

On the basis of the audit activities described above, we have gained sufficient evidence to take account of the risk of inappropriate valuation of the investments.

## Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the combined management report, the consolidated financial statements, the stand-alone financial statements and the compensation report of EDAG Engineering Group AG and our auditor's reports thereon.

Our audit opinion on the annual financial statements does not cover the other information, and we do not express any form of conclusion thereon.

In connection with our year-end audit, it is our responsibility to read the other information and, when doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, on the basis of the work we have performed, we conclude that there is a material misstatement of this other information, we are obliged to report this fact. We have nothing to report in this regard.

## Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of the law and the company's articles of association, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether as a result of fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors intends either to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether as a result of fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that a year-end audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement, should one exist. Misstatements can arise as a result of fraud or error, and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the website of EXPERTsuisse: http:// http://expertsuisse.ch/en/wirtschaftspruefung-revisionsbericht. This description forms part of our auditor's report.

## Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 OR and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

On the basis of our audit in accordance with article 728a paragraph 1 item 2 OR, we confirm that the motion of the Board of Directors complies with Swiss law and the Articles of Association and recommend that the financial statements submitted to you be approved.

Deloitte AG



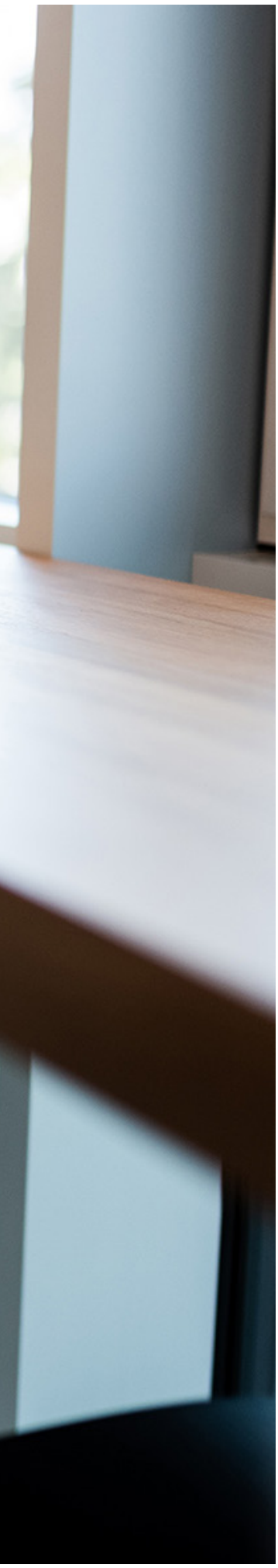


Chris Krämer
Accredited Audit expert
Auditor in charge

Mario Sosic
Accredited Audit expert

Zurich, March 25, 2026





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# **AFFIRMATION** OF THE LEGAL REPRESENTATIVES (BALANCE SHEET OATH)

We hereby certify, to the best of our knowledge, that in accordance with the applicable accounting principles, the Consolidated Financial Statements convey a proper picture of the assets, financial position and financial performance of the Group, and that the Management Report represents the company's business trends, including the financial results and the position of the Group, such that the actual conditions and the essential opportunities and risks pertaining to the anticipated development of the Group are accurately delineated.

Arbon, March 25, 2026

EDAG Engineering Group AG



Harald Keller, Member of the Group Executive Management (CEO)



Holger Merz, Member of the Group Executive Management (CFO)



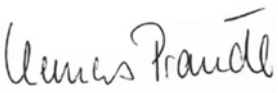
Georg Denoke, President of the Board of Directors



Sylvia Schorr, Member of the Board of Directors and
Chairwoman of the Audit Committee



Dr. Philippe Weber, Member of the Board of Directors



Clemens Prändl, Member of the Board of Directors



Frank Leidenberger, Member of the Board of Directors

# **LEGAL** NOTICE

This report includes predictive statements about future developments that are based on the current views of the management team. Statements of this kind are associated with certain risks and uncertainties. Should one of these uncertainty factors or other uncertainties materialize, or the assumptions on which the statements are based prove to be inaccurate, the actual results may differ substantially from the results which are either expressed or implied in these statements. We neither have the intention nor undertake any obligation to continuously update forward-looking statements, as they exclusively relate to the circumstances that existed on the date of their publication.

# IMPRINT

**Legal Notice and Contact**
Do you have any questions or suggestions regarding our annual report?
Then please contact us at:
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Schlossstraße 2 · 36037 Fulda

The English version of the Annual Report is a translation of the German version. The German version is legally binding.

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**Images**
EDAG Group

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