



ANNUAL REPORT

as at 31 December 2025

FRIEDRICH VORWERK GROUP SE

21255 Tostedt

Friedrich Vorwerk in figures

Financial year	2025	2024	Δ 2025 /2024
	€k	€k	%
Order backlog	1,021,408	1,187,660	-14.0
Order intake	538,074	685,211	-21.5
Total project volume acquired*	990,765	770,124	28.7
Earnings figures (adjusted**)	€k	€k	%
Revenue	704,326	498,353	41.3
Operating performance	704,326	498,353	41.3
Total performance	733,921	510,241	43.8
Cost of materials	-323,027	-237,473	36.0
Staff costs	-183,804	-149,295	23.1
EBITDA	163,273	80,529	102.8
<i>EBITDA margin</i>	23.2%	16.2%	
EBIT	136,802	59,444	130.1
<i>EBIT margin</i>	19.4%	11.9%	
EBT	128,021	55,451	130.9
<i>EBT margin</i>	18.2%	11.1%	
Consolidated net profit after non-controlling interests	86,510	35,875	141.1
EPS in €	4.33	1.79	141.1
Average number of shares outstanding	20,000,000	20,000,000	0.0
Earnings figures (IFRS)	€k	€k	%
EBITDA	163,273	80,529	102.8
EBIT	136,717	59,281	130.6
Group result	86,501	35,771	141.8
EPS in €	4.33	1.79	141.8
Figures from the statement of financial position (IFRS)	31 Dec €k	31 Dec €k	%
Non-current assets	202,927	152,677	32.9
Current assets	373,011	284,883	30.9
thereof cash funds	266,038	174,647	52.3
Issued capital	20,000	20,000	0.0
Other equity	265,253	185,006	43.4
Total equity	285,253	205,006	39.1
<i>Equity ratio</i>	49.5%	46.9%	
Non-current liabilities	88,294	60,541	45.8
Current liabilities	202,391	172,012	17.7
Total assets	575,938	437,560	31.6
Net financial debt (net debt (-) / net cash (+))***	261,886	154,257	69.8
Employees (reporting date)	2,243	1,948	15.1

* In addition to own contribution, the total project volume includes the pro rata order volumes from joint ventures (ARGEs).

** With regard to the adjustments, please refer to the explanations within the results of operations, financial position and net assets.

*** This figure includes securities.

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Report of the Supervisory Board

In accordance with the duties and responsibilities imposed on it by law and the Articles of Association, the Supervisory Board continuously informed itself about the business and strategic development of the company, advised the Management Board and monitored the management of the company during the financial year. The Supervisory Board was therefore always aware of the FRIEDRICH VORWERK Group's strategy, business policy, planning, risk situation and net assets, financial position as well as results of operations. It also reviewed the company's risk management and compliance and is of the opinion that these fulfil the requirements in full. The Supervisory Board was directly involved in all decisions of particular importance to the company. The Supervisory Board granted its approval for individual business transactions where this was required by law, the Articles of Association or the rules of procedure.

The Management Board fulfilled its duty to provide information and informed the Supervisory Board regularly, promptly and comprehensively in written and verbal form about the company's economic and financial situation, strategic direction, investment plans, risk management and compliance. The Supervisory Board discussed all measures requiring its approval in detail with the Management Board in advance. The Management Board and the Supervisory Board jointly agreed on the Group's strategic direction and development.

The Supervisory Board held four ordinary meetings in the 2025 financial year. The Management Board was represented at all meetings, unless the discussions in the Supervisory Board concerned Management Board matters. All members of the Supervisory Board attended all meetings with the exception of one cancellation due to illness, whereby participation was partly in digital form.

The Management Board sent detailed reports and presentations to the members of the Supervisory Board in good time before the Supervisory Board meetings. Where decisions requiring approval were necessary, the documents contained detailed decision and investment proposals.

Focus of the Supervisory Board's deliberations and resolutions

At the individual meetings, the Supervisory Board analysed the current business development together with the Management Board and discussed the strategic direction. The discussions covered both the economic situation of the company and that of the individual subsidiaries.

The Supervisory Board meeting on 24 March 2025 focused in particular on

- the audit of the annual and consolidated financial statements
- the resolution on the application of the German Corporate Governance Code
- discussion of the dividend proposal
- preparations for the Annual General Meeting
- and the course of business as well as the status of major projects in the first quarter.

At its meeting on 2 June 2025 following the Annual General Meeting, the Supervisory Board dealt with the following topics

- the evaluation of the course of the Annual General Meeting
- the review of the effectiveness of the compliance management system
- the status of ongoing major projects and their earnings situation
- and the initial investment planning for 2026.

The Supervisory Board meeting on 15 September 2025 focused in particular on

- the continuation of investment planning for 2026
- the status of ongoing major projects and their earnings situation
- current political developments relating to the storage and transport of CO₂
- the development and strategic orientation of the Herne site as well as a detailed inspection led by the manager responsible on site

- the self-assessment of the Supervisory Board
- and the strategic importance of individual major projects currently being tendered for the company's development.

The meeting of the Supervisory Board on 9 December 2025 focused on the following topics

- the medium and long-term development of the Group with regard to the allocation of resources
- the status of current major projects and their earnings situation, including the current supplementary negotiations
- the detailed discussion of the 2026 budget
- and the discussion of various investment projects in organic and inorganic growth.

Committees and composition of the Supervisory Board

The members of the Supervisory Board are

- Dr Christof Nesemeier (Chairman)
- Dr Julian Deutz (Deputy Chairman)
- Heike von der Heyden

The Supervisory Board consists of three members. There is a separate Audit Committee, to which all Supervisory Board members belong to. Dr Julian Deutz was elected Chairman of the Audit Committee. The Chairman of the Audit Committee closely monitored the audit of the consolidated financial statements of Friedrich Vorwerk Group SE for the 2025 financial year. Due to its size and composition, the Supervisory Board currently sees no need to form further committees. The term of office of the Supervisory Board members ends at the 2026 Annual General Meeting. All Supervisory Board members plan to stand for election for a new term of office.

Corporate Governance

In the knowledge that corporate governance makes a significant contribution to the responsible management and control of the company's management with a focus on value creation, the Supervisory Board continued to deal with topics and issues relating to corporate governance in 2025. Together with the Management Board, the Supervisory Board issued the annual declaration in accordance with section 161 of the German Stock Corporation Act (AktG) on the recommendations of the German Corporate Governance Code. Further information on corporate governance can be found in the combined declaration on corporate governance in accordance with section 315 (5) in conjunction with section 289f of the German Commercial Code (HGB). The combined declaration on corporate governance also contains the corporate governance report prepared by the Management Board and Supervisory Board as well as the declaration on the recommendations of the German Corporate Governance Code. The combined corporate governance statement is permanently available on the website of Friedrich Vorwerk Group SE at www.friedrich-vorwerk-group.de/en. The members of the Management Board and the Supervisory Board disclose any conflicts of interest to the Supervisory Board without delay.

Audit of the annual and consolidated financial statements

The Supervisory Board duly commissioned Nexia GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Düsseldorf, who were elected as auditors by the Annual General Meeting on 2 June 2025, to audit the annual financial statements and the consolidated financial statements as well as the combined management report and group management report for the 2025 financial year. The auditor has confirmed to the Supervisory Board that there are no professional, financial or other relationships between the auditor, its executive bodies and audit managers on the one hand and the company and the members of its executive bodies on the other that could give rise to doubts about its independence.

The annual financial statements of Friedrich Vorwerk Group SE as at 31 December 2025 and the combined management report for Friedrich Vorwerk Group SE and the FRIEDRICH VORWERK Group were prepared in accordance with the principles of commercial law, the consolidated financial statements as at 31 December 2025 in accordance with the International Financial Reporting Standards

(IFRS) and audited by Nexia GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Düsseldorf, which was elected by the Annual General Meeting and commissioned by the Chairman of the Supervisory Board, and issued with an unqualified audit opinion dated 24 March 2026.

The Supervisory Board examined the annual financial statements prepared by the Management Board, the combined management report for Friedrich Vorwerk Group SE and the FRIEDRICH VORWERK Group, the proposal for the appropriation of profits and the consolidated financial statements and discussed them with the auditor at the meeting on 24 March 2026. All of the Supervisory Board's questions were answered in detail by the auditor. The Supervisory Board received the auditor's report in good time before the meeting. Based on the final result of the audit conducted by the Supervisory Board, there were no objections to the annual financial statements, the management report and the consolidated financial statements. The consolidated financial statements were approved by the Supervisory Board on 24 March 2026. The annual financial statements of Friedrich Vorwerk Group SE are thus adopted.

The Supervisory Board shares the assessment of the Management Board in the combined management and group management report and agrees with the Management Board's proposal on the appropriation of net profit, which provides for the distribution of a basic dividend of €0.70 plus a special dividend of €0.40 per dividend-bearing share for the 2025 financial year due to the outstanding business results.

The Supervisory Board would like to thank the Management Board, the management teams of the subsidiaries and all employees of the FRIEDRICH VORWERK Group for their unconditional commitment and record results in the 63rd year of FRIEDRICH VORWERK's existence.

Tostedt, 24 March 2026

The Supervisory Board

Dr Christof Nesemeier
Chairman

Combined Management and Group Management Report

General information

Friedrich Vorwerk Group SE, based in Tostedt, forms the FRIEDRICH VORWERK Group together with its subsidiaries.

The separate financial statements of Friedrich Vorwerk Group SE were prepared in accordance with the provisions of the German Commercial Code (HGB), taking into account the supplementary provisions of the German Stock Corporation Act (AktG), while the consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), including the interpretations of the IFRS Interpretations Committee (IFRIC) on IFRS as applicable in the European Union, and the supplementary provisions of commercial law to be applied in accordance with section 315e (1) HGB.

The combined management and group management report comprises the FRIEDRICH VORWERK Group (hereinafter also referred to as the "Group" or "FRIEDRICH VORWERK") as well as the parent company, Friedrich Vorwerk Group SE. They were prepared in accordance with the provisions of the German Commercial Code (HGB) and German Accounting Standard (GAS) No. 20. Supplementary information on the annual financial statements of Friedrich Vorwerk Group SE can be found in the section on the results of operations, financial position and net assets.

Unless otherwise stated, all information in this report relates to 31 December 2025 or the financial year from 1 January to 31 December 2025. Rounding differences may occur in percentages and figures in this report.

For reasons of readability alone, the simultaneous use of masculine, feminine or linguistic forms of other genders has been omitted. Unless otherwise stated, all references to persons apply to all genders.

Business model

FRIEDRICH VORWERK is a key beneficiary of the European energy transition. Founded in 1962, our name has always stood for a high level of technical expertise, reliable work and innovative solutions in the design, realisation and operational management of energy infrastructure in our three core markets of natural gas, electricity and hydrogen as well as the adjacent areas (district heating networks, CO₂ liquefaction and transport, biogas treatment and feed-in as well as drinking water and wastewater pipelines).

Thanks to our integrated turnkey approach and a large number of proprietary components and technologies, we are able to offer our customers high-quality, customised solutions from a single source. We thus enable energy suppliers, grid operators, industrial companies and local authorities to operate complex energy grids and systems.

As one of the most efficient German companies in the areas of Planning & Design (planning & process engineering), Energy Grids (pipeline and underground power cable construction), Energy Transformation (plant construction) and Service & Operations (service & operation), we cover all the key steps in the value chain. In this way, we not only help our customers to operate reliable and cost-efficient energy infrastructure, but also make a significant contribution to the security of energy supply in Europe. Our basis for this is the synthesis of state-of-the-art technology and the knowledge and experience of around 2,250 qualified employees at 14 locations in Germany and Europe.

The course of business within a financial year is in general subject to a certain degree of seasonality. The majority of energy infrastructure projects are realised outdoors, which means that progress depends on various factors and climatic conditions such as temperatures and rainfall. As a result, the first quarter in particular is typically weaker in terms of revenue and profitability over the course of the year.

The energy transition is leading to a fundamental reorganisation of the European energy markets, from which we are continuing to benefit significantly in our core markets of natural gas, electricity and hydrogen, as well as increasingly in district heating. FRIEDRICH VORWERK therefore continues to focus on dynamic and profitable growth - particularly in markets where integrated solutions are in demand.

We have set ourselves the goal of continuously aligning our service and product portfolio with the requirements of our core markets and the needs of our customers. We are pursuing this path not only by investing in our products and technologies as well as in our locations and employees, but also through selective and value-generating acquisitions.

Economic report

General economic conditions

In 2025, the global economy was robust despite the negative impact of trade conflicts, albeit with significant regional differences. Negative effects from changes in trade policy were outweighed by strong investment impetus in the technology sector, particularly in the field of artificial intelligence. This momentum is more evident in North America and Asia than in other regions. Support was also provided by expansive fiscal and monetary policies, continued favourable financing conditions overall and the high adaptability of the private sector. The International Monetary Fund (IMF) expects the global, price-adjusted gross domestic product (GDP) to grow by 3.3% in 2025 as a whole, with economic development varying greatly from region to region and over the course of the year. The growth rate corresponds to the growth in global GDP in the previous year.

Central bank interest rates are converging in the advanced economies. The European Central Bank (ECB) has further reduced its key interest rate (deposit facility) from 3.0% to 2.0% since December 2024, while the US Federal Reserve also began to cut its interest rates again in September 2025 in light of increasing concerns about the labour market. The average annual global inflation rate for 2025 is estimated at 4.1%, which is significantly lower than the previous year's high figure of 5.8%.

According to the IMF, price-adjusted US GDP is expected to increase by 2.1% in 2025. Compared to the GDP growth of 2.8% achieved in the previous year, the new trade and immigration policy measures have created a measurable headwind for the US economy in 2025. However, the additional burden caused by the shutdown of the US federal government in October and November is estimated to have been offset by the significant upturn in technology investment in 2025. In China, economic policy stimuli supported the domestic economy. According to IMF estimates, the GDP growth rate of 5.0% remained at the previous year's level and was supported by private consumption and exports to countries outside the United States.

Growth in the eurozone remained subdued and highly uneven, with an estimated increase in price-adjusted GDP of 1.5% compared to the previous year. With GDP growth of around 3% each, Poland and Spain reported significantly higher GDP growth than Germany, Italy and France, which all recorded growth of less than 1%. At the beginning of the year, higher exports to the US ahead of expected import tariff increases supported economic output. After two quarters of weak expansion, the fourth quarter saw a clear upturn in activity, particularly in the service sector, which compensated for the ongoing weakness in the manufacturing industry. Nevertheless, the European labour market remained strong and the unemployment rate in the EU was at a historic low of 5.9% at the end of the year, as in the previous year. The inflation rate fell to 2.3% in the EU (previous year: 2.7%) and to 1.9% in the eurozone (previous year: 2.4%). Falling energy and service prices in particular contributed to the reduction in the inflation rate. The IMF forecasts economic growth of 1.3% for the eurozone in 2026.

In Germany, price-adjusted gross domestic product increased slightly by 0.2% in 2025, following a decline of 0.5% in the previous year. The slight increase is due in particular to higher private and public consumption, whereas the general weakness in investment continued and the German export industry faced strong headwinds from higher US tariffs, the appreciation of the euro and stronger competition from China. Consumer prices in Germany increased by an annual average of 2.2% in 2025 compared to 2024. According to the Federal Statistical Office (Destatis), the inflation rate for 2025 therefore remained at the same level as in the previous year (previous year: 2.2%). While the inflation rate for services was above average at 3.5%, the price increase for goods was comparatively low at 1.0%, with lower energy prices also having an impact here. The IMF is forecasting higher economic growth of 1.1% for Germany in 2026.

General industry environment

The FRIEDRICH VORWERK Group plays an active role in the realisation of a secure and future-oriented energy infrastructure and is therefore an important driver of the European energy transition.

In 2025, the market for products and services in the field of energy infrastructure continued to be characterised by the ongoing energy transition. According to the German government's plans, at

least 80% of Germany's gross electricity consumption is to be covered by renewable energies by 2030 in order to achieve climate protection targets and become independent of fossil fuel imports.

The expansion of renewable energies in Germany continued in 2025, with renewable energies accounting for 59% of total electricity generation in Germany. This corresponds to a slight increase of 0.3 percentage points compared to the previous year and is mainly due to the expansion of photovoltaics and an above-average number of sunshine hours in summer.

Due to the ambitious climate targets and the changed geopolitical security environment as a result of the Russia-Ukraine war, demand for energy infrastructure services is expected to continue to grow strongly. This particularly affects the electricity grid, which needs to be significantly expanded due to the changed energy mix. However, significant investments must also be made in the infrastructure for gas in order to be able to fall back on substitutes in times of low electricity production from renewable energy. Against this backdrop, the German government agreed on a new power plant strategy at a coalition committee meeting on 13 November 2025. According to this strategy, eight gigawatts of new, dispatchable electricity capacities generated by new gas-fired power plants are to be put out to tender in 2026. These are to go into operation by 2031 and be convertible to hydrogen operation.

The development of a hydrogen economy is a key building block for the success of the energy transition. However, according to the annual report on energy supply in 2025 published by the German Association of Energy and Water Industries (BDEW), the development of a climate-neutral and decarbonised hydrogen economy in Germany is still at an early stage. At 93.5%, the majority of the hydrogen produced has been obtained from fossil sources, while climate-neutral hydrogen produced from water electrolysis only accounted for 0.5%. The hydrogen pipelines required for the construction of the 9,040-kilometre hydrogen core network in Germany, which was approved by the Federal Network Agency in 2024, are to be gradually commissioned by 2032. Existing natural gas pipelines can be converted for approx. 60% of the network, while the remaining approx. 40% will have to be newly built. In the fourth quarter of 2025, the conversion of existing natural gas pipelines with a route length of 400 km between the Baltic Sea region and Sachsen-Anhalt for hydrogen transport has been announced. The Federal Network Agency had originally planned investments of €18.9 billion for the core network. However, in the first draft of the Gas and Hydrogen Network Development Plan 2025, which was published on 3 March 2026, the network operators are now assuming a cost increase of around 30%. At the same time, individual projects may be postponed.

With Germany's exit from nuclear energy and the planned end of coal-fired power generation, the German electricity grid is going to be further expanded and optimised in order to accommodate growing, supra-regional electricity transport, such as wind power from northern Germany to the south and west. In total, the need for grid expansion amounts to around 16,800 kilometres of extra-high voltage lines. Of these, around 9,600 km of power lines are the responsibility of the Federal Network Agency, of which a further 2,000 km were approved in 2025 so that construction can begin.

The amendment to the Carbon Dioxide Storage Act came into force on 28 November 2025. It creates a legal framework for the development of a CO₂ storage and transport infrastructure. Current estimates put the investment volume for the realisation of the pipelines required for CO₂ transport at €15 to 20 billion.

Business development / significant events

In the reporting year, FRIEDRICH VORWERK once again achieved outstanding organic revenue growth combined with a significant increase in profitability, making the 2025 financial year an absolute record year in the company's history. In addition to several major projects in land cable, pipeline and plant construction realised in the past financial year, this development was also driven by a large number of highly profitable small and medium-sized projects as well as sustained growth in staff numbers.

On 18 March 2025, the German Bundestag approved a comprehensive debt-financed infrastructure investment budget in the order of €500 billion for the next twelve years. These investments could have a positive impact on FRIEDRICH VORWERK's business activities and further growth in the Adjacent Opportunities segment, among others. At the same time, the new government intends to leverage further potential to speed up procedures in the planning and approval of infrastructure projects, which may have a positive impact on the ability to plan and speed up the implementation of complex construction projects in all of the Group's segments.

After FRIEDRICH VORWERK had already won two sections (24 km and 43 km) of the South German natural gas pipeline (SEL) in the last two years as part of a joint venture (ARGE) with equal rights, the Group was awarded the contract for the third, approximately 61 km long, section of the pipeline by the transmission system operator terranets bw in May 2025. Work already started in the summer of 2025 and is therefore partly running parallel to the second section, which has already been started. With a total length of 250 kilometres from Lampertheim in Hesse to Bissingen in Bavaria, the SEL is one of the largest pipeline construction projects in Germany. By connecting modern gas-fired power plants to the existing grid, it secures the supply of heat and electricity and thus enables the phase-out of coal-fired power generation. As the first pipeline in the country with a connection to the European transport routes, it will transport hydrogen from 2030 on. The SEL will thus create important prerequisites for a CO₂-neutral energy supply for the Rhine-Neckar region and the greater Stuttgart area. The pipeline will be built in stages, depending on how demand actually develops over the next ten years. After the three sections that had been commissioned, the remaining sections will be successively put out to tender in the coming years.

Also in May 2025, FRIEDRICH VORWERK was awarded the civil engineering contract for an approximately 43 km-long section of the SuedLink high-voltage direct current line by transmission system operator TenneT as part of a working group. The first preparatory construction measures on the section already started in the second quarter of 2025; the planned completion date is the end of 2026. Due to sensitive ecosystems and numerous crossings of roads and bodies of water, significant parts of the route will be realised using the closed construction method by means of horizontal directional drilling. As part of the FRIEDRICH VORWERK Group, Bohlen & Doyen has extensive capacities and decades of experience in the field of horizontal drilling technology, meaning that these specialised services can also be covered by its in-house resources. The SuedLink project planned by the transmission system operators Tennet and TransnetBW is one of the largest infrastructure projects of the energy transition, which is intended to transport wind energy from the north of Germany to the consumption centres in the south via underground cable connections. With a total length of around 700 kilometres and a transmission capacity of four gigawatts, it uses high-voltage direct current (HVDC) transmission technology for low-loss energy transport. SuedLink makes a significant contribution to Germany's CO₂-neutral energy supply and thus supports the German government's climate targets.

In the second half of the financial year, FRIEDRICH VORWERK was also awarded the contracts to realise the Energy Transmission Lines (ETL) 182 and ETL 179.200 as part of a working group by the transmission system operator Gasunie Deutschland. The two projects have a combined length of over 100 kilometres. The first preparatory construction measures were already started in the fourth quarter of 2025, while the main construction measures are scheduled for 2026, meaning that commissioning is scheduled in 2027. The background of the planned pipelines is the significant increase in demand for gas transport, which is expected to be caused by the new LNG import terminals being built in Brunsbüttel and Stade/Bützfleth. The new pipelines with a diameter of DN 1400 and DN 900 are intended to connect the two network points "Elbe Süd" in the district of Stade and "Achim" in the district of Verden as well as the Bützfleth LNG terminal and thus enable nationwide transmission via the German gas pipeline network. The fastest possible realisation of the project thus serves the central interest in a secure and diversified gas supply in Germany. The LNG Acceleration Act passed by the German government therefore recognises the energy industry necessity for this project to supply gas to households and industry.

The successes achieved by the subsidiary 5C-Tech GmbH during the reporting year were also particularly encouraging, especially given the high volume of orders received in the pipeline construction segment. FRIEDRICH VORWERK bundles research and development projects in the field of automated welding technology in the 5C-Tech GmbH. In the reporting year, the PX-II automatic welding machine, designed for pipeline prefabrication, was put into operation successfully on two large pipeline projects. With the help of the new technology, welding work can be carried out faster and therefore more environmentally friendly. The automated process can also achieve even higher welding quality and reduce labour intensity. This opens up new market potential in international pipeline construction.

On 6 November 2025, the German Bundestag passed the Carbon Dioxide Storage and Transport Act (KSpTG), thereby creating a legal framework for the development of a CO₂ storage and transport infrastructure. Current estimates put the investment volume for the realisation of the pipelines required at €15 to 20 billion. The Federal Council gave its approval on 21 November 2025.

Works on the major A-Nord project made rapid progress in the reporting year, contributing around €250 million revenue. The focus of activities was on the construction of the cable conduit system, including the necessary civil engineering work and trenchless installation using the horizontal directional drilling method. A major milestone was the completion of the Rhine crossing in the southern section of the cable route. Overall completion is currently expected for summer 2027.

In the second half of 2025, work on the western district heating system connection in Hamburg was also successfully completed after a construction period of around three years. The district heating pipeline is a key component for connecting the planned harbour energy park to the district heating network and thus for shutting down the coal-fired power plant in Wedel. FRIEDRICH VORWERK has already been commissioned with the realisation of further district heating sections in the reporting year, including in Hamburg, Berlin and Leipzig.

Capacity utilisation in the "Energy Transformation" division was again very high in the financial year. Work was carried out in parallel on four substations and two large compressor stations. In addition, work on one of the first large-scale electrolysers in Germany (Lingen) was successfully completed. As part of the GET H2 Nukleus project, RWE is building an electrolysis capacity of 300 megawatts in three expansion stages on the site of the Emsland gas-fired power plant. Commissioning is expected in the first half of 2026. Capacity utilisation in prefabrication at the Wiesmoor site was essentially ensured by the construction of several large-volume biogas treatment and biogas feed-in plants.

Other significant events

On 27 February 2025, the FRIEDRICH VORWERK Group signed an agreement to acquire the Wischhafen branch including the Stade location of Gerhard Rode Rohrleitungsbau GmbH & Co. KG with effect from 1 April 2025. With around 40 employees, the branch is expected to generate annual revenue in the mid-single-digit million € range. At the same time, the employees could already make a valuable contribution to the realisation of the Group's ongoing major projects from the second quarter of 2025 onwards.

The Management Board and Supervisory Board of Friedrich Vorwerk Group SE proposed to the Annual General Meeting on 2 June 2025, that a dividend of €0.30 per dividend-bearing share be distributed for the 2024 financial year and that the remaining amount be carried forward to new account. The Annual General Meeting approved the company's proposal by a large majority. The dividend was paid out on 5 June 2025.

With effect from 1 August 2025, the FRIEDRICH VORWERK Group took over the Brunn branch of Christoffers GmbH. It is expected that the branch with its approximately 35 employees will generate annual revenue in the low single-digit million range. At the same time, the takeover will significantly strengthen the Group's regional presence in Mecklenburg-Vorpommern.

Research and development

Innovation, increased efficiency and the continuous development of our core competences and technologies are central to the corporate philosophy of the FRIEDRICH VORWERK Group. Global megatrends in technology and society are also accelerating our research and development activities.

Our research and development activities are generally project-based and in most cases are carried out together with one or more customers in order to optimise an existing product or develop a new

product to meet their specific needs. To a limited extent, we also carry out research and development activities focussing on technologies, plants and processes that have the potential to support or even promote the growth of our Natural Gas, Electricity, Clean Hydrogen and Adjacent Opportunities business areas due to their general applicability. These include H₂-capable components and technologies for CO₂ reduction as well as more efficient and practicable construction processes and technologies to improve project execution and increase customer benefits. Our research and development efforts are aimed at delivering innovations with high market acceptance, rapid adoption potential and far-reaching upgrade potential for existing infrastructures. In doing so, we endeavour to combine the real market experience of our engineers with scientific support from nearby universities in the form of project-related collaboration.

FRIEDRICH VORWERK bundles research and development projects in the field of automated welding technology in its subsidiary 5C-Tech GmbH. In the reporting period, the PX-II automatic welding machine, designed for pipeline prefabrication, was put into operation and successfully utilised on two large pipeline projects. With the help of the new technology, welding work can be carried out faster and therefore more environmentally friendly. The automated process also enables an even higher welding quality to be achieved.

Group structure

Friedrich Vorwerk Group SE is the parent company of the FRIEDRICH VORWERK Group. In addition to Friedrich Vorwerk Group SE, a total of 19 subsidiaries (previous year: 19) were directly or indirectly included in the consolidated financial statements as at 31 December 2025.

Hempel Construction B.V., Amsterdam, Netherlands, was consolidated for the first time on 1 September 2025. Due to the merger of Seyde und Coburg Kathodischer Korrosionsschutz GmbH with Vorwerk Pipeline- und Anlagenservice GmbH, the company is no longer reported separately in the scope of consolidation.

Companies included in the consolidated financial statements	Shareholding
Name and registered office of the company	in %
Subsidiaries (consolidated)	
Friedrich Vorwerk Management SE, Tostedt, Germany	100.00
Friedrich Vorwerk SE & Co KG, Tostedt, Germany	89.93
5C-Tech GmbH, Tostedt, Germany	58.45
Bohlen & Doyen Anlagenbau Holding GmbH, Tostedt, Germany	89.93
Bohlen & Doyen Service und Anlagentechnik GmbH, Wiesmoor, Germany	89.93
Bohlen & Doyen Bau Holding GmbH, Tostedt, Germany	89.93
Bohlen & Doyen Bau GmbH, Wiesmoor, Germany	89.93
EAS Einhaus Anlagenservice GmbH, Geeste, Germany	89.93
European Pipeline Services GmbH, Tostedt, Germany	89.93
Gottfried Puhlmann GmbH Havelländische Bauunternehmung, Ludwigsfelde, Germany	89.93
Gottfried Puhlmann GmbH, Marne, Germany	89.93
Gottfried Puhlmann Hamburg GmbH, Tostedt, Germany	89.93
Hempel Aluminiumbau GmbH, Storkow (Mark), Germany	89.93
Hempel Construction B.V., Amsterdam, Netherlands	89.93
KORUPP GmbH, Twist, Germany	89.93
Vorwerk - ASA GmbH, Herne, Germany	89.93
Vorwerk Gas Technology GmbH, Tostedt, Germany	89.93
Vorwerk Pipeline- und Anlagenservice GmbH, Petersberg, Germany	89.93
Vorwerk Stade GmbH, Tostedt, Germany	89.93

In addition, there are various shareholdings in joint ventures (ARGEs), which are established temporarily in the course of the realisation of (major) projects and are listed in the notes to the consolidated financial statements.

Segments

Due to the different market perspectives, FRIEDRICH VORWERK distinguishes between the four business segments Natural Gas, Electricity, Clean Hydrogen and Adjacent Opportunities, which are described in more detail below.

Our **Natural Gas** segment comprises infrastructure services and product solutions for the transport and conversion of raw natural gas into processed natural gas for our customers. This takes place in a series of steps from the transport of natural gas through high-pressure pipelines to processing in filter and separation plants, compressor stations, storage and metering systems, LNG terminals and gas pressure control and metering stations. We generally design our natural gas infrastructure solutions according to our customers' individual requirements so that they can benefit from lower CO₂ emissions when operating our systems and maintain very high operational safety standards. We supply such energy infrastructure solutions for natural gas projects of many leading European transmission system operators and certain energy and industrial companies, including Gasunie, Gascade, Open Grid Europe and Ontras. Revenue in the Natural Gas segment totalled €184.8 million in the 2025 financial year, slightly above the previous year's level (€171.8 million). EBITDA totalled €59.7 million (previous year: €39.0 million). At 32.3%, the EBITDA margin is significantly higher than the previous year's EBITDA margin (22.7%). The improvement in the profitability of this segment is mainly the result of higher earnings contributions from ARGEs and concluded supplementary negotiations, which had a positive impact on profitability in the mid-single-digit million range. The order backlog totalled €160.4 million as at the balance sheet date (previous year: €129.2 million). The increase in the order backlog is due to the acquisition of several major projects in the pipeline sector during the financial year.

Our **Electricity** segment focuses on providing the infrastructure for the underground transport and conversion of electricity generated from climate-friendly, non-fossil energy sources such as wind, sun, water and renewable raw materials. Our expertise in the field of electricity transport and conversion focuses on the landing of offshore electricity cables and the installation of high-voltage underground cables through which this electricity is transported in transmission grids. At the end of these cables are connection points in the form of substations and inverters as well as power-to-heat plants, which connect the transmission grids with local energy distribution grids and are also part of our range of services. The adoption of the amended Energy Line Expansion Act in 2015 created the legal framework for the rapid expansion of underground power lines, which led to new projects for laying underground cables. As Germany is currently in the process of phasing out coal and nuclear power or has already done so, renewable energy sources are becoming an essential factor in the clean energy transition. Similar to our Natural Gas segment, we develop customised solutions for our customers' individual applications. We offer such energy infrastructure solutions for the operation of many leading European transmission system operators and certain energy and industrial companies, including Amprion, 50Hertz and TenneT. Revenue in the Electricity segment almost doubled year on year to €364.8 million in the 2025 financial year (previous year: €184.4 million). The main driver of this significant revenue growth is the A-Nord cable route, which will also make a major contribution to revenue in the 2026 financial year. EBITDA totalled €59.9 million (previous year: €20.5 million). At 16.4%, the EBITDA margin is above the previous year's level of 11.1%. As in the other segments, profitability in this segment benefited from favourable weather conditions and the high-quality order backlog. At the same time, segment profitability in the reporting year was below that of the other segments, which is mainly due to A-Nord's new IPA (integrated project delivery) contract model, which is based on a cost-plus incentive fee remuneration structure with a bonus-malus scheme and at the same time significantly reduces the Group's risk exposure. The order backlog fell from €903.8 million as at 31 December 2024 to €664.1 million as at the reporting date due to the very high level of revenue recognition.

Our **Clean Hydrogen** segment comprises product solutions and infrastructure services for converting energy from climate-friendly energy sources into clean hydrogen and transporting it to end consumers. This is done through a series of processing steps from the conversion of renewable energy through an electrolysis process to the processing and transport of the resulting clean hydrogen through storage facilities, compressor stations, pipelines and gas pressure regulation and measurement systems. We use our expertise in our Natural Gas segment to handle complex gases at high pressure and in large quantities and offer energy infrastructure solutions ranging from the construction of individual components to fully integrated, turnkey solutions. We expect our Clean Hydrogen segment to play an increasingly important role in the growth of our business and we are committed to investing significant resources in the development of this segment. We are committed

to providing these solutions to many leading European transmission system operators as well as certain energy and industrial companies, many of which are long-standing customers or end users of our solutions. Revenue in the Clean Hydrogen segment remained almost unchanged in the reporting year at €28.1 million (previous year: €26.3 million) and thus contributed 4% to Group revenue. Nevertheless, in October 2024, the Federal Network Agency laid the foundations for the development of the hydrogen core network. In the reporting year, the Group already implemented the first core grid projects - albeit predominantly conversion projects and smaller new construction projects. The tenders for the first major hydrogen pipeline projects are expected in the short to medium term, meaning that this segment's share of revenue and earnings will continue to increase in the future. EBITDA totalled €9.3 million (previous year: €4.4 million). At 33.2% (previous year: 16.9%), the EBITDA margin is significantly higher than the previous year's EBITDA margin, which is partly due to higher earnings contributions from ARGs. The order backlog as at the reporting date totalled €43.7 million (previous year: €44.7 million).

In the **Adjacent Opportunities** segment, we also focus on related turnkey technologies, such as the treatment and purification of biogenic and synthetic gases, heat extraction technologies used in district heating and solutions for the transport of district heating, drinking water and waste water as well as special solutions for the chemical and petrochemical industries. District heating is considered a key building block for the sustainable decarbonisation of the building sector and therefore offers significant opportunities for FRIEDRICH VORWERK in the context of the energy transition. The same applies to drinking water and wastewater infrastructure, as a considerable investment backlog has accumulated in this sub-segment over the last few decades. The Adjacent Opportunities segment generated revenue of €126.6 million in the reporting year, slightly above the previous year's level (€115.8 million). EBITDA in the reporting year of €34.3 million is significantly higher than the previous year's EBITDA (€16.6 million). The EBITDA margin is therefore 27.1% compared to 14.3% in the previous year. The improvement in profitability in this segment is mainly due to successful project completions in the reporting year and concluded supplementary negotiations. The order backlog as at the balance sheet date totalled €153.3 million (previous year: €110.0 million).

Employees

The success of the FRIEDRICH VORWERK Group is due in particular to the expertise and commitment of its employees. For this reason, employees are at the centre of the company. We pursue the goal of recruiting, developing and retaining employees so that we are optimally prepared for the future requirements of the expansion and reorganisation of the European energy infrastructure.

The measures established in recent years to improve our employer brand and attractiveness, which include, for example, doubling the allowance for all employees working out on on site, led to significant recruitment success both in the previous year and in the reporting year.

The number of employees as at 31 December 2025, excluding trainees, was 2,243 and therefore significantly higher than in the previous year (1,948). In addition, the FRIEDRICH VORWERK Group employed 160 trainees and dual students at the end of the year (previous year: 129). The increase in the workforce is mainly the result of the Group's organic growth, with the recruitment of new employees from abroad playing an important role. Recruiting, qualifying and retaining employees has become a key success factor for our company. Accordingly, the commitment to and investment in a sustainable and superior human resources policy has been significantly strengthened in order to secure the company's future growth.

In addition to the measures described for acquiring new expertise by hiring qualified specialists, the FRIEDRICH VORWERK Group is also interested in training and developing its own employees. The FRIEDRICH VORWERK Group believes that supporting, challenging and training its employees is a key success factor. The management and senior employees who have a significant influence on the success of business activities receive variable salary components that are also dependent on the results achieved and the increase in value of the Group.

Further information on employees can be found in the employee matters section of the non-financial statement in accordance with section 289b HGB.

Financial position and financial performance

The following section will first discuss Friedrich Vorwerk Group SE and then the FRIEDRICH VORWERK Group.

Notes to the separate financial statements of Friedrich Vorwerk Group SE (HGB)

The annual financial statements of Friedrich Vorwerk Group SE for the 2025 financial year were prepared in accordance with the provisions of the German Commercial Code (HGB), taking into account the supplementary provisions of the German Stock Corporation Act (AktG).

Results of operations

Other operating income at Friedrich Vorwerk Group SE totalled €0.6 million (previous year: €0.8 million) and mainly comprised costs passed on to subsidiaries and, in the previous year, reversals of impairment losses on securities held as financial assets.

Other operating expenses in the financial year totalling €1.0 million (previous year: €0.9 million) mainly comprise legal and consulting costs, costs of the ongoing stock market listing and Supervisory Board remuneration.

Income from subsidiaries totalling €14.9 million (previous year: €17.0 million) includes the profit allocation from Friedrich Vorwerk SE & Co. KG.

Income from other long-term securities totalling €0.0 million (previous year: €0.1 million) includes income from dividends and the sale of financial assets.

Other interest and similar income for the financial year totalled €5.3 million (previous year: €7.3 million) and resulted from intragroup loans to Friedrich Vorwerk SE & Co. KG and from bank balances.

After taking into account income tax expenses totalling €3.1 million (previous year: €3.6 million), the net profit for the year amounted to €16.7 million (previous year: €20.6 million).

Net assets and financial position

As at 31 December 2025, the issued capital of Friedrich Vorwerk Group SE amounted to €20.0 million (previous year: €20.0 million).

The company's capital reserves remained unchanged at €89.7 million (previous year: €89.7 million).

The balance sheet total increased from €153.9 million to €164.6 million. On the liabilities side, the increase is mainly due to the increase in equity. On the assets side, the main items recognised are bank balances (€102.8 million; previous year: €33.7 million), receivables from subsidiaries (€28.5 million; previous year: €96.4 million) and participating interest in subsidiaries (€19.7 million; previous year: €19.7 million). The increase in total assets is mainly due to higher cash and cash equivalents.

The change in cash and cash equivalents totalled €69.1 million in the reporting year (previous year: €33.2 million). This was primarily due to the cash flow from operating activities totalling €86.6 million (previous year: €35.5 million), which mainly resulted from the reduction in receivables and interest income. This was offset by payments for investments in financial assets and securities totalling €11.5 million (previous year: cash inflow of €0.3 million). The cash flow from financing activities totalling €-6.0 million (previous year: €-2.4 million) is attributable to the payment of the dividend to the shareholders of Friedrich Vorwerk Group SE.

Overall statement on the separate financial statements

Overall, the Management Board considers the financial position and financial performance of Friedrich Vorwerk Group SE to be very positive.

FRIEDRICH VORWERK Group

Results of operations

The key earnings figures include IFRS-related valuation effects and one-off expenses that are not used for corporate management purposes. The management therefore manages the Group on the basis of adjusted earnings figures, which reflect the Group's operating profitability and development in a much more transparent and sustainable manner.

In terms of order intake, the FRIEDRICH VORWERK Group once again benefited significantly from its excellent positioning in the rapidly growing market for energy infrastructure in the 2025 financial year and acquired numerous new projects in all segments. The major new projects, all of which are being realised as joint ventures (ARGE), mainly include the Energy Transmission Lines (ETL) 182 and ETL 179.200, the third section of the South German Gas Pipeline (SEL 03) and a construction lot for the SuedLink high-voltage direct current line. In total, the Group generated order intake of €538.1 million in the financial year (previous year: €685.2 million), which represents the Group's own contribution to the major projects carried out in ARGEs (excluding the share provided by third parties) as well as the order volumes from own projects. By contrast, the total project volume acquired, which also includes the proportionate joint venture order volumes in addition to order intake, totalled €990.8 million in the financial year and increased by 28.7% compared to the previous year. The divergent development of both key figures can be attributed to the fact that the order volumes of individual projects and construction phases have increased significantly on average and that ARGEs are therefore being formed more frequently to realise these construction projects.

The FRIEDRICH VORWERK Group generated revenue of €704.3 million in the 2025 financial year (previous year: €498.4 million). This corresponds to outstanding growth of 41.3% compared to the previous year. Revenue growth was very pleasing in all quarters, with the first and fourth quarter standing out in particular. The major project A-Nord was the main driver of growth in the first quarter, while the fourth quarter benefited above all from very favourable weather conditions. Another important prerequisite for the continued growth is the very successful recruitment work in the last two financial years. As a result, the number of employees (excluding trainees and students) increased again by 15.1% to 2,243 compared to the last balance sheet date.

The FRIEDRICH VORWERK Group generated other income totalling €29.6 million (previous year: €11.9 million). This was mainly due to the increase in income from ARGEs from €6.0 million in the previous year to €21.0 million in the reporting year, which resulted from a higher proportion of (major) projects carried out in ARGE. In addition, income from the offsetting of benefits in kind (€2.0 million; previous year: €1.6 million), income from own work capitalised (€1.8 million; previous year: €0.7 million), income from renting and leasing (€1.2 million; previous year: €1.1 million), reimbursements and government grants (€1.0 million; previous year: €0.7 million), income from insurance compensation (€0.5 million; previous year: €0.7 million), income from the reversal of provisions (€0.5 million; previous year: €0.6 million) and other income (€1.6 million; previous year: €0.5 million).

The cost of materials increased from €237.5 million in the previous year to €323.0 million in the reporting year. This includes expenses for purchased services totalling €235.3 million (previous year: €175.7 million) and expenses for raw materials and supplies amounting to €87.7 million (previous year: €61.7 million). The material cost ratio fell by 1.8 percentage points compared to the previous year to 45.9% (previous year: 47.7%). This is due on the one hand to a higher level of vertical integration and on the other to a change in the composition of the order backlog.

Personnel expenses rose from €149.3 million in the previous year to €183.8 million in the reporting year. The increase is mainly due to the year-on-year rise in the average number of employees (+15%) as well as wage and salary increases. The personnel expenses ratio fell from 30.0% in the previous year to 26.1% in the reporting year due to higher productivity and increased machine intensity. As at the balance sheet date, the FRIEDRICH VORWERK Group had 2,243 employees (previous year: 1,948).

Other operating expenses totalled €63.8 million in the 2025 financial year (previous year: €42.9 million). This mainly includes rental and leasing expenses for short-term leases (€28.8 million; previous year: €12.5 million), maintenance expenses (€12.8 million; previous year: €10.2 million), travel and vehicle expenses (€6.9 million; previous year: €4.7 million), other personnel-related expenses (€2.2 million; previous year: €1.9 million), insurance premiums (€2.1 million; previous year: €1.6 million), training and development costs (€1.4 million; previous year: €1.3 million), research and development costs (€1.4 million; previous year: €0.0 million), fees and contributions

(€1.1 million; previous year: €1.0 million) and legal and consulting costs (€0.8 million; previous year: €1.0 million).

The FRIEDRICH VORWERK Group thus generated earnings before interest, taxes, depreciation and amortisation (EBITDA) of €163.3 million in the 2025 financial year (previous year: €80.5 million.) This corresponds to a significant increase by more than 100% compared to the previous year. The EBITDA margin rose by 7 percentage points to 23.2%. The significant improvement in profitability over the course of the financial year is the result of the high-quality order backlog, excellent project execution and higher earnings contributions from ARGES.

The adjusted depreciation and amortisation of €26.5 million (previous year: €21.1 million) relates to scheduled depreciation of property, plant and equipment as well as amortisation of intangible assets. The increase compared to the previous year is due to the significant investments in property, plant and equipment as part of the growth strategy. The application of IFRS 16 resulted in depreciation and amortisation of €2.9 million in the reporting year (previous year: €2.1 million). Depreciation of assets in the amount of €0.1 million (previous year: €0.2 million), which were capitalised as part of purchase price allocations, was adjusted.

This resulted in adjusted EBIT (earnings before interest and taxes) of €136.8 million (previous year: €59.4 million). This corresponds to an adjusted EBIT margin of 19.4% (previous year: 11.9%). EBIT before adjustments totalled €136.7 million (previous year: €59.3 million).

The net finance cost totalled €-8.8 million compared to €-4.0 million in the previous year. The balance of interest income and interest expenses totalled €0.9 million (previous year: €-0.2 million). In addition, the earnings shares of the non-controlling shareholders of Friedrich Vorwerk SE & Co. KG - primarily the 10% limited partnership interest attributable to CEO Torben Kleinfeldt - are recognised in the financial result.

The resulting adjusted earnings before taxes (EBT) totalled €128.0 million (previous year: €55.5 million). EBT before adjustments totalled €127.9 million in the reporting year (previous year: €55.3 million).

The reported adjusted tax expense totalled €42.1 million in the financial year (previous year: €19.6 million) and is mainly attributable to income taxes and deferred taxes. The tax expense for the reporting year and the previous year includes various effects that temporarily led to a higher tax rate (explained in detail in the tax reconciliation in the notes to the consolidated financial statements). The balance includes other taxes totalling €0.5 million (previous year: €0.5 million).

Overall, the adjusted consolidated profit totalled €86.5 million (previous year: €35.9 million). Consolidated profit before adjustments totalled €86.5 million (previous year: €35.8 million).

Derivation of the adjusted earnings figures

As described in the section on the management system, the adjusted earnings figures provide a transparent view of the company's actual performance. The following table shows the reconciliation of the IFRS earnings figures to the adjusted earnings figures:

	Notes	1 Jan - 31 Dec 2025	1 Jan - 31 Dec 2024
		€k	€k
Revenue	III.1.	704,326	498,353
Operating performance		704,326	498,353
Income from equity investments	III.2.	21,032	6,029
Other operating income	III.3.	8,563	5,859
Total performance		733,921	510,241
Cost of raw materials and supplies		-87,712	-61,748
Cost of purchased services		-235,315	-175,725
Cost of materials	III.4.	-323,027	-237,473
Wages and salaries		-139,976	-114,551
Social security and pension costs		-43,828	-34,744
Staff costs	III.5.	-183,804	-149,295
Other operating expenses	III.6.	-63,817	-42,945
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		163,273	80,529
Depreciation and amortisation		-26,556	-21,248
Adjusted for the following effects:			
Depreciation and amortisation of assets acquired in business combinations		85	163
Adjusted earnings before interest and taxes (EBIT)		136,802	59,444
Financial income	III.7.	2,559	1,262
Financial expenses	III.8.	-1,610	-1,426
Earnings attributable to non-controlling interests		-9,729	-3,818
Net finance costs		-8,781	-3,981
Adjusted for the following effects:			
Non-controlling interests		-1	-12
Adjusted earnings before taxes (EBT)		128,021	55,451
Income tax expense	III.9.	-41,504	-19,101
Other taxes	III.9.	-510	-496
Adjusted for the following effects:			
Deferred taxes on adjusted business transactions		-74	-47
Adjusted profit or loss for the period		85,932	35,807
Non-controlling interests		579	68
Adjusted consolidated net profit		86,510	35,875
Adjusted earnings per share (in €)	III.10.	4.33	1.79

Target achievement of the Group

	Forecast 2025 published Mar 25	Forecast 2025 published Jul 25	Forecast 2025 published Oct 25	Achieved 2025
Revenue (€ million)	540-570	610-650	650-680	704.3
Adjusted EBITDA margin (%)	16.0-17.0	17.5-18.5	20.0-22.0	23.2

The forecast for the 2025 financial year originally published in March 2025 was raised in July and October on the basis of more recent findings and the extraordinarily positive business performance. The Group's most recent forecast was once again exceeded in terms of both consolidated revenue and the EBITDA margin.

Net assets

The equity of the FRIEDRICH VORWERK Group amounted to €285.3 million as at 31 December 2025 (31 December 2024: €205.0 million). In relation to the consolidated total assets of €575.9 million (previous year: €437.6 million), the equity ratio as at the reporting date was 49.5% (previous year: 46.9%). The increase in equity is mainly due to the current annual result. The payment of the dividend of €6.0 million for the 2024 financial year, which was approved by the Annual General Meeting on 2 June 2025, had the opposite effect.

The increase in property, plant and equipment to €157.8 million as at the reporting date (31 December 2024: €128.4 million) is largely due to investments in machinery and equipment as well as in the branches and locations of the FRIEDRICH VORWERK Group. In addition to land and buildings totalling €55.1 million, property, plant and equipment also includes technical equipment and machinery (€59.0 million), operating and office equipment (€41.7 million) and assets under construction (€2.0 million).

Financial assets increased significantly from €11.3 million in the previous year to €33.6 million in the reporting year. This mainly includes shares in ARGEs recognised at equity, and securities. The increase results in particular from an increase of €18.3 million in the carrying amounts of equity investments (ARGEs). This includes positive earnings effects totalling €21.2 million as well as off-setting distributions of €2.9 million.

Inventories amounted to €13.5 million as at the reporting date (31 December 2024: €7.0 million) and largely comprised raw materials and supplies (€8.8 million; 31 December 2024: €6.7 million). The increase in inventories is mainly due to advance payments, which increased from €0.2 million as at the previous year's balance sheet date to €4.7 million as at 31 December 2025.

The change in trade receivables, contract assets and other current assets from €103.2 million as at 31 December 2024 to €85.8 million as at the reporting date is mainly due to a reduction in trade receivables to €25.9 million (31 December 2024: €40.5 million). Working capital decreased compared to the previous year despite significant revenue growth, which is due in particular to improved working capital management.

Cash and cash equivalents amounted to €266.0 million as at the reporting date, an increase of €91.4 million compared to the previous year (€174.6 million). This was mainly due to the significant increase in profitability and the reduction in working capital at the end of the year. The Group was able to fulfil its payment obligations at all times. Further details on cash and cash equivalents can be found in the section on the financial position.

The Group's bank, lease and other financial liabilities amounted to €17.8 million as at 31 December 2025 (31 December 2024: €22.4 million). The reduction in financial liabilities is mainly due to the scheduled repayment of bank and lease liabilities. As at the balance sheet date, the Group had committed but unutilised credit lines amounting to €47.0 million. Please refer to the disclosures in the notes to the consolidated financial statements (section VII. Financial risk management) for information on maturity and interest structures.

The balance of the aforementioned liabilities and cash and cash equivalents, including the securities portfolio, therefore amounted to €261.9 million as at the reporting date (31 December 2024: €154.3 million). In addition, there were off-balance sheet contingent liabilities of €398.2 million as at the

reporting date (31 December 2024: €281.5 million), which mainly consist of advance payment, contract fulfilment and warranty guarantees.

The profit participation capital as at the balance sheet date amounted to €10.2 million (31 December 2024: €10.2 million) and was provided by the charitable Irene and Friedrich Vorwerk Foundation, which was established by the founders of the Group. The profit participation rights receive a guaranteed interest rate of 2.5% above the respective 3-month Euribor. In addition, the holder of profit participation rights participates in the adjusted consolidated earnings of the FRIEDRICH VORWERK Group in the form of a variable interest rate. The total interest rate in the reporting year was 7.2% (previous year: 7.3%). The profit participation rights can be terminated for the first time with effect from 31 December 2039.

Pension provisions decreased moderately to €1.8 million as at the reporting date (31 December 2024: €2.1 million).

Deferred tax liabilities increased from €24.0 million in the previous year to €47.3 million. This is mainly due to higher temporary differences in non-current and current assets.

Provisions with the liabilities character, which mainly include accruals for outstanding invoices, increased slightly to €33.5 million as at the reporting date (31 December 2024: €31.4 million).

Contract liabilities, which mainly consist of advance payments received, also increased slightly by €3.3 million to €84.1 million as at the reporting date. Trade payables amounted to €5.9 million as at the reporting date (31 December 2024: €4.4 million).

Current liabilities to non-controlling interests include withdrawable profit shares.

Other liabilities increased significantly and amounted to €46.2 million as at the reporting date (31 December 2024: €31.8 million). The increase is mainly due to higher liabilities to ARGES (€21.7 million; 31 December 2024: €6.6 million), which arose from advance payments received.

Financial position

The change in cash and cash equivalents in the reporting year totalled €91.4 million (previous year: €118.1 million) and is broken down as follows:

The cash flow from operating activities increased again year-on-year from €155.6 million in the previous year to €172.8 million in the reporting year. It mainly consists of the operating business of the subsidiaries and the resulting cash inflows. It also includes changes in assets and liabilities that are not attributable to investing or financing activities. The main driver for the cash flow from operating activities was the significantly higher profitability. The increase was supported by the further reduction in working capital as at the balance sheet date.

Cash flow from investing activities totalled €-64.6 million (previous year: €-35.6 million) and resulted primarily from payments for property, plant and equipment (€-51.6 million; previous year: €-35.6 million). In particular, this includes technical equipment and machinery, operating and office equipment and assets under construction. Furthermore, €11.5 million was invested in financial assets and securities as part of active cash management in the reporting period. Payments made for business acquisitions, net of funds received, amounted to €1.1 million (previous year: €0.1 million).

Cash flow from financing activities totalled €-16.8 million (previous year: €-1.9 million). This includes payments for the repayment of bank and lease liabilities (€8.1 million; previous year: €5.5 million), the payment of dividends to shareholders of Friedrich Vorwerk Group SE (€6.0 million; previous year: €2.4 million), interest payments (€1.6 million; previous year: €1.4 million) and payments for dividends to non-controlling interests (€1.1 million; previous year: €0.6 million). The cash flow from financing activities in the previous year also included a payment of €8.0 million from the raising of bank liabilities.

Overall statement

The Management Board views the development of the FRIEDRICH VORWERK Group in the 2025 financial year as exceptionally positive. In the reporting year, record revenue totalling €704.3 million was once again generated, which corresponds to growth of 41%. The basis for this growth was the realisation of many energy infrastructure projects, which are essential for ensuring security of supply and the success of the energy transition. It is also worth noting the further significant improvement in the Group's profitability. Thanks to excellent project execution and a high-quality order backlog in conjunction with improved capacity utilisation and project management, the EBITDA margin increased continuously over the course of the financial year. In addition, cash flow from operating

activities was further increased thanks to improved working capital management, resulting in an excellent liquidity position as at the balance sheet date. The continued recruitment success in the reporting year is also particularly pleasing. The number of employees increased by 15.1% compared to the previous year to 2,243 at the end of the financial year.

Principles and objectives of financial management

The basic principles of the Group's financial policy are determined by the Management Board of Friedrich Vorwerk Group SE. The primary objectives of our financial management are to secure liquidity and limit financial risks. Furthermore, our aim is to realise a return on the Group's free liquidity. In this respect, a very small proportion of these funds are invested in a highly diversified manner in securities and fixed-term deposits, unless and until they are required to finance growth, e.g. through further acquisitions.

The FRIEDRICH VORWERK Group does not actively hedge against other currencies at Group level, as transactions are usually carried out in euros. Managing the credit risks of our contractual partners is the responsibility of the individual subsidiaries. However, monitoring at Group level ensures timely intervention if necessary.

The main source of corporate financing is our operating activities and the cash inflows they generate. In addition, the FRIEDRICH VORWERK Group has access to liquidity from various credit lines if required.

Controlling system

The FRIEDRICH VORWERK Group's consistent focus on increasing the value of the company is also reflected in our internal management system. All relevant developments in the FRIEDRICH VORWERK Group are discussed at regular Management Board meetings. The development of the Group's most important performance indicators revenue and EBITDA (earnings before interest, taxes, depreciation and amortisation) are analysed. Friedrich Vorwerk Group SE defines Group revenue and Group EBITDA as the most important financial performance indicators relevant to forecasting. In addition to these, there are less significant financial performance indicators for the Group, in particular order intake, total project volume acquired, EBIT (earnings before interest and taxes), EBT (earnings before taxes) and project contribution margins. The balance of cash and cash equivalents including securities and financial liabilities (net cash or net debt) is used as a less significant indicator to assess the financial position. Other less significant financial performance indicators are trade working capital, which comprises inventories, trade receivables, contract assets, advance payments received and trade payables. In addition to the aforementioned key financial figures from day-to-day operations, the focus is also on less significant non-financial indicators such as employee, environmental and social issues on an ad hoc basis. There were no relevant events in the 2025 financial year.

Report on risks and opportunities

Risk management

Risk management is one of the most important foundations of the FRIEDRICH VORWERK Group's business activities and ensures the company's long-term competitiveness. FRIEDRICH VORWERK is exposed to a number of risks directly associated with its business activities when handling projects in the areas of energy grids and energy transformation as well as turnkey projects. The aim of risk management is to identify risks at an early stage and minimise them while maintaining the company's earnings potential. Risk management at the FRIEDRICH VORWERK Group aims to continuously develop and improve organisational processes and controls that can be used to identify risks at an early stage, as well as countermeasures.

The Management Board is responsible for managing risks and opportunities in cooperation with the operating units. The FRIEDRICH VORWERK Group has implemented a harmonised risk management system to implement its risk policy. Risk management emphasises the identification of opportunities and risks as well as the assessment, management and control of risks. FRIEDRICH VORWERK defines opportunities and risks as future events with a negative or positive deviation from the actual business activity.

The FRIEDRICH VORWERK Group continuously identifies and monitors relevant risk categories and factors. The identified risks are presented and evaluated below. In order to determine which risk factors are most likely to pose a serious threat to the Group, they are categorised as "high", "medium" or "low" according to their estimated probability of occurrence in the assessment period and their potential impact in relation to the business objectives.

The risk factors are assessed according to the following criteria:

Probability of occurrence	Description	Degree of impact	Description
under 20%	Low probability	Insignificant	Minor negative impact on business activities, financial position, results of operations and / or cash flow
20% to 80%	Medium probability	Moderate	Noticeable negative impact on business activities, financial position, earnings position and / or cash flow
over 80%	High probability	Considerable	Significant negative impact on business activities, financial position, earnings position and / or cash flow

The following risk classification is based on these criteria:

Probability of occurrence	Insignificant	Moderate	Considerable
Over 80% (high probability)	Low	High	High
20% to 80% (medium probability)	Low	Medium	High
less than 20% (low probability)	Low	Medium	Medium

The following table provides an overview of the risk categories and the corresponding risk factors, which are categorised into the risk levels "Low", "Medium" or "High" according to the probability of occurrence and risk assessment. The classification is based on the net value of the risks, i.e. after taking into account the implementation of risk-minimising measures. Unless explicitly stated below, the following risks relate to all segments.

Overview of the risk factors	Probability of occurrence	Effects	Risk level
Economic, political, social and regulatory risks			
Global economic risks	Medium	Insignificant	Low
Geopolitical risks	Medium	Moderate	Medium
Risks from legal changes	Low	Insignificant	Low
Legal risks	Low	Moderate	Medium
Strategic risks			
Market risks	Medium	Moderate	Medium
Risks from mergers & acquisitions	Low	Moderate	Medium
Operational business risks			
Project risks	Low	Considerable	Medium
Material and external service risks	Low	Considerable	Medium
Personnel risks	Medium	Moderate	Medium
IT risks	Low	Considerable	Medium
Financial risks	Low	Insignificant	Low
Ecological and ESG risks			
Environmental and climate risks	Medium	Moderate	Medium
Risks from pandemics	Low	Moderate	Medium
Sustainability risks	Low	Insignificant	Low
Corporate governance and compliance risks			
Corporate law risks	Low	Moderate	Medium

Economic, political, social and regulatory risks

Global economic risks

As a globally active company, Friedrich Vorwerk Group SE is exposed to various risks resulting from uncertainties in the global economy. The volatility of the global financial markets and economic downturns can have an impact on the company's business activities and financial stability. In particular, economic crises that affect the credit, currency and liquidity markets or economic downturns in key sales markets pose challenges.

In order to counter these risks, Friedrich Vorwerk Group SE continuously monitors the general economic conditions and flexibly adapts its strategic orientation. Accordingly, and due to the business model, the overall risk for the FRIEDRICH VORWERK Group is classified as low.

Geopolitical risks

Like most internationally active companies, Friedrich Vorwerk Group SE is faced with geopolitical challenges arising from international conflicts, political tensions and military disputes. In particular, the ongoing war in Ukraine has far-reaching economic consequences that can have a direct impact on business activities. The political and economic sanctions against Russia and counter-sanctions have changed trade flows, disrupted supply chains and led to a shortage of important raw materials and energy sources.

These developments are currently having an impact on energy supplies in the wake of the Iran conflict and could continue to do so in the future. Energy prices were stable in 2025, rose sharply after the balance sheet date and there is still a risk of an increase, particularly due to an intensification of the conflict in the Middle East, new geopolitical tensions, regulatory measures or increased demand for alternative energy sources. At the same time, security of supply remains a factor, as a potential shortage of energy sources could lead to further uncertainties in the supply chains and influence project production costs.

In addition, geopolitical uncertainties are leading to a reduced willingness to invest in key industrial sectors and inhibiting growth potential in strategic markets. Furthermore, ongoing or escalating conflicts - whether in Eastern Europe, South America, the Middle East or as a result of tensions between China and Taiwan - harbour additional risks for the global economic order and trade relations.

In order to meet these challenges, Friedrich Vorwerk Group SE is implementing targeted measures to safeguard the procurement of materials and energy. These include, for example, framework agreements with fixed prices for raw materials and supplies in order to better control cost increases. In addition, price escalation clauses are regularly integrated into customer contracts in order to be able to react flexibly to volatile market conditions and pass on increased procurement costs. In view of the ongoing uncertainties and their economic consequences, the potential impact is categorised as moderate and the probability of occurrence as medium.

Risks arising from changes in legislation

As an internationally active company, Friedrich Vorwerk Group SE is subject to a large number of legal and regulatory requirements in the countries in which it does business. Changes in tax laws, environmental and compliance requirements, trade, customs and export regulations as well as new reporting obligations, particularly in the area of ESG and cyber security, can have an impact on business processes. Protectionist measures, sanctions or country-specific certification obligations can also make market conditions more difficult.

To minimise risk, Friedrich Vorwerk Group SE continuously monitors regulatory developments, works closely with external consultants and authorities and implements standardised compliance processes. Due to the measures taken, Friedrich Vorwerk Group SE considers the overall risk to be low.

Legal risks

Friedrich Vorwerk Group SE is exposed to potential legal risks that may result from current or future legal proceedings, regulatory investigations or official measures. Disputes may arise from contractual relationships with customers, suppliers or business partners, but also from labour law disputes, warranty cases or competition law issues. The company is also subject to antitrust and tax regulations, non-compliance with which could result in negative financial consequences and reputational damage.

In order to counter these risks, Friedrich Vorwerk Group SE relies on comprehensive compliance management, carefully scrutinises contracts and legal framework conditions and works closely with external legal advisors. In addition, potential legal risks are identified at an early stage and minimised through preventive measures. Nevertheless, the risk of legal disputes and official measures remains. The probability of occurrence is assessed as low and the potential impact as moderate.

Strategic risks

Market risks

Market risks result from changes in macroeconomic conditions in the key markets. In the Energy Grids and Service & Operations divisions, these primarily include our home market of Germany and neighbouring European countries. Although Germany is also our home market in the Energy Transformation segment, business in this area is much more international. Competition in our business areas could intensify in the future due to continued low demand in building and transport infrastructure construction, which could lead to a deterioration in the earnings situation.

To counteract these risks, Friedrich Vorwerk Group SE is pursuing a diversified market strategy. The Group is continuously expanding its technology portfolio in order to adapt to changing market conditions and drive innovation. At the same time, targeted investments are being made in new growth areas in order to reduce dependence on individual markets and ensure long-term earnings security. Through these strategic measures, Friedrich Vorwerk Group SE is strengthening its competitiveness and creating a broader basis for sustainable growth. The probability of occurrence of market risks is assessed as medium and the potential impact as moderate overall.

Risks from mergers & acquisitions

Friedrich Vorwerk Group SE regularly examines opportunities to take over companies, branches, divisions, technologies or products in order to expand our business activities and our range of added value. Such transactions can offer strategic advantages, but also harbour risks that can have an impact on the operational and financial stability of the Group.

Possible risks include, in particular, incorrect assumptions or incomplete information during the due diligence process, which can lead to misjudgements regarding financial, legal or operational challenges. Difficulties in integrating acquired companies, products or technologies, including adapting them to existing business processes, can lead to unexpected costs, delays or limited profitability. There is also a risk that acquired companies may not realise the expected synergies or market opportunities or that customers, partners or employees may terminate joint business relationships.

In order to minimise these risks, Friedrich Vorwerk Group SE carries out a comprehensive technical, operational, financial and legal due diligence and defines measures to minimise risks. The integration process is also monitored and additional countermeasures are taken if necessary. Despite these precautions, individual risks cannot be completely ruled out. The probability of occurrence is classified as low and the potential impact as moderate.

Operational business risks

Project risks

Project risk is monitored across all of the Group's operating units and is divided into the sub-areas of calculation risk and execution risk. All projects are scrutinised for specific technical, commercial and legal risks in the course of tender processing through to contract conclusion. Residual risks that cannot be estimated for individual projects are taken into account by adding risk surcharges to the quotation calculation. The calculation risks arising in the course of preparing the quotation are limited by binding Group-wide calculation standards. During project execution, all major projects are subject to an ongoing target/actual comparison. As soon as a project moves outside the target parameters, appropriate countermeasures are initiated, monitored by the project managers or the Management Board and checked for effectiveness. The probability of occurrence is assessed as low, the potential impact as significant.

Material and external service risks

Risks can arise if the required materials or subcontractors are not available on time or on the market. By maintaining long-term relationships with our suppliers and subcontractors, we ensure that our interests are prioritised. Stock levels are continuously monitored to ensure that our projects are supplied with standard materials at short notice. In order to prevent major price fluctuations on the procurement side, we always include appropriate price escalation clauses when processing quotations. In the area of subcontractors and external services, significant financial risks can arise both from a lack of availability and from a higher price level. The probability of occurrence is classified as low, the potential impact as considerable.

Personnel risks

The successful management of risks in the area of human resources is a central element of corporate development. Personnel risks arise from employee turnover and the associated loss of expertise and shortage of young talent. The increasing competition for highly qualified specialists and managers further intensifies these challenges.

The FRIEDRICH VORWERK Group counters the risk of staff turnover with individual performance-related bonus schemes and a wide range of development opportunities within the Group. This motivates top performers in the long term and binds them to the company. In-house training and development ensure the next generation of specialists and managers. The FRIEDRICH VORWERK Group counters the increasingly fierce competition for highly qualified specialists and managers by optimising its recruiting measures and cooperating with universities. As part of its recruiting measures, the FRIEDRICH VORWERK Group is increasingly consolidating its own employer brand to strengthen

employee loyalty and increase its attractiveness for new and existing employees. The range of employee benefits is also constantly being revised and expanded to attract new employees. Flexible working time models, modern working conditions and an open corporate culture contribute to the attractiveness for existing and new employees. The probability of occurrence is rated as medium and the potential impact as moderate.

IT risks

The frequency of cybercrime is constantly increasing. Cyberattacks are becoming increasingly complex as technologies and attack methods evolve. Such attacks can lead to business interruptions, embezzlement or unauthorised access to confidential information and reputational damage, among other things. The failure of critical IT systems due to technical faults or external attacks can also have a significant impact on business processes.

To counter these risks, FRIEDRICH VORWERK relies on a comprehensive IT security concept that is continuously developed and adapted to current threat scenarios. This includes the use of modern encryption and access control systems, regular security updates and sensitisation and training measures for employees. In addition, emergency and recovery plans ensure that business processes can continue as smoothly as possible even in the event of IT disruptions. The probability of occurrence is assessed as low, while the potential impact is categorised as significant.

Financial risks

Financial risks are managed Group-wide by the parent company, Friedrich Vorwerk Group SE. In order to minimise these risks as far as possible, selected derivative instruments are used in rare cases. In principle, only operational risks are hedged and no speculative transactions are concluded. The liquidity risk describes the risk that liabilities cannot be settled when they fall due. The management of this risk is based on a regularly updated financial plan. Cash and cash equivalents are managed centrally via a cash pool. The interest rate risk arises from financial liabilities with variable interest rates, most of which are hedged using interest rate swaps. Any hedging transactions required in the future are reviewed centrally by the Management Board.

It is customary in the industry to issue various guarantees and sureties. These guarantees are usually issued by banks or credit insurance companies and mainly comprise contract fulfilment, advance payment and warranty guarantees. In the event of utilisation, the banks have recourse claims against the Group. No claims were made against the Group in the financial year or in the past. The availability and conditions of these guarantee lines are a prerequisite for further growth.

Careful analysis of clients and, if necessary, the use of hedging instruments make bad debt risks manageable. In some cases, project-related advance payments and milestone payments are used in a targeted manner to avoid or minimise pre-financing as far as possible. The payment targets for receivables and liabilities are generally agreed in line with industry standards and monitored regularly. Furthermore, this risk is positively influenced by the structure of the clients, which is primarily made up of renowned companies in the energy industry. The carrying amount of the financial assets represents the maximum default risk. If default risks are recognisable for financial assets, these risks are taken into account through value adjustments.

These extensive measures ensure that the financial risk is largely controlled. The probability of occurrence is assessed as low and the potential impact as insignificant.

Environmental and ESG risks

Environmental and climate risks

Environmental and climate risks have a wide variety of aspects. They relate to the energy sector and the associated greenhouse gas emissions on the one hand and to resource and waste management on the other. The FRIEDRICH VORWERK Group endeavours to reduce energy consumption, which is primarily due to the use of fossil fuels in the operation of our technical equipment and machinery and the transport of this equipment. To achieve this goal, we are increasing our efforts to implement sustainable and climate-neutral projects, increase the use of renewable energies, modernise our equipment and property portfolio and optimise our logistics planning. In terms of resource management, FRIEDRICH VORWERK is focussing on improved material recycling and resource efficiency - also with regard to Group-wide water consumption. The climate risk correlates with the environmental risk. As a result of ongoing climate change and the associated global warming, recent years in particular have shown that storms are occurring more frequently and more severely. Energy grid projects in particular are heavily dependent on weather conditions. In the event of persistent precipitation or prolonged cold spells, projects may not be able to continue. The winter months in particular

are characterised by bad weather. In order to avoid delays in completion, weather forecasts are checked at regular intervals and included in operational planning. The probability of occurrence is rated as medium and the potential impact as moderate.

Risks from pandemics

The rapid spread of the COVID-19 pandemic has led to numerous measures in Germany and other countries relevant to the FRIEDRICH VORWERK Group. This has shown that pandemics as such can be considered significant. The spread of a pandemic may also result in a significant reduction or shutdown of the majority of economic activities in the future. This gives rise to macroeconomic risks that could impair economic growth and thus also the development of the energy industry.

Friedrich Vorwerk Group SE has learned from the COVID-19 pandemic and is relying on preventive measures such as flexible working models and comprehensive hygiene management to minimise risks. In addition, the resilience of the supply chains is being increased by diversifying the sources of supply. The probability of occurrence is rated as low and the potential impact as moderate.

Sustainability risks

Friedrich Vorwerk Group SE is exposed to various sustainability risks that can have an impact on employee, environmental and social issues as well as on the ESG rating. Stricter legal requirements and increasing expectations from investors, customers and the public in the areas of environmental and climate protection, social responsibility and corporate governance (ESG) require continuous adaptation of the corporate strategy.

In order to counteract these risks, the Group pursues an active sustainability strategy, focusses on resource-conserving production factors, transparent reporting and continuous improvement of ESG key figures and carries out corresponding pilot projects in a targeted manner. Friedrich Vorwerk Group SE rates the overall risk as low.

Corporate governance and compliance risks

Corporate law risks

As a listed company, Friedrich Vorwerk Group SE is subject to extensive corporate law requirements, particularly in the areas of compliance and corporate governance. Violations of statutory provisions or regulatory requirements can lead to legal consequences, financial sanctions and reputational damage. In addition, FRIEDRICH VORWERK is subject to constantly increasing requirements for transparency, reporting and internal control systems, particularly with regard to governance structures and sustainable corporate management.

In the area of compliance, there are risks due to non-compliance with antitrust, competition and anti-corruption regulations as well as breaches of reporting obligations and regulatory requirements. Changes in corporate governance, such as new legal regulations or stricter requirements for supervisory bodies, may also require adjustments to internal structures and entail additional administrative work.

To minimise risk, FRIEDRICH VORWERK relies on comprehensive compliance management, regular employee training and transparent corporate governance in accordance with recognised governance standards. In addition, the company works closely with external consultants and inspection bodies as required in order to recognise and implement legal requirements at an early stage. The probability of occurrence is assessed as low and the potential impact as moderate.

Early risk detection system

As part of the FRIEDRICH VORWERK Group's early risk detection system, an assessment of the above-mentioned risks is made on a regular basis and their potential impact on the divisions is evaluated.

Opportunities

The European energy transition towards a CO₂-neutral continent by 2050 entails a fundamental re-organisation of the European energy markets, which will require enormous investments in existing and new energy infrastructure over the coming decades. The Russian war of aggression in Ukraine is proving to be an additional catalyst for an accelerated diversification of energy sources and the switch from natural gas to climate-neutral gases such as hydrogen.

Thanks to its outstanding technological expertise, excellent reputation and customer relationships as well as its fully integrated business model, the FRIEDRICH VORWERK Group is ideally positioned to benefit sustainably from the significant investments in its core markets of underground natural gas, hydrogen and electricity (pipe-)line construction as well as the associated plant construction projects (e.g. GPRM systems, compressor stations, cavern storage facilities, LNG terminals and transformer stations).

The basis for this is primarily the FRIEDRICH VORWERK Group's ability to combine components and solutions developed and produced in-house as well as proprietary technologies with its strength as a fully integrated turnkey provider. The Group's high level of cash and cash equivalents also offers the opportunity to tap into new business areas and regional markets through both organic growth and targeted acquisitions or to further increase the depth of added value. Our business divisions (segments) are flexible in terms of the resources they deploy, allowing the company's management to adapt quickly to changing market conditions and opportunities.

The main opportunities are described in detail below in order of importance for FRIEDRICH VORWERK.

A key component of the energy transition is the large-scale expansion of electricity generation capacity in the field of renewable energy, primarily wind and solar energy. A significant expansion of the transmission grids is essential for the distribution of renewable energies, particularly from the windy north to the consumer regions in the south of Germany, which is to be largely realised underground. Depending on the scenario, the current draft of the 2037/2045 Electricity Grid Development Plan (2025, 1st draft) projects investment costs of €180 billion by 2037 or up to €215 billion by 2045 for the German high-voltage onshore grid. This represents a significant increase in the estimated investment costs compared to the previously published NDP 2037/2045 (2023) at €156 billion. With Bohlen & Doyen's experience in the realisation of extensive underground cable projects, FRIEDRICH VORWERK is ideally positioned for the resulting large-scale projects.

As a molecular energy carrier, green hydrogen is an essential component of a successful energy transition in Europe. Hydrogen is already essential for many processes in energy-intensive industries and will play a decisive role in the future, particularly in the industrial and mobility sectors, which are difficult to decarbonise. In addition to the Europe-wide development of electrolyzers for the production of green hydrogen from renewable energies, the nationwide expansion and development of hydrogen-compatible pipelines and plants will therefore also be necessary. As part of the European hydrogen strategy, the European Commission approved a total of 33 European projects from seven EU member states at the beginning of 2024 as part of the IPCEI (Important Project of Common European Interest) funding programme. The approved projects include 24 German projects which, with a total of over 2,700 km of pipeline network, more than 3.2 GW of hydrogen production capacity and almost 370 GWh of storage capacity, will make a significant contribution to building a green hydrogen infrastructure in Germany. The federal government and the respective federal states are contributing around €4.6 billion to the realisation of the IPCEI projects; in addition, companies are investing around €3.3 billion. The first funding decisions have already been issued and implementation of the projects has begun. FRIEDRICH VORWERK is already significantly involved in some of the subsidised projects, such as HyPerLink, Lingen Green Hydrogen, GetH2 and HH-WIN, and expects considerable further market potential as the German hydrogen infrastructure is ramped up. An important prerequisite for this is the approval of the German hydrogen core network by the Federal Network Agency, which was granted on 22 October 2024. The 9,040 km long hydrogen core network is currently intended to reach known major hydrogen consumption and production regions in Germany and thus connect central locations - such as large industrial centres, storage facilities, power plants and import corridors. The Federal Network Agency had originally planned investments of €18.9 billion for the core network. However, in the first draft of the Gas and Hydrogen Network Development Plan 2025, which was published on 3 March 2026, the network operators are now assuming a cost increase of around 30%.

Substantial growth opportunities also continue to emerge in the district heating market. District heating from renewable energies or unavoidable waste heat is seen as a key component in the sustainable decarbonisation of the building sector. In the medium term, at least 100,000 new buildings nationwide are to be connected to district heating every year. This will require a massive expansion and modernisation of Germany's district heating networks. A study conducted by Prognos AG in July 2024 puts the investment required by district heating suppliers at €43.5 billion by 2030 and more than €117 billion by 2045. Thanks to its broad portfolio of services and technologies and decades of experience in the planning and implementation of district heating projects, FRIEDRICH VORWERK

believes it is ideally positioned in this market and is currently carrying out various highly complex inner-city projects as a full-service provider.

In the area of CO₂ transport infrastructure, Germany is pursuing the goal of developing transport and storage solutions for difficult-to-avoid industrial emissions as part of its carbon management strategy and the further development of the Carbon Dioxide Storage Act (KSpG) and making these available from the early 2030s as part of industrial decarbonisation. According to studies, between around 34 and 70 million tonnes of CO₂ per year will need to be captured and transported by 2045, depending on the scenario. Current estimates put the investment volume for an extensive, Germany-wide CO₂ pipeline network with a length of around 4,800 kilometres required for this at between €15 and €20 billion. To date, infrastructure development has been cluster- and project-based, in particular through industrial CO₂ collection pipelines and connections to harbour locations for export. The first pipeline projects have already been publicised by the network operators and the corresponding cooperations have been competitively approved. In light of its many years of experience in gas pipeline construction, FRIEDRICH VORWERK is positioning itself as a central project partner for privately financed infrastructure expansion.

To compensate for the nuclear phase-out that has already been completed and the decision to phase out coal in Germany, considerable investment in the natural gas infrastructure is necessary to ensure the security of supply for German industry and the population in the long term through more decentralised structures and flexible gas-fired power plants. According to the network expansion proposal in the draft Gas Network Development Plan 2022-2032, up to €4.4 billion is to be invested in the long-distance gas transmission network in Germany alone by 2032. In addition, Germany reached a basic agreement with the EU Commission in January 2026 regarding the national power plant strategy on the state-funded expansion of controllable H₂-ready gas-fired power plant capacities in order to secure the electricity supply during dark doldrums. As part of this, tenders for a total of around twelve GW of new controllable capacity are to be launched from 2026, which are to go into operation by 2031. This will provide FRIEDRICH VORWERK with numerous potential opportunities in plant and pipeline construction in connection with connection and supply lines, for example.

FRIEDRICH VORWERK is also active in the field of drinking water and wastewater infrastructure, including related ancillary systems in numerous projects such as the Elbchausee in Hamburg. According to the German Association of Energy and Water Industries (BDEW) and the German Association of Local Utilities (VKU), investments in the German drinking water and wastewater infrastructure currently amount to around €10-12 billion per year. If this level of investment is extrapolated to 2045 under conservative assumptions, this results in a cumulative financing requirement of around €200-250 billion. This order of magnitude includes, in particular, the renewal and refurbishment of existing pipeline networks, the modernisation of systems and adjustments to changing climatic and regulatory requirements. A significant proportion of these measures lie within FRIEDRICH VORWERK's traditional service portfolio in pipeline and infrastructure construction.

Against this backdrop, FRIEDRICH VORWERK is confident that the aforementioned core markets, particularly in the areas of hydrogen, electricity, district heating and CO₂ as well as fresh and waste water, will offer significant future growth opportunities from operating activities and possible inorganic growth, which can be utilised in a targeted manner on the basis of the prevailing financial strength.

Overall assessment

The Group is constantly working to further improve the overall risk situation of the organisation, including by focussing increasingly on collaborative and lower-risk forms of contract. FRIEDRICH VORWERK will continue to work intensively to optimise the risk situation on an ongoing basis. To this end, the risk management approach will be continuously reviewed and adjusted as necessary in order to avoid potential volatility in the Group's key performance indicators.

The consistent focus on the European energy transition and the implementation of our Group-wide strategy helps FRIEDRICH VORWERK to realise the opportunities that arise. In doing so, we endeavour to counteract potential risks and thus avoid or reduce the negative effects on our business activities.

From the current perspective, the risks described in the previous report, even in their entirety and taking into account any interactions, do not represent risks that jeopardise the continued existence of the Group due to their probability of occurrence and their potential impact on FRIEDRICH VORWERK.

Principles of the risk management system

The FRIEDRICH VORWERK Group takes account of the aforementioned risks by means of a risk management system implemented by the Management Board. The risk management system creates the framework for defining and shaping the risk culture and for identifying, assessing, managing and communicating risks. The risk management system is continuously improved and optimised.

Measures are taken at an early stage to avert disadvantages for the subsidiaries and the Group. These include, among other things:

- integrated project controlling, which accompanies the operational projects in the individual group companies
- regular management meetings with the managing directors and other managers of the subsidiaries
- a regular external or internal audit that examines predefined focal points
- regular compliance and safety training for all employees according to their activities
- structured merger & acquisition tools
- centralised group monitoring of significant contractual risks or legal disputes by the Management Board and involvement of qualified law firms if required

Internal control system for financial and non-financial reporting

The Management Board of Friedrich Vorwerk Group SE is responsible for the preparation of the annual financial statements and the management report of Friedrich Vorwerk Group SE in accordance with the provisions of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG). Furthermore, the consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and the group management report is prepared in accordance with German Accounting Standard (GAS) No. 20.

In order to ensure the accuracy and completeness of the information in the reporting, including the correctness of the accounting, the Management Board has established an appropriate internal control system that also covers non-financial aspects.

The internal control system is designed to ensure that all business processes and transactions are recorded in the accounts promptly, uniformly and correctly. It ensures compliance with legal standards and accounting regulations. Changes to laws, accounting standards and other pronouncements are continuously analysed with regard to their relevance for and impact on the separate and consolidated financial statements and on non-financial reporting. The internal control system is also based on a series of process-integrated monitoring measures. These process-integrated monitoring measures include organisational safeguards, ongoing automatic measures (segregation of duties, access restrictions, organisational instructions such as powers of representation) and controls integrated into day-to-day workflows. The effectiveness of the internal control system is also ensured by process-independent monitoring measures. Accounting for the majority of fully consolidated companies and consolidation measures are centralised. System-based controls are monitored by employees and supplemented by manual reviews. Consolidation measures are carried out using a standardised consolidation system. The employees involved in the accounting process receive regular training. External specialists are engaged on a case-by-case basis to manage individual accounting risks, such as actuarial valuations. The Supervisory Board of Friedrich Vorwerk Group SE is responsible for regularly monitoring the effectiveness of the control and monitoring systems. It receives regular reports from the Management Board.

Adequacy of the internal control system and risk management system

The internal control system, with regard to financial and non-financial reporting, and the risk management system are reviewed on an ongoing basis and adjusted accordingly. The results of external audits and internal sources are taken into account when assessing the appropriateness of the system. If any issues are identified, the Group takes corrective action. In the reporting year, no material issues were identified that would indicate that the internal control system and the risk management system are inadequate.

Corporate governance declaration (unaudited)

In accordance with Principle 23 of the German Corporate Governance Code and sections 289f and 315d of the German Commercial Code (HGB), the Supervisory Board and Management Board report on corporate management and corporate governance:

Declaration pursuant to section 161 AktG

On 24 March 2026, the Management Board and Supervisory Board issued the most recent declaration of conformity in accordance with section 161 AktG. It reads as follows:

The Management Board and Supervisory Board of Friedrich Vorwerk Group SE issued the last declaration of conformity in accordance with section 161 AktG in March 2025. The following declaration refers to the recommendations of the Code in its version dated 28 April 2022 ("**the Code**"), which was published in the Federal Gazette on 27 June 2022.

The Management Board and Supervisory Board of Friedrich Vorwerk Group SE declare that the recommendations of the Code have been complied with since the last Declaration of Conformity was issued, with the following exceptions, and will be complied with in future:

- **Recommendation D.4 of the GCGC - Nomination Committee:** Section D.4 of the GCGC recommends the formation of a nomination committee composed exclusively of shareholder representatives.

Due to the current size and structure of the Supervisory Board, the company's Supervisory Board does not consider it necessary to form a nomination committee to propose suitable candidates. The decision on the Supervisory Board's election proposals to the Annual General Meeting should be the responsibility of the entire Supervisory Board.

- **Recommendations G.1 to G.11 of the Code - Management Board remuneration:** Sections G.1 and G.2 of the Code stipulate that the remuneration system to be developed by the Supervisory Board for the members of the Management Board should contain certain additional elements, in particular a specific target total remuneration for each member of the Management Board, in addition to the binding statutory requirements.

Sections G.3 to G.5 of the Code contain requirements that the Supervisory Board must take into account when developing such a remuneration system, in particular with regard to a suitable peer group of other companies, the relationship between the remuneration of the Management Board and the remuneration of senior management and the workforce as a whole, as well as the independence of the external remuneration experts consulted.

Sections G.6 to G.11 contain recommendations on variable remuneration, in particular on the relationship between long-term and short-term targets, the performance criteria, subsequent changes to target values or comparison parameters, the determination of target achievement, the requirement to invest the variable remuneration primarily in shares of the company and the possibility of withholding or reclaiming the variable remuneration if this is justified.

At present, the Supervisory Board is of the opinion that the remuneration system for the Management Board is appropriate for the current size and structure of the company. The members of the Management Board are sufficiently incentivised to act in the interests of the company and its shareholders. The Chairman of the Management Board, Torben Kleinfeldt, does not receive any variable remuneration as a significant shareholder. Neither member of the Management Board currently receives any long-term variable remuneration; however, Management Board member Tim Hameister (CFO) subscribed for shares in Friedrich Vorwerk Group SE as part of the IPO. For detailed information on the current remuneration system, please refer to the company's remuneration report, which has been made available on the website www.friedrich-vorwerk-group.de/en.

The above declaration of compliance is published on our website at www.friedrich-vorwerk-group.de/en/investor-relations/corporate-governance and is available for download.

Remuneration report

The remuneration report prepared in accordance with section 162 AktG and the audit opinion are published on our website at www.friedrich-vorwerk-group.de/en/investor-relations/corporate-governance.

Disclosures on corporate governance practices

Compliance

At FRIEDRICH VORWERK, compliance with legal provisions and internal company guidelines (hereinafter also referred to as "compliance") relevant to the company's activities is seen as an essential part of corporate governance. The management task in all Group units therefore also includes the duty to ensure compliance with the relevant legal provisions in the respective area of activity and responsibility and to work towards their observance.

Workflows and processes must be organised in accordance with these regulations. At the heart of FRIEDRICH VORWERK's Compliance Management System (CMS) is a Code of Conduct, which sets out principles and recommendations for action on particularly compliance-relevant topics such as behaviour in competition, avoiding corruption, discrimination and conflicts of interest, as well as handling sensitive company information and data subject to data protection. The Code of Conduct is supplemented by additional Group guidelines, including those on the prevention of corruption and behaviour in competition. Another element of the CMS is the systematic, ongoing analysis of compliance risks and the linking of these with corresponding measures, such as employee training and process adjustments to minimise the relevant risks. The overall coordination of the CMS is the responsibility of the Group Compliance Officer, who reports directly to the Management Board. There are also contact persons or compliance officers in the individual subsidiaries. The compliance officers are also primarily responsible for advising employees on all compliance-relevant issues and providing further clarification in the event of indications of violations. Employees and third parties also have the opportunity to report misconduct within the company. During the reporting period, the Audit Committee monitored the effectiveness of the CMS through regular reports from the Management Board and the Group Compliance Officer. The system will continue to be developed on an ongoing basis in the future.

Risk management

The FRIEDRICH VORWERK Group's risk management is described in detail in the risk and opportunity report as part of the combined management and group management report.

Transparency

For FRIEDRICH VORWERK, providing shareholders and interested members of the public with timely information on important issues is an integral part of good corporate governance. Information on the economic situation of the company and significant business events is provided in particular in the financial reports (annual report, half-yearly financial report and quarterly statements), analyst and press conferences, press releases and ad hoc announcements as well as at the Annual General Meetings. The website www.friedrich-vorwerk-group.de/en, which makes all relevant information available in German and English, is a constantly usable and up-to-date communication medium. In addition to information on the FRIEDRICH VORWERK Group and the shares of Friedrich Vorwerk Group SE, the financial calendar can also be found there, which provides an overview of important dates.

Composition and Working Procedures of the Management Board and the Supervisory Board

Two-tier management and control system: Management Board and Supervisory Board

The fundamental feature of the corporate governance structure of Friedrich Vorwerk Group SE is a two-tier system with a clear separation of management by the Management Board and control by the Supervisory Board. The Management Board is responsible for the management of the company and represents the company externally. The Supervisory Board is responsible for appointing, dismissing and monitoring the members of the Management Board. Under German law, the Supervisory

Board may not make any operational management decisions. However, both bodies work closely together in the interests of the company and share the common goal of maintaining long-term, sustainable growth prospects for its shareholders. As the company's governing body, the Annual General Meeting represents the interests of the shareholders. The Management Board reports to the Supervisory Board in writing and verbally on an ongoing basis and provides detailed information on the status of the company. The Management Board also submits the budget for the coming financial year and medium-term planning to the Supervisory Board. The Management Board is also required to inform the Supervisory Board in good time of all transactions that could have a significant impact on the company's profitability or liquidity. This enables the Supervisory Board to express its view on such a transaction before it is realised.

Management Board

The Management Board of Friedrich Vorwerk Group SE is responsible for managing the company and represents Friedrich Vorwerk Group SE in transactions with third parties. The Management Board defines the company's strategic direction, coordinates this with the Supervisory Board and ensures its implementation. The Management Board aligns its actions and decisions with the interests of the company. It is committed to the goal of sustainably increasing the value of the company, taking into account the interests of shareholders, employees and other stakeholders. Secondary activities, in particular Supervisory Board mandates in companies outside the Group, require the approval of the Supervisory Board. Significant transactions between Group companies on the one hand and the members of the Management Board and persons or companies related to them on the other also require the approval of the Supervisory Board and must comply with standard market conditions. Conflicts of interest involving members of the Management Board must be disclosed to the Chairman of the Supervisory Board without delay and the other members of the Management Board must be informed accordingly. No such conflicts of interest arose in the reporting year.

The Management Board fulfils its duties as a collegial body. The members of the Management Board work together as colleagues and keep one another informed of significant developments in their areas of responsibility. Irrespective of their overall responsibility for the management of the company, the individual members of the Management Board are responsible for managing the departments assigned to them in accordance with the schedule of responsibilities. Fundamental questions of organisation, business policy and corporate planning as well as measures of major importance are discussed and decided on by the full Management Board. The Chairman of the Management Board coordinates the work of the Management Board.

The members of the Management Board are covered by directors' and officers' liability insurance (D&O insurance), which fulfils the requirements of section 93 (2) sentence 3 AktG.

When appointing members for the Management Board of Friedrich Vorwerk Group SE and in the two management levels below the Management Board, it is important for the Supervisory Board, in accordance with the requirements of the German Stock Corporation Act, that the candidate has the skills, knowledge and experience required for the work of the Management Board. FRIEDRICH VORWERK particularly encourages women and endeavours to ensure that women take on more responsibility within the Group. Nevertheless, the Supervisory Board must recognise that the proportion of women overall, but also in management positions in the industry in which FRIEDRICH VORWERK operates, is significantly lower than in other industries and sectors. It is therefore comparatively more challenging to fill vacancies with women in the various divisions and company hierarchies. In future, too, female candidates should only be given preference if they have the same qualifications. In view of the size of the Management Board and the long-term contracts, the Supervisory Board has set a target quota for the proportion of women on the Management Board of 20%, which is to be achieved in the medium term.

Diversity on the Management Board is also reflected in the individual educational and professional backgrounds as well as the different levels of experience of its members (e.g. industry experience). Different educational, professional and experience backgrounds are therefore expressly desired. However, based on their personal and professional skills and experience, each member of the Management Board must be able to fulfil the duties of a member of the Management Board of an internationally active, listed company and uphold the reputation of the FRIEDRICH VORWERK Group in the public eye. The members of the Management Board should also have an in-depth understanding of FRIEDRICH VORWERK's business and, as a rule, several years of management experience.

The age limit for members of the Management Board is 66 years. There is no minimum age. However, members of the Management Board should have several years of management experience at the time of their appointment. Within this framework - for reasons of diversity and in the interests of

long-term succession planning - a heterogeneous age structure is aimed for within the Management Board, whereby age is not considered to be of central importance compared to the other criteria.

The current composition of the Management Board fulfils the above objectives, with the exception of the medium-term target for the proportion of women. The Management Board currently consists of two people with different professional backgrounds, experience and expertise. No member of the Management Board has exceeded the age limit.

Long-term succession planning for the Management Board

The Supervisory Board works together with the Management Board to ensure long-term succession planning for the Management Board. On the part of the Supervisory Board, this task is performed by the entire Board. Based on the objectives described above for the composition and competences of the members, requirement profiles are drawn up for the individual Management Board positions. The requirement profiles and the allocation of responsibilities are regularly reviewed by the Supervisory Board with regard to the current environment, business development and corporate strategy.

A key component of long-term succession planning is also the identification and further development of internal candidates for future management tasks. The Management Board is responsible for identifying potential candidates at an early stage, who are then to be systematically developed by taking on tasks with increasing responsibility and providing needs-based further training so that, ideally, internal candidates can always be included in the shortlist when new appointments are made.

Supervisory Board

The Supervisory Board determines the composition of the Management Board, monitors the Management Board's management of the company, advises it on the management of the company and is involved in fundamental and important decisions. In accordance with the rules of procedure for the Management Board, measures and transactions of fundamental importance require the approval of the Supervisory Board. Other important tasks are the examination and adoption of the annual financial statements and the approval of the consolidated financial statements.

The tasks and internal organisation of the Supervisory Board and its committees are set out in the law, the Articles of Association and the rules of procedure of the Supervisory Board, which are available on the website www.friedrich-vorwerk-group.de/en/investor-relations/corporate-governance. The Chairman of the Supervisory Board coordinates the work of the Supervisory Board and represents the interests of the Supervisory Board externally.

The members of the Supervisory Board are obliged to act in the interests of the company. No member of the Supervisory Board may pursue personal interests in their decisions or take advantage of business opportunities to which the company is entitled. Conflicts of interest must be disclosed to the Chairman of the Supervisory Board without delay. The Supervisory Board provides information on any conflicts of interest that arise and how they are dealt with in its report to the Annual General Meeting. Consultancy and other service or work contracts between a member of the Supervisory Board and the company require the approval of the Supervisory Board. There were no such contracts in the 2025 financial year.

The members of the Supervisory Board are covered by directors' and officers' liability insurance (D&O insurance), which does not provide for a deductible.

The work of the Supervisory Board takes place both in plenary sessions and in committees. The individual committees and their responsibilities are set out in the Supervisory Board's rules of procedure. Due to the size and composition of the Supervisory Board, there is currently only one Audit Committee. The Chairman of the Audit Committee is Dr Julian Deutz.

According to the company's Articles of Association, the Supervisory Board is made up of three members to be elected by the Annual General Meeting.

Objectives for the competence profile of the Supervisory Board*Requirements for the individual members of the Supervisory Board*

Each member of the Supervisory Board should be characterised by integrity and the ability to make independent decisions in order to fulfil the monitoring and auditing tasks. In order to advise and monitor the Management Board, each Supervisory Board member should also have appropriate experience from management functions or have acquired the necessary skills in some other way. Each member of the Supervisory Board should be particularly discreet, professional, open to discussion, solution-orientated and able to cooperate, which must be taken into account in particular when proposing candidates to the Annual General Meeting. In addition, each member of the Supervisory Board must safeguard the public image of the FRIEDRICH VORWERK Group.

Each Supervisory Board member is responsible for ensuring that they have sufficient time to properly fulfil their mandate. It should be noted that at least four ordinary Supervisory Board meetings are held each year, each of which requires appropriate preparation, sufficient time must be set aside for the review of the annual and consolidated financial statements and, in the case of membership of one or more Supervisory Board committees, additional time is required. In addition, extraordinary meetings of the Supervisory Board or a committee may be necessary to deal with special issues and resolutions may need to be passed by way of circulation. Each member of the Supervisory Board should be prepared to be available at short notice with the necessary flexibility if urgent matters arise. Supervisory Board members should comply with the limit on Supervisory Board mandates recommended by the Code.

With regard to the age limit, the Supervisory Board has determined that Supervisory Board members should retire from the Supervisory Board at the Annual General Meeting following their 75th birthday.

Requirements for the composition of the Board

Overall, the Supervisory Board should have the competences that are considered essential in view of the activities of the FRIEDRICH VORWERK Group. The following qualification matrix is based on the requirements for Supervisory Board members:

Qualification matrix	Dr Christof Nesemeier	Dr Julian Deutz	Heike von der Heyden
Affiliation			
Member since	28 Jul 2020	10 Feb 2021	10 Feb 2021
Elected until	2026	2026	2026
Personal suitability			
Independence ¹⁾		✓	✓
Other mandates	2	0	0
Committees	Audit Committee	Audit Committee	Audit Committee
Diversity			
Year of birth	1965	1968	1966
Gender	Male	Male	Female
Nationality	German	German	German
International experience	✓	✓	✓
Professional competence			
Management experience	✓	✓	✓
Mergers & Acquisitions	✓	✓	✓
Sustainability & ESG	✓	✓	✓
Purchasing & Production	✓	✓	
Financial expert ²⁾	✓	✓	✓
Risk management	✓	✓	✓
Corporate Governance & Compliance	✓	✓	✓
Human Resources		✓	✓
Business field / sector familiarity	✓	✓	✓

¹⁾ Within the meaning of the German Corporate Governance Code

²⁾ In accordance with section 100 (5) AktG and recommendation D.3 of the Code

In addition, in accordance with the requirements of section 100 (5) AktG, at least one member of the Supervisory Board must have expertise in the field of accounting and at least one other member of the Supervisory Board must have expertise in the field of auditing; the members as a whole must be familiar with the sector in which the company operates.

Dr Julian Deutz, as Chairman of the Audit Committee, has extensive experience in all matters relating to accounting, auditing and internal control and risk management systems as the former Chief Financial Officer of Axel Springer SE. Other members of the Audit Committee are Heike von der Heyden, who, as CEO of Qair Deutschland GmbH, has extensive accounting expertise as well as knowledge of sustainability reporting in particular, and Dr Christof Nesemeier, who also has many years of experience in auditing as the founder and long-standing CEO of MBB SE.

The Supervisory Board strives for a composition that ensures qualified supervision and advice for the Management Board at all times. The Board is of the opinion that diversity aspects play an important role for the effective work of the Board - and thus for the sustainable development of the company - in addition to professional and personal requirements. In this respect, the following objectives serve as a guideline for long-term succession planning and the selection of suitable candidates.

Supervisory Board members of Friedrich Vorwerk Group SE who are members of the Management Board of a listed company should not, as a rule, hold more than two Supervisory Board mandates in non-Group listed companies or comparable functions and should not chair the Supervisory Board of a non-Group listed company. Supervisory Board members of FRIEDRICH VORWERK who are not members of the Management Board of a listed company should not, as a rule, hold more than five such external mandates in total, whereby a Supervisory Board chairmanship counts twice. Comparable functions are, in particular, mandates in supervisory bodies of foreign listed companies or mandates in supervisory bodies of companies that are subject to statutory co-determination. In contrast, the (time) commitment associated with membership of supervisory or advisory boards of smaller companies is generally significantly lower, which is why such mandates are not generally considered comparable functions.

Taking into account the company-specific situation and ownership structure of FRIEDRICH VORWERK, the Supervisory Board considers it appropriate that more than half of the Supervisory Board members are independent of the company and the Management Board. The Supervisory Board of Friedrich Vorwerk Group SE should be composed of at least 30% women and 30% men. Diversity on the Supervisory Board is also reflected, among other things, in the individual professional backgrounds and areas of activity as well as the different levels of experience of its members. In the interests of diversity, the Supervisory Board strives for a composition in which the members complement each other in terms of their background, experience and expertise.

The current composition of the Supervisory Board fulfils all of the above objectives: the Supervisory Board is made up of individuals with different professional backgrounds, experience and expertise. The proportion of women of 30% is met. No member exceeded the age limit at the time of their election. The term limits are observed by all members of the Supervisory Board. The majority of the members of the Supervisory Board are independent of the company and the Management Board. The Supervisory Board last carried out a self-assessment on 15 September 2025.

Disclosures pursuant to section 289a and section 315a HGB

Composition of the issued capital

The company's issued capital amounted to €20,000,000.00 as at 31 December 2025 and was divided into 20,000,000 no-par-value shares. The shares are bearer shares. Each share grants one vote at the Annual General Meeting.

Restrictions relating to voting rights or the transfer of shares

There are no restrictions on voting rights or the transfer of shares.

Direct or indirect equity interests that exceed 10% of the voting rights

Direct or indirect equity interests that exceed 10% of the voting rights are shown in the following table

	31 Dec 2025		31 Dec 2024	
	Number of shares	%	Number of shares	%
MBB SE	8,852,490	44.26%	10,098,230	50.49%
ALX Beteiligungsgesellschaft mbH	3,600,000	18.00%	3,730,370	18.65%
Other shareholders	7,547,510	37.74%	6,171,400	30.86%
Total	20,000,000	100%	20,000,000	100%

MBB SE and ALX Beteiligungsgesellschaft mbH concluded a voting rights agreement on 6 February 2021 in which both parties agreed to exercise their voting rights uniformly. Resolutions on the manner in which voting rights are exercised in accordance with the voting rights agreement are passed by simple majority on the basis of the voting rights held by the parties to the voting rights agreement in Friedrich Vorwerk Group SE. The voting agreement can be terminated by either party at any time and ends automatically if one party holds less than 10% of the shares in the company or if both parties together hold less than 30% of the shares in the company.

Holders of shares with special rights

Shares with special rights have not been issued.

Type of voting right control in the case of employee shareholdings

There are no voting right controls of any kind.

Statutory provisions and provisions of the Articles of Association on the appointment and dismissal of members of the Management Board and on amendments to the Articles of Association

The Management Board is appointed and dismissed in accordance with the statutory provisions of the German Stock Corporation Act (sections 84 et seq. AktG).

In accordance with section 179 (1) AktG, any amendment to the Articles of Association requires a resolution by the Annual General Meeting. According to section 24 of the Articles of Association, amendments to the Articles of Association require a simple majority of the votes cast at the Annual General Meeting, whereby abstentions do not count as votes cast.

Section 11 (2) of the Articles of Association also stipulates: "The Supervisory Board is authorised to make amendments to the Articles of Association that only affect the wording. In particular, the Supervisory Board is authorised to amend the wording of the Articles of Association following the full or partial implementation of the increase in share capital from authorised or conditional capital or following the expiry of the respective authorisation periods in accordance with the scope of the capital increase from authorised or conditional capital."

Authorisations of the Management Board, in particular with regard to the possibility of issuing or buying back shares

The authorisations granted to the Management Board by the Annual General Meeting with regard to increasing the share capital and issuing shares are set out in Article 4 of the Articles of Association. For further information, please refer to the detailed disclosures on equity in the notes to the consolidated financial statements.

Significant agreements subject to the condition of a change of control following a takeover bid

There are no such agreements.

Compensation agreements with members of the Management Board or employees in the event of a takeover bid

There are no such compensation agreements.

Please refer to the notes to the consolidated financial statements and section II.10.1 Equity in the notes to the consolidated financial statements for the disclosures required under section 160 (1) no. 2 AktG.

Disclosures pursuant to section 312 (3) AktG

With regard to the legal transactions and measures listed in the report on relationships with affiliated companies, the company received appropriate consideration for each legal transaction according to the circumstances known to us at the time the legal transactions were carried out or the measures were taken or omitted and was not disadvantaged by the fact that these measures were taken or omitted.

Forecast

The continued success in personnel recruitment combined with a high-quality order backlog of €1,021.4 million as at 31 December 2025 provides an excellent starting point for continuing the growth trajectory. On this basis, the Management Board expects revenue in the range of €730 million to €780 million and EBITDA in the range of €160 million to €180 million for 2026 financial year.

Events after the end of the reporting period

For information on events after the end of the reporting period, please refer to the corresponding disclosures in the notes to the consolidated financial statements.

Non-financial statement (unaudited)

The principle of sustainability is a central component of the FRIEDRICH VORWERK Group's strategy and corporate policy.

Accordingly, various aspects of sustainability are integrated into the corporate strategy, Group-wide controlling and the regular meetings of the Management Board. FRIEDRICH VORWERK's philosophy is characterised by the commercially oriented action combined with responsibility for the environment, employees and society. In our daily endeavours to achieve top performance, we harmonise sustainability-related objectives with economic aspects.

In accordance with section 289d HGB, we have examined which national, European or international frameworks could be used to prepare the non-financial statement. However, we are currently refraining from the comprehensive application of a framework, as this would not be in any meaningful cost-benefit ratio for the corporate structure of the FRIEDRICH VORWERK Group and we do not consider the existing frameworks to be suitable for us. The reporting period for the non-financial statement is the 2025 financial year. The quantitative disclosures include all fully consolidated subsidiaries of the FRIEDRICH VORWERK Group.

Business model

FRIEDRICH VORWERK is one of the leading providers of turnkey solutions for the transformation and transport of energy. We plan, realise, install and operate critical energy infrastructure along the entire value chain and ensure that energy sources such as raw natural gas, wind and solar energy can be converted into usable natural gas, electricity and clean hydrogen and then transported to the end consumer.

We design and build power lines that connect wind energy sources in northern Germany with end consumers in southern Germany and gas pipelines that make the European energy infrastructure fit for the future. With our hydrogen solutions, we are enabling the transition to the clean, molecular energy carriers of the future. We cover the entire spectrum from large-scale turnkey projects to customised special solutions. We are constantly striving for innovative product solutions that enable our clients to transport energy with lower carbon emissions. Our product portfolio also includes services such as the maintenance, operation and servicing of our customers' energy infrastructure. Overall, FRIEDRICH VORWERK thus plays a decisive role in the energy transition and in securing the energy supply.

Further information on the business model and the individual segments can be found in the "Segments" section of the FRIEDRICH VORWERK Group's combined management and group management report 2025.

Stakeholders

Investors: Our shareholders expect the FRIEDRICH VORWERK Group to act in a long-term, sustainable and responsible manner. In addition to a clear strategic focus and reliable corporate governance, they attach particular importance to transparency, traceability and consistent reporting. Sustainable value development, which takes equal account of ecological, social and economic aspects, forms the basis for trust and a stable partnership with our investors.

Customers: Our customers are looking for reliable and efficient partners who support them with high-quality, innovative and sustainable solutions. They expect not only technical expertise and adherence to deadlines, but also responsible behaviour along the entire value chain. The consideration of ecological requirements, compliance with social standards and the responsible use of resources are increasingly decisive criteria for our customers when working with us.

Employees: Our employees value the FRIEDRICH VORWERK Group as an attractive, secure and forward-looking employer. A healthy and safe working environment, fair working conditions and the opportunity to contribute and develop their own qualifications in line with their training and experience are at the centre of our focus. Sustainable working time models, living wages, targeted training and development programmes as well as individual development measures and other benefits are key components of our sustainable HR policy and contribute to the long-term loyalty and satisfaction of our employees.

Materiality analysis

As part of the materiality analysis carried out for the first time in 2020, the topics of *environmental concerns*, *social concerns* and *employee concerns* were identified as key components of the FRIEDRICH VORWERK Group's sustainability strategy. These topics are discussed in more detail below. The topics of *respecting human rights* and *combating corruption and bribery* are also taken into account. Although these topics are of fundamental importance, they are only presented in summarised form due to their comparatively lower strategic relevance for the FRIEDRICH VORWERK Group's sustainability strategy.

The materiality analysis is reviewed regularly, but at least once a year, and updated if necessary. In preparation for the implementation of the CSRD Directive, a new materiality analysis was carried out in 2023 in accordance with the principles of double materiality. The results confirmed the topics previously identified as material.

For an overview of the non-financial key figures, please refer to the table at the end of this section.

Environmental concerns

In its project business, FRIEDRICH VORWERK pursues a holistic approach in which all phases along the project cycle are addressed and long-term utilisation beyond the scope of the project is also taken into account. As infrastructure projects by definition involve interventions in existing structures, our activities have a direct impact on people and the environment. In order to minimise the resulting impact, we place particular emphasis on forward-looking and comprehensive planning. Environmental impacts include land consumption, soil excavation, interventions in the water balance, the consumption of energy, water and raw materials as well as the generation of noise, dust, vibrations, waste water and waste. These factors vary depending on the type and scope of a project, which is why the Group only has a limited influence on the aforementioned factors. We counter these potential environmental impacts with customised solutions as part of our environmental and energy management. First and foremost, we endeavour to use energy-efficient, low-emission and innovative technologies. As a specialist in horizontal drilling, for example, we are able to lay power lines in a minimally invasive manner and thus minimise the impact on the existing ecosystem. Our aim is to protect and preserve the natural environment in the best possible way by integrating the special features of each project into a customised project management. A large number of fundamental environmental protection activities required for the major projects carried out by FRIEDRICH VORWERK are laid down in a legally binding landscape conservation plan. In Germany, this plan sets out the measures that are planned in the immediate area of the project or its immediate surroundings to compensate for or minimise the impact on nature and the landscape. These measures are part of the planning documents that are required for the approval of a project and become legally binding with the planning approval decision for the project. These include, among other things:

- route optimisation: selection of the route taking into account ecological, social and economic aspects in order to avoid encroachment on protected areas.
- erosion protection: implementation of measures to prevent erosion during and after construction, e.g. through greening.
- soil and water protection: ensuring that no harmful substances enter the soil or groundwater, e.g. through close-meshed maintenance and the use of biodegradable lubricants.
- fauna and flora protection: protective measures for endangered species and habitats, such as relocation or temporary protection zones as well as closure periods during construction work.
- monitoring: regular monitoring of environmental conditions during and after construction in order to recognise and remedy possible negative effects at an early stage.
- restoration: restoration of the original landscape forms and structures after completion of the construction work, including reforestation or recultivation.

Not only the realisation of projects that enable a sustainable energy supply and the environmentally friendly implementation of these projects play a role, but also the responsible use of natural resources. This applies to the use of materials as well as to the energy efficiency of the individual subsidiaries. The FRIEDRICH VORWERK Group makes an important contribution to environmental protection through the responsible use of resources and high energy efficiency and therefore has a keen interest in these issues for strategic reasons alone.

As a central element of our endeavours, FRIEDRICH VORWERK operates an integrated management system in which, in addition to the areas of quality in accordance with ISO 9001 and occupational health and safety in accordance with SCC regulations, the areas of environment in accordance with ISO 14001 and energy in accordance with ISO 50001 have also been certified. This system forms the framework for our endeavours towards continuous improvement.

One of the FRIEDRICH VORWERK Group's key objectives is to pursue a strategy of continuously increasing the cost-effectiveness and efficiency of its vehicle fleet and technical systems. Fuel consumption and downtimes are constantly analysed and fleet management is adjusted accordingly. Old vehicles, machines and equipment are constantly being replaced with new, more efficient and lower-emission ones, thereby reducing both pollutant and noise emissions.

In the reporting year, the FRIEDRICH VORWERK Group realised a pilot project in collaboration with the client Gasunie to test a low-emission construction site. The aim of this project was to investigate the practical use of alternative drive technologies such as electric and hydrogen technology under real construction site conditions. The project provided valuable insights into the technical performance, energy efficiency and operational limits of low-emission machines, which could be transferred to regular construction sites in the future.

A Liebherr A 916E wheeled excavator, a Liebherr L 507E wheel loader, a Liebherr LPO 100 battery storage unit, an electro-hydraulic welding caterpillar, a hydrogen generator and a modular photovoltaic system were used in the pilot project. The hydrogen generator and the solar system fed the LPO 100 battery storage unit, which was used to charge the machines. This interaction enabled self-sufficient construction site operation and provided the opportunity to gain practical experience with energy consumption, charging cycles and system stability. Due to the currently still high technical and logistical complexity, the concept is currently not fully transferable to regular construction sites. Despite these limitations, the pilot project illustrates the considerable future potential of alternative drive technologies and shows that more climate-friendly construction work will become possible as technical development and infrastructure improve.

In addition to hydrogen and electric-powered construction machinery, electric-hydraulic drive systems are already being used, for example, in all new welding crawlers. The hydraulic travel drive is no longer powered by a separate diesel engine, but is electrically powered by a mounted diesel-driven power unit, which also provides the energy for the welding work. This eliminates the need for an additional combustion engine, meaning that instead of two diesel-powered components, one power unit is the only energy source required. This leads to a significant reduction in fuel consumption during welding work on pipelines, as the traction drive engine is no longer permanently in operation. In pipeline construction, the use of diesel-powered large-scale equipment is still frequently necessary at present, as the work often takes place in areas without efficient power infrastructure while high, permanently available power reserves are required for heavy machinery under demanding operating conditions.

High sustainability standards are applied to the procurement of materials, equipment and services in the same way as for our own service provision. The topics of resource conservation, energy efficiency and social responsibility are communicated to suppliers and service providers and are taken into account in the selection process, as are quality, adherence to deadlines and price. As part of a collaborative partnership in the supply chain, we expect our suppliers to fulfil the same environmental standards as we do. To this end, environmental certifications such as ISO 14001 are requested during the purchasing process and taken into account when selecting suppliers.

In addition, we are committed to assuming responsibility throughout the entire supply chain in accordance with the German Supply Chain Duty of Care Act (LkSG) by systematically identifying and assessing potential risks to human rights and the environment and taking measures to mitigate them. We expect our suppliers to act in the same way in order to ensure a sustainable and responsible value chain. FRIEDRICH VORWERK operates a whistleblower system. This system enables employees, suppliers and other stakeholders to anonymously and securely report potential violations of human rights, environmental standards or other legal requirements. By creating such a system, we promote a culture of transparency and responsibility throughout our organisation and in the supply chain. We endeavour to seriously examine all incoming reports and take appropriate measures to ensure that our standards are adhered to and that potential risks are identified and addressed at an early stage.

The FRIEDRICH VORWERK Group provides regular training for employees in all areas of the company to ensure that they have a high level of sustainability awareness, identify potential for improvement, observe the established systems for waste separation and disposal or the management of hazardous substances, use all resources sparingly and comply with the applicable guidelines.

FRIEDRICH VORWERK has been consistently driving forward the expansion of a resource-conserving infrastructure and a sustainable energy supply at its own sites for several years. The central project is the hydrogen plant realised at the Wiesmoor site, in which electricity generated by photovoltaics is used to electrolyse green hydrogen, which is used to supply heat to the administration buildings and production halls via a combined heat and power plant. Following completion of construction in 2024 and final work in 2025, the plant will be in full operation. In addition, further photovoltaic capacities were created at various locations and energy-related refurbishment measures were implemented in order to reduce energy consumption and continuously increase the company's own supply of renewable energy. A total PV capacity of over 1 MWp is currently installed, which generated a total of 775 MWh in 2025.

At our headquarters in Tostedt, together with our employees, we have also always maintained a 90-hectare forest and meadow area owned by the FRIEDRICH VORWERK Group, which has been upgraded to the highest ecological standards.

Employee concerns

The protection of and respect for every human being is a top priority for the FRIEDRICH VORWERK Group. Compliance with internationally applicable human rights and labour standards is therefore a matter of course for us. We condemn any form of discrimination, for example on the grounds of ethnic origin, religion, political views, gender, physical constitution, appearance, age or sexual orientation.

Our employees are our Group's most important resource. This is why the recruitment of new employees and a high level of satisfaction and motivation, as well as low staff turnover among existing employees, is a central component of our sustainability strategy. We want to be an attractive employer for employees and junior staff and are consciously positioning ourselves as a sustainably growing company at the cutting edge of the energy transition with a focus on our target groups. Thanks to a broad range of development opportunities and our consistent recruitment strategy, we have been able to record steady personnel growth over the past five years.

The FRIEDRICH VORWERK Group believes that supporting and challenging employees is a key success factor. The qualification of our employees takes place through training and further education in all areas of the Group, as well as through high occupational health and safety standards and the targeted promotion of future managers. FRIEDRICH VORWERK currently employs 160 trainees and dual students (previous year: 129). Our fundamental aim is to offer permanent employment to all trainees and dual students who have completed their training with us. In order to remain an attractive employer, we invest in our employees, whether through direct support for employee training or the opportunity to work flexibly. Since 2022, we have been regularly introducing new benefits for employees, such as flexible working time models, tax-free fringe benefits or doubling of travel allowance, in order to further increase our attractiveness as an employer.

Gender equality is a particular concern for us. Women, men and people with a non-binary gender identity have the same opportunities in our company. We strive for a gender balance at all hierarchical levels. Due to the business model's inherent focus on technical professions, women are still underrepresented both in studies and in the application process, which is why the latter presents a challenge when filling vacancies. At 12%, the proportion of female employees remained at the previous year's level.

The Management Board always takes diversity into account when selecting managers and considers male and female applicants as well as applicants with a non-binary gender identity. When making the final appointment, the focus is always on the professional and personal qualifications of the person in question.

Occupational health and safety

Occupational safety is always a top priority for FRIEDRICH VORWERK. Employees are always exposed to an increased health risk in prefabrication or on projects. We therefore set high standards for safety, especially when handling construction equipment, hazardous substances and other sources of danger. We promote the skills and awareness of our employees for safe working by offering regular training and further education. The entire FRIEDRICH VORWERK Group is SCC^P-certified and therefore fulfils all legal requirements for a practised occupational health and safety management system. Reportable accidents at work are recorded and analysed at regular intervals. Incidents in the area of occupational safety are always investigated with all those involved and the results implemented in concrete measures. New concepts are developed and trialled in practice in cooperation with our clients. The Last Minute Risk Analysis (LMRA), which promotes a conscious approach

to routine work on the part of operational employees, plays a central role in our occupational safety concept.

To prevent accidents from happening in the first place, employees receive regular training on all legally prescribed topics relevant to our value creation. In addition to general recurring topics, such as the organisation of occupational safety, fire safety and first aid, the focus in the past financial year was on a variety of other topics, such as the safe use of construction machinery, the safe execution of lifting work and learning from accidents and unsafe situations. Training in the form of an "excavator camp", a new form of training essentially designed by experienced employees, was held again in the reporting year and is characterised by a very high practical component. It enables a comprehensive exchange of experience, the learning of safe and efficient working methods and the gaining of experience in dealing with various attachments and complex working environments such as inner-city pipeline construction.

Special occupational health and safety topics, as well as aspects of energy and environmental management, are presented in a concise and easy-to-understand manner in so-called HSEQ (Health, Safety, Environment and Quality) monthly campaigns and made available to all employees in German and English, as well as in other languages if required.

After the construction and energy industries have concentrated on technical and organisational aspects of occupational safety in the past, future success in occupational safety can only be achieved through a strong safety culture. The so-called Safety Culture Ladder (SCL) is an assessment method for measuring the safety awareness and conscious safe behaviour of each individual employee in the company. The higher the safety awareness in an organisation, the higher the level assigned on the SCL. Following the successful introduction of the SCL in the areas of cable construction, horizontal drilling technology and civil engineering, including hydraulic engineering, certification was successfully confirmed at level 3 in the surveillance audit.

Social concerns

Respectful and social interaction with our stakeholders on the customer and supplier side is a fundamental principle of our actions. We firmly believe that continuous product innovation, fair dealings with suppliers and constant dialogue with our customers are an important prerequisite for our business success. The FRIEDRICH VORWERK Group is involved in numerous voluntary social projects at a local level. In addition to its role as an employer, the FRIEDRICH VORWERK Group sustainably enhances the common good by cooperating with schools and sports clubs, for example.

Particular mention should be made here of the independent Irene and Friedrich Vorwerk Foundation, which was set up by the founders of the FRIEDRICH VORWERK Group and is still closely associated with the FRIEDRICH VORWERK Group today. The social commitment of the Irene and Friedrich Vorwerk Foundation ranges from promoting young scientists to supporting cultural events and helping the needy. In the cultural field, a large number of smaller and larger projects, such as local theatres or church communities, are supported. Two readings, which are organised annually, have become a permanent institution over the years and have become one of the cultural highlights for the majority of visitors. We also think about the members of our society who are in need of support. Both individuals and local institutions are supported.

Respecting human rights and combating corruption and bribery

Respect for human rights: The FRIEDRICH VORWERK Group is deeply rooted in Germany and Europe and respects the human rights of its employees, suppliers and business partners in its day-to-day business. We do not see any risks of remuneration that is not in line with the market, unreasonable working hours, restrictions on freedom of assembly or equal rights, either at our company or at our suppliers. Disciplinary measures for possible violations are defined and communicated. FRIEDRICH VORWERK is committed to complying with internationally recognised human rights standards and does not tolerate any forms of slavery, forced labour, child labour, human trafficking or exploitation in its own business activities or supply chain.

Combating corruption and bribery: We have always regarded compliance with legal regulations and guidelines as well as correct behaviour in business transactions as a central component of sustainable corporate governance. In order to adhere to this maxim, which we have always practised, we have formulated our basic principles in our corporate policy, which is continuously developed and communicated to all employees. The existing codes of conduct and the Group-wide anti-corruption guidelines serve as a framework for regulating behaviour within the company and towards third parties. The Code of Conduct is concretised and further developed through guidelines and instructions.

By means of cyclical reporting structures, the respective management of the various Group companies is obliged to report regularly to the Management Board of the FRIEDRICH VORWERK Group on the effectiveness of the respective internal management system and any incidents that have occurred.

Negative consequences and risks from business activities

In our opinion, there are no significant risks from our business activities, our products or our services that could have a serious negative impact on employees, environmental and social issues or lead to a violation of human rights and corruption.

Overview of key non-financial indicators

The key figures relating to environmental issues can fluctuate significantly from year to year due to a divergent order structure. For example, energy intensity in relation to Group revenue only improved slightly in the reporting year despite record investments in modern machinery and equipment. However, this does not affect the long-term trend, which is leading to a reduction in energy intensity.

	2025	2024
Employee matters		
Share of female employees in the total workforce	12%	12%
Number of apprentices	150	121
Number of employees in a dual study programme	10	8
I Reportable work accidents (> 3 days absence without accident day)	60	35
II Accidents at work (inability to work: 1-3 days without accident day)	12	5
I+II Total work accidents	72	40
Fatal work accidents	0	0
LTIFR - Lost Time Injury Frequency Rate (Total accidents at work / 1 million hours)	12	10
Environmental matters		
Energy intensity in MWh / € million revenue	144	149
Energy intensity in MWh / per 1,000 hours worked	28	23
CO ₂ consumption Scope 1 + 2 in tonnes of CO ₂	26,768	19,611
Own consumption of electricity generated by PV system in MWh	334	270
Saved CO ₂ consumption Scope 1 + 2 in tonnes of CO ₂ through PV system	122	99
Social matters		
Local donations and sponsorship in € thousand (culture, education, sport, social affairs)*	10	10

* Excluding Irene and Friedrich Vorwerk Foundation

EU taxonomy

In accordance with the EU Taxonomy Regulation and the supplementary delegated acts, we report below the share of our taxonomy-eligible Group-wide revenue, investments and operating expenses for the 2025 financial year in relation to the six EU environmental goals set out in the EU Taxonomy: "climate change mitigation", "climate change adaptation", "sustainable use and protection of water and marine resources", "transition to a circular economy", "pollution prevention and control" and "protection and restoration of biodiversity and ecosystems".

The aim of the EU taxonomy is to promote investment flows from the financial sector to companies involved in environmentally sustainable activities. It is intended to help the EU implement the European Green Deal, which commits to climate neutrality by 2050. The EU taxonomy is intended to create a common understanding of the environmental sustainability of activities and investments. Furthermore, the EU Taxonomy provides guidance on whether companies are contributing to sustainable development with their economic activities. The regulation obliges companies to report on these economic activities.

Reporting for taxonomy-aligned economic activities has been applicable since the 2022 financial year. Taxonomy-aligned economic activities fulfil the technical assessment criteria and minimum protection criteria of the European Union.

The Management Board of the FRIEDRICH VORWERK Group has made the decision to measure taxonomy-aligned revenue, capital expenditure (CapEx) and operating expenditure (OpEx) with zero for the 2025 financial year. In the opinion of the Management Board, the applicability of the technical measurement and minimum protection criteria is not applicable in operational practice. The following section therefore deals exclusively with the reporting of taxonomy-eligible economic activities.

Procedure for the Impact Analysis

In order to determine taxonomy eligibility, the first step was to identify the activities eligible for taxonomy at FRIEDRICH VORWERK with reference to the definitions in Annexes 1 and 2 of the NACE codes referenced in the legal act on Regulation (EU) 2020/852. In addition, the definitions of the key figures revenue, operating expenses (OpEx) and capital expenditure (CapEx) listed in Annex 1 to the Regulation were analysed and the data for the respective reference figures (denominator of the key figure) were collected. In the area of operating expenses in particular, the relevant cost types were identified. Approaches for estimating and collecting the corresponding revenues, operating expenses and capital expenditures were then defined for the taxonomy-eligible activities.

Due to the ongoing dynamic developments with regard to the wording of the EU Taxonomy Regulation, there are currently still uncertainties of interpretation with regard to the wording and terms contained therein. Therefore, there may be adjustments to the impact analysis in the future.

Identified taxonomy-eligible economic activities

The following economic activities were identified as taxonomy-eligible:

- Transmission and distribution of electricity
- Transmission and distribution networks for renewable low CO₂ gases
- Production of renewable energy technologies
- Construction, expansion and operation of water extraction, treatment and supply systems
- District heating / cooling distribution
- Transport by motorbikes, passenger cars and light commercial vehicles
- Acquisition and ownership of buildings
- Power generation using photovoltaic technology

Analysis and calculation

The analysis for taxonomy-eligibility of revenue is based on revenue as we define and report it in the consolidated financial statements of the FRIEDRICH VORWERK Group.

The definition of the EU taxonomy for determining the relevant operating expenses includes expenses for research and development, building renovation measures, short-term leasing, maintenance and repair, as well as other direct expenses in connection with the daily maintenance of property, plant and equipment, which are reported in the consolidated income statement under other operating expenses. In order to determine the proportion of operating expenses eligible for the taxonomy, the related operating expenses attributable to a project generating taxonomy-eligible revenue were recognised on a pro rata basis as eligible for the taxonomy.

Capital expenditures include additions to property, plant and equipment as well as intangible assets (including acquisitions, excluding goodwill according to the EU taxonomy). Taxonomy-eligible capital expenditures relate to assets and projects associated with taxonomy-eligible economic activities. In addition, individual capital expenditures from the acquisition of assets from taxonomy-eligible economic activities and the implementation of individual measures to achieve climate targets have been taken into account. The various taxonomy-eligible capital expenditures were assessed in relation to the capital expenditures reported in the annual report.

Materiality aspects were taken into account when determining the relevant activities.

Results of the analysis

The following table lists the taxonomy-eligible key figures.

By way of the Delegated Regulation of 2 February 2022, the European Commission resolved the inclusion of nuclear energy and natural gas in the Taxonomy of environmentally sustainable economic activities. However, the natural gas activities relevant to the FRIEDRICH VORWERK Group are linked to strict criteria that must be satisfied at the current time in order to qualify as taxonomy-eligible.

It is therefore not conclusive at this time whether the capital expenditure by our business partners is taxonomy-aligned. Such activities are therefore generally not considered to be taxonomy-eligible under the Delegated Regulation of 2 February 2022. This applies to large areas of the activities of the FRIEDRICH VORWERK Group that can nonetheless be in line with the environmental objectives of the European Union.

Sustainability Accounting Standards Board (SASB) Index

We have been publishing the Sustainability Accounting Standards Board (SASB) Index in our annual report since the 2020 reporting year in order to ensure greater transparency in the area of sustainability. The SASB aims to enable transparent communication between companies and investors on key information relating to ESG data through standardised sustainability accounting.

	Code	Comment
Environmental impact of the projects		
Number of incidents of non-compliance with environmental permits, standards and regulations	IF-EN-160a.1.	In 2025, there were no incidents of non-compliance with environmental permits, standards and other regulations. FRIEDRICH VORWERK has measures and controls in place to ensure compliance with applicable rules and regulations in its industry.
Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction	IF-EN-160a.2.	FRIEDRICH VORWERK monitors the environmental impact of each project through the use of specific environmental management systems such as ISO 14001 and ISO 50001. In addition, the Group holds industry-specific permits and licences and is certified as a specialist company in accordance with DVGW regulations and the German Water Resources Act.
Structural integrity and safety		
Amount of defect- and safety-related rework costs	IF-EN-250a.1.	In 2025, warranty rework costs amounted to €1,271 thousand (0.18% of revenue).
Total amount of monetary losses resulting from legal proceedings related to deficiency and safety incidents	IF-EN-250a.2.	In 2025, there were no monetary losses as a result of legal proceedings in connection with deficiency and safety-related incidents.
Health and safety of the workforce		
(1) TRIR and (2) mortality rates for (a) direct employees and (b) contract workers	IF-EN-320a.1.	In 2025, the accident rate (TRIR)* per 200,000 hours worked for direct employees was 2.4 and the work-related fatality rate was 0.0. The data for temporary workers is included in the accident rate.
Life cycle impacts of buildings and infrastructure		
Number of (1) commissioned projects certified to a multi-dimensional third-party sustainability standard and (2) active projects seeking such certification	IF-EN-410a.1.	In 2025, 22 biogas feed-in and upgrading plants were completed. For 2026, 42 further projects of this type are under development and implementation.
Discussion on the integration of energy and water efficiency in project planning and design	IF-EN-410a.2.	Our customers are always focussed on energy and water efficient solutions and therefore their objectives are incorporated into our project planning and design. In every project, we advise our customers on energy and water optimisation solutions and actively engage in innovation to meet their requirements.

Climate impact of the business mix		
Level of backlog of (1) hydrocarbon related projects and (2) renewable energy projects	IF-EN-410b.1.	The order backlog as at 31 December 2025 amounted to €160 million for (1) hydrocarbon-related projects and €822 million for (2) renewable energy projects.
Amount of cancellations of hydrocarbon-related projects	IF-EN-410b.2.	There were no cancellations in 2025.
Amount of the order backlog of projects that are related to climate protection but not directly to the energy industry	IF-EN-410b.3.	The order backlog as at 31 December 2025 does not include any projects that are related to climate protection but not directly to the energy industry.
Business ethics		
(1) Number of active projects and (2) order backlog in the 20 countries with the lowest scores in Transparency International's Corruption Perception Index	IF-EN-510a.1.	There are currently no projects in any of the 20 countries with the lowest scores in Transparency International's Corruption Perception Index.
Total amount of monetary losses resulting from legal proceedings related to allegations of (1) bribery or corruption and (2) anti-competitive practices	IF-EN-510a.2.	In 2025, there were no monetary losses from legal proceedings related to allegations of (1) bribery or corruption and (2) anti-competitive practices.
Description of policies and practices to prevent (1) bribery and corruption and (2) anti-competitive behaviour in the project bidding process	IF-EN-510a.3.	In order to prevent bribery, corruption, extortion and embezzlement and to ensure a high level of integrity in our business dealings, we applied the revised Compliance Management System from 2021 in the 2025 financial year. Non-compliance with the guidelines and regulations is expressly not tolerated.

* Includes only incidents that were recorded in connection with our operating business

Tostedt, 24 March 2026

The Management Board

Torben Kleinfeldt
Chief Executive Officer

Tim Hameister
Chief Financial Officer

IFRS Consolidated Financial Statements 2025

IFRS consolidated income statement

IFRS consolidated income statement	Notes	1 Jan - 31 Dec 2025 €k	1 Jan - 31 Dec 2024 €k
Revenue	III.1.	704,326	498,353
Operating performance		704,326	498,353
Income from equity investments	III.2.	21,032	6,029
Other operating income	III.3.	8,563	5,859
Total performance		733,921	510,241
Cost of raw materials and supplies		-87,712	-61,748
Cost of purchased services		-235,315	-175,725
Cost of materials	III.4.	-323,027	-237,473
Wages and salaries		-139,976	-114,551
Social security and pension costs		-43,828	-34,744
Staff costs	III.5.	-183,804	-149,295
Other operating expenses	III.6.	-63,817	-42,945
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		163,273	80,529
Depreciation and amortisation	II.1.	-26,556	-21,248
Earnings before interest and taxes (EBIT)		136,717	59,281
Finance income	III.7.	2,559	1,262
Finance expenses	III.8.	-1,610	-1,426
Earnings attributable to non-controlling interests	III.8.	-9,729	-3,818
Net finance costs		-8,781	-3,981
Earnings before taxes (EBT)		127,936	55,300
Income tax expense	III.9.	-41,504	-19,101
Other taxes	III.9.	-510	-496
Profit or loss for the period		85,922	35,703
Non-controlling interests		579	68
Consolidated net profit		86,501	35,771
Earnings per share (in €)	III.10.	4.33	1.79

IFRS consolidated statement of comprehensive income

IFRS consolidated statement of comprehensive income	Notes	1 Jan - 31 Dec 2025 €k	1 Jan - 31 Dec 2024 €k
Profit or loss for the period		85,922	35,703
Items that may be subsequently reclassified to profit or loss			
Changes in fair value of bonds	III.11.	-3	0
Currency translation differences	II.11.3	7	7
deferred taxes thereon	III. 11	1	0
Items that cannot be subsequently reclassified to profit or loss			
Changes in fair value of shares	III.11.	74	274
Pension reserve	II.11.3	320	-157
deferred taxes thereon	III. 11	-75	38
Other comprehensive income after taxes		323	162
Comprehensive income for the financial period		86,245	35,865
thereof attributable to			
- Shareholders of the parent company		86,798	35,945
- Non-controlling interests		-553	-80

IFRS consolidated statement of financial position

IFRS consolidated statement of financial position	Notes	31 Dec 2025	31 Dec 2024
Assets		audited	audited
		€k	€k
Non-current assets			
Concessions, industrial property rights and similar rights	II.3.	999	1,028
Goodwill	II.2.	4,450	4,450
Intangible assets		5,449	5,477
Land and buildings including buildings on third-party land	II.4.	55,119	50,920
Technical equipment and machinery	II.4.	59,029	39,728
Other equipment, operating and office equipment	II.4.	41,677	32,973
Advance payments and assets under construction	II.4.	1,959	4,775
Property, plant and equipment		157,784	128,397
Equity investments	II.5.	27,626	9,310
Long-term securities	II.5.	5,987	1,982
Financial assets		33,613	11,293
Deferred tax assets	II.17.	6,081	7,510
		202,927	152,677
Current assets			
Raw materials and supplies	II.6.	8,770	6,715
Work in progress	II.6.	127	164
Advance payments	II.6.	4,653	168
Inventories		13,550	7,047
Trade receivables	II.7.	25,931	40,475
Contract assets	II.8.	54,029	53,880
Other current assets	II.9.	5,869	8,765
Trade receivables and other current assets		85,829	103,120
Securities	II.5.	7,576	0
Derivative financial instruments	II.5.	17	69
Financial assets		7,593	69
Cash in hand	II.10.	22	9
Bank balances	II.10.	266,016	174,639
Cash in hand, bank balances		266,038	174,647
		373,011	284,883
Total assets		575,938	437,560

IFRS consolidated statement of financial position	Notes	31 Dec 2025	31 Dec 2024
Liabilities		audited	audited
		€k	€k
Equity			
Issued capital	II.11.1	20,000	20,000
Capital reserve	II.11.2	76,204	76,204
Retained earnings and other reserves	II.11.3	189,654	108,837
Non-controlling interests	II.11.4	-606	-35
		285,253	205,006
Non-current liabilities			
Liabilities to banks	II.13.	11,260	13,462
Liabilities to non-controlling interests	II.13.	16,614	8,534
Liabilities from participation rights	II.13.	10,213	10,213
Lease liabilities	II.16.	1,151	2,185
Pension provisions	II.12.	1,779	2,122
Deferred tax liabilities	II.17.	47,277	24,026
		88,294	60,541
Current liabilities			
Liabilities to banks	II.13.	2,203	4,534
Contract liabilities	II.13.	84,084	80,750
Trade payables	II.13.	5,853	4,369
Liabilities to non-controlling interests	II.13.	3,767	3,225
Other liabilities	II.14.	46,225	31,839
Lease liabilities	II.16.	3,181	2,192
Provisions with liability character	II.15.1	33,521	31,447
Tax provisions	II.15.2	15,055	7,653
Other provisions	II.15.1	8,502	6,004
		202,391	172,012
Total equity and liabilities		575,938	437,560

IFRS consolidated statement of cash flows

IFRS consolidated statement of cash flows	1 Jan - 31 Dec 2025	1 Jan - 31 Dec 2024
	€k	€k
1. Cash flow from operating activities		
Earnings before interest and taxes (EBIT)	136,717	59,281
Adjustments for non-cash transactions:		
Depreciation and amortisation	26,556	21,248
Increase (+), decrease (-) in provisions	2,476	-954
Losses (+), gains (-) from disposal of property, plant and equipment	-348	60
Result from equity investments	-21,032	-6,029
Other non-cash expenses and income	978	334
	8,630	14,659
Change in working capital:		
Increase (-), decrease (+) in inventories, trade receivables and other assets	7,344	8,159
Decrease (-), increase (+) in trade payables and other liabilities	21,375	74,767
	28,719	82,926
Income taxes paid	-6,130	-9,231
Other taxes paid	-510	-496
Interest received	2,468	1,262
Dividend proceeds from equity investments	2,873	7,183
	-1,299	-1,281
Cash flow from operating activities	172,767	155,584
2. Cash flow from investing activities		
Investments (-), divestments (+) in intangible assets	-285	-185
Investments (-), divestments (+) in property, plant and equipment	-51,625	-35,646
Investments in financial assets and securities	-11,519	0
Proceeds from financial assets and securities	0	359
Business combinations (less cash received)	-1,145	-126
Cash flow from investing activities	-64,573	-35,597
3. Cash flow from financing activities		
Profit distribution to shareholders	-6,000	-2,400
Payments to non-controlling interests	-1,109	-570
Proceeds from borrowing financial loans	0	8,000
Repayments of financial loans	-4,530	-2,902
Repayments of lease liabilities	-3,583	-2,587
Interest payments	-1,584	-1,413
Cash flow from financing activities	-16,805	-1,872
Cash and cash equivalents at the end of the period		
Change in cash and cash equivalents	91,389	118,115
Effects of exchange rate changes (non-cash)	2	2
Cash and cash equivalents at the beginning of the period	174,647	56,530
Cash and cash equivalents at the end of the period	266,038	174,647

IFRS consolidated statement of changes in equity

IFRS consolidated statement of changes in equity									
	Issued capital	Capital reserve	Currency translation	Retained earnings			Attributable to shareholders	Non-controlling interests	Consolidated equity
				Fair value reserve	Pension reserve	Generated group equity			
	€k	€k	€k	€k	€k	€k	€k	€k	€k
1 Jan 2024	20,000	76,204	21	-325	354	75,243	171,497	45	171,542
Dividends paid	0	0	0	0	0	-2,400	-2,400	0	-2,400
Amounts recognised in other comprehensive income	0	0	7	267	-100	0	173	-12	162
Consolidated net profit	0	0	0	0	0	35,771	35,771	-68	35,703
Total comprehensive income	0	0	7	267	-100	35,771	35,945	-80	35,865
31 Dec 2024	20,000	76,204	27	-58	254	108,614	205,042	-35	205,006
Dividends paid	0	0	0	0	0	-6,000	-6,000	0	-6,000
Amounts recognised in other comprehensive income	0	0	7	60	231	0	297	26	323
Consolidated net profit	0	0	0	0	0	86,501	86,501	-579	85,922
Total comprehensive income	0	0	7	60	231	86,501	86,798	-553	86,245
Change in non-controlling interests	0	0	0	0	0	19	19	-18	1
31 Dec 2025	20,000	76,204	34	2	484	189,134	285,858	-606	285,253

Notes to the Consolidated Financial Statements 2025

I. Methods and principles

1. Basic accounting information

1.1 Information on the company

Friedrich Vorwerk Group SE has its registered office at Harburger Straße 19, 21255 Tostedt, Germany. It is entered in the commercial register of the Tostedt District Court under the number HRB 208170. It is the parent company of the FRIEDRICH VORWERK Group.

Friedrich Vorwerk Group SE is a public limited company listed in the Prime Standard of the Frankfurt Stock Exchange.

The FRIEDRICH VORWERK Group is a medium-sized group whose core business model is the design, creation and operation of energy infrastructure.

The consolidated financial statements of Friedrich Vorwerk Group SE for the 2025 financial year are approved by the Supervisory Board of Friedrich Vorwerk Group SE on 24 March 2026 and will be published on the website of FRIEDRICH VORWERK on 31 March 2026 and filed in the Federal Gazette.

1.2 Accounting principles

The consolidated financial statements of the FRIEDRICH VORWERK Group as at 31 December 2025 have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted and published by the International Accounting Standards Board (IASB) as applicable in the European Union (EU). The term IFRS comprises the International Accounting Standards (IAS) still in force, the International Financial Reporting Standards (IFRS) and the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC). The consolidated financial statements have been supplemented by a group management report in accordance with Section 315 HGB and additional notes in accordance with Section 315e HGB.

Unless otherwise stated, all figures in the notes to the consolidated financial statements refer to 31 December 2025 or the financial year from 1 January to 31 December 2025. Rounding differences may occur in percentages and figures in this report.

Application of new and amended standards

There were no significant changes to accounting standards in the 2025 financial year that have an impact on these consolidated financial statements.

The following amended standards were applicable for the first time in the 2025 financial year

Regulation	Title	Effects
IAS 21	Amendment - Lack of Exchangeability	None

Accounting standards to be applied after the financial year

The following newly issued standards or standards approved for application by the EU Commission or amendments to standards or interpretations that were not mandatory were not applied early in these consolidated financial statements. If the amendments affect the FRIEDRICH VORWERK Group, the future impact on the consolidated financial statements is still being assessed or is not material.

Regulation	Title	Application	Effects
	Annual improvements to IFRS - Issue 11	1 Jan 2026	no material effects
IFRS 9, IFRS 7	Amendment - Classification and Measurement of Financial Instruments	1 Jan 2026	no material effects
IFRS 9, IFRS 7	Amendment - Contracts Referencing Nature-dependent Electricity	1 Jan 2026	no material effects
IFRS 18	Presentation and Disclosures in Financial Statements	1 Jan 2027	still under review
IFRS 19	Subsidiaries without Public Accountability - Disclosures	1 Jan 2027	no material effects
IAS 21	Translation to a Hyperinflationary Presentation Currency	1 Jan 2027	no material effects

Any standards not listed in the overview are of minor importance for the FRIEDRICH VORWERK Group.

Effects of IFRS 18

In April 2024, the IASB published IFRS 18 "Presentation and Disclosure in Financial Statements". IFRS 18 requires additional, defined subtotals in the income statement, disclosures on performance measures determined by management, adds new principles for summarising and disaggregating information and makes limited amendments to IAS 7 "Statement of Cash Flows". IFRS 18 replaces IAS 1 "Presentation of Financial Statements". The new standard is to be applied for the first time for financial years beginning on or after 1 January 2027. Earlier application is permitted. First-time application must be retrospective. The effects of first-time application on the consolidated financial statements are currently being reviewed.

1.3 Business combinations

Two business combinations were carried out in the financial year:

Stade

On 1 April 2025, FRIEDRICH VORWERK acquired the Wischhafen branch, including the operating site in Stade, from Gerhard Rode Rohrleitungsbau GmbH & Co. KG as part of an asset deal. With around 40 employees, the branch is expected to generate annual revenues in the mid-single-digit million € range. The assets were acquired by Vorwerk Stade GmbH (formerly: Vorwerk Verwaltungs GmbH).

The initial consolidation took place on 1 April 2025 and no goodwill arose from this business combination.

The acquisition costs can be allocated to the assets acquired and liabilities assumed, measured at their fair values, as follows:

in €k	Carrying amount before PPA	Fair value according to PPA
Assets and liabilities		
Property, plant and equipment	665	808
Liabilities and provisions	0	143
Identified net assets acquired	665	665
Determination of the difference		
Purchase price for asset deal		665
Total purchase price		665
Identified net assets acquired (100%)		665
Goodwill (+)		0
Net cash outflow from the acquisition		681

The business combination was recognised using the acquisition method. The value of the remeasured net assets totalled €665 thousand at the time of initial consolidation. The incidental transaction costs totalled €16 thousand. Since the date of initial consolidation, revenue of €2,169 thousand and a loss of €946 thousand have been recognised from the acquired business. As the acquired business was an integrated part of Gerhard Rode Rohrleitungsbau GmbH & Co. KG until March 2025, it is not possible to reliably determine the revenue and earnings from January to March 2025 separately for the business or would involve disproportionately high costs. The business combination has no material impact on the Group's net assets, financial position and results of operations for the 2025 financial year, which is why no separate disclosures are made.

The purchase price for the acquired assets totalled €665 thousand and was paid in full in cash.

The purchase price allocation on which the initial consolidation is based is provisional, as findings may arise after the purchase price allocation has been prepared that may lead to subsequent adjustments within one year of acquisition. These changes may arise in particular in the valuation of property, plant and equipment.

Brunn

On 1 August 2025, FRIEDRICH VORWERK acquired the Brunn branch from Christoffers GmbH as part of an asset deal. With around 35 employees, the branch is expected to generate annual revenue in the low single-digit million range. The assets were acquired by Gottfried Puhlmann GmbH Havelländische Bauunternehmung.

The initial consolidation took place on 1 August 2025 and no goodwill arose from this business combination.

The acquisition costs can be allocated to the assets acquired and liabilities assumed, measured at their fair values, as follows:

in €k	Carrying amount before PPA	Fair value according to PPA
Assets and liabilities		
Property, plant and equipment	558	589
Liabilities and provisions	78	109
Identified net assets acquired	480	480
Determination of the difference		
Purchase price for asset deal		480
Total purchase price		480
Identified net assets acquired (100%)		480
Goodwill (+)		0
Net cash outflow from the acquisition		482

The business combination was recognised using the acquisition method. The value of the revalued net assets at the time of initial consolidation was €480 thousand. The incidental transaction costs totalled €2 thousand. As the acquired business was an integral part of Christoffers GmbH until July 2025 and is an integral part of Gottfried Puhmann GmbH Havelländische Bauunternehmung since August 2025, it is not possible to reliably determine the revenue and earnings separately for the business in the financial year or would involve disproportionately high costs. The business combination has no material impact on the Group's net assets, financial position and results of operations for the 2025 financial year, which is why no separate disclosures are made.

The purchase price for the acquired assets totalled €480 thousand and was paid in full in cash.

The purchase price allocation on which the initial consolidation is based is provisional, as findings may arise after the purchase price allocation has been prepared that may lead to subsequent adjustments within one year of acquisition. These changes may arise in particular in the valuation of property, plant and equipment.

Overall effects of the business combination

For the reasons stated above, no separate disclosures are made for the business combinations (asset deals) with regard to the overall effects (revenue and earnings) of the Group. The business combinations have no material impact on the Group's net assets, financial position and results of operations for the 2025 financial year.

No goodwill was recognised from the business combinations. Businesses consolidated for the first time are consolidated at the time of acquisition or at a most recent reporting date possible, provided that this does not result in any material changes compared to consolidation at the time of acquisition.

1.4 Corporate and structural changes in 2025

Friedrich Vorwerk SE & Co. KG sold 5% of the shares in 5C-Tech GmbH on 28 February 2025, meaning that Friedrich Vorwerk SE & Co. KG now holds a 65% stake in the company.

Seyde und Coburg Kathodischer Korrosionsschutz GmbH was merged with Vorwerk Pipeline- und Anlagenservice GmbH with effect from 30 September 2025; the merger has not yet been entered in the commercial register.

Vorwerk-EEE GmbH was renamed Vorwerk Gas Technology GmbH in the period under review. In addition, Vorwerk Verwaltungs GmbH was renamed Vorwerk Stade GmbH.

2. Scope of consolidation

In addition to Friedrich Vorwerk Group SE as the parent company, the companies listed below are included in the consolidated financial statements by way of full consolidation. The shareholdings are determined by multiplying the respective company shares. The companies listed in bold hold direct or indirect interests in the companies listed below.

Companies included in the consolidated financial statements Name and registered office of the company	Shareholding in %
Subsidiaries (consolidated)	
Friedrich Vorwerk Management SE, Tostedt, Germany	100.00
Friedrich Vorwerk SE & Co KG, Tostedt, Germany	89.93
5C-Tech GmbH, Tostedt, Germany	58.45
Bohlen & Doyen Anlagenbau Holding GmbH, Tostedt, Germany	89.93
Bohlen & Doyen Service und Anlagentechnik GmbH, Wiesmoor, Germany	89.93
Bohlen & Doyen Bau Holding GmbH, Tostedt, Germany	89.93
Bohlen & Doyen Bau GmbH, Wiesmoor, Germany	89.93
EAS Einhaus Anlagenservice GmbH, Geeste, Germany	89.93
European Pipeline Services GmbH, Tostedt, Germany	89.93
Gottfried Puhlmann GmbH Havelländische Bauunternehmung, Ludwigsfelde, Germany	89.93
Gottfried Puhlmann GmbH, Marne, Germany	89.93
Gottfried Puhlmann Hamburg GmbH, Tostedt, Germany	89.93
Hempel Aluminiumbau GmbH, Storkow (Mark), Germany	89.93
Hempel Construction B.V., Amsterdam, Netherlands	89.93
KORUPP GmbH, Twist, Germany	89.93
Vorwerk - ASA GmbH, Herne, Germany	89.93
Vorwerk Gas Technology GmbH, Tostedt, Germany	89.93
Vorwerk Pipeline- und Anlagenservice GmbH, Petersberg, Germany	89.93
Vorwerk Stade GmbH, Tostedt, Germany	89.93

The following table shows associates and joint ventures included in the consolidated financial statements. The shareholdings are shown from the perspective of the Friedrich Vorwerk SE & Co. KG subgroup.

Name of the company	Shareholding in %
Joint ventures (ARGEs)	
ARGE Anlagenbau VDS Achim West	50.00%
ARGE Bauausführung ETL 182	40.00%
ARGE Bavaria Loop Süd	33.33%
ARGE DOW Ohrensen K28	50.00%
ARGE EGL 442	58.00%
ARGE EWA	50.00%
ARGE BVM BalWin4 + LanWin1	50.00%
ARGE BVM CHC Emden	33.33%
ARGE ETL 178 Walle - Wolfsburg	50.00%
ARGE EUGAL Los 7+8	37.50%
ARGE Flugplatz WTM IT-Ltg	50.00%
ARGE Get H2 Lingen	10.00%
ARGE Kabeltrasse A310	50.00%
ARGE Kabeltrasse GSH	40.00%
ARGE Kabeltrasse Mehringen	45.00%
ARGE Kabeltrasse SüdLink PFA 3	45.00%
ARGE Kabeltrasse Verden	50.00%
ARGE Kabeltrasse WMC	40.00%
ARGE Konverter A-Nord	33.33%
ARGE KÜA A310	50.00%
ARGE KÜA Beverbruch	50.00%
ARGE KÜA Verden	50.00%
ARGE LNG Brunsbüttel	50.00%
ARGE NWKG – 3. BA	50.00%
ARGE NWKG – 4. BA	50.00%
ARGE OGE Hep	33.30%
ARGE RamBO SuedLink	50.00%
ARGE SEL 01	50.00%
ARGE SEL 02	50.00%
ARGE SEL 03	50.00%
ARGE STORAG ETZEL VT 8 / VT 16	50.00%
ARGE UW Sengwarden	50.00%
ARGE VS Rehden II	40.00%
ARGE VS Würselen - MCC-I	45.00%
ARGE WAD	50.00%
ARGE Werne-Schlüchtern	50.00%
ARGE Zeelink 3+5 (Beistellung)	50.00%
Dach-ARGE A310 Tunnel Henstedt	33.73%
Dach-ARGE AL Nonnendorf	50.00%
Dach-ARGE Ausbau Mantelrohre 2023/2024	50.00%
Dach-ARGE B3 MLK Brücke Los 2	58.10%
Dach-ARGE Baltrum Büsum	33.33%
Dach-ARGE Elbchaussee 1. BA	36.00%
Dach-ARGE Elbchaussee 2. BA	35.00%
Dach-ARGE Ersatzneubau Fernwärmetrasse 60 Passendorfer Wiesen Abschnitt A, Teil 2 Brückenneubau	45.00%
Dach-ARGE ETL 179.200	50.00%
Dach-ARGE ETL 182 Achim Elbe Süd	50.00%
Dach-ARGE Fehlstellensanierung	50.00%
Dach-ARGE Fehlstellensanierung 2021 - Stationssanierung AS Asbeck	50.00%

Name of the company	Shareholding in %
Dach-ARGE Fehlstellensanierung 2021 - Stationssanierung AS Frömer, AS Böttersen	50.00%
Dach-ARGE Fehlstellensanierung 2021 - Stationssanierung Campus Rehden	50.00%
Dach-ARGE Fehlstellensanierung 2021 - Umbau K 460 BASF	50.00%
Dach-ARGE Fehlstellensanierung 2021 - Umhüllungen	50.00%
Dach-ARGE HD-Leitung Iserlohn	50.90%
Dach-ARGE HD-Leitung Kaisersesch	45.76%
Dach-ARGE Kabeltrasse A250 Mehringen	50.00%
Dach-ARGE Kabeltrasse A310	50.00%
Dach-ARGE Kabeltrasse Ganderkesee - St. Hülfe	50.00%
Dach-ARGE Kabeltrasse WMC	50.00%
Dach-ARGE L06035 HDD Querung A44 - Werl	90.00%
Dach-ARGE Mainka Puhlmann	50.00%
Dach-ARGE Ostwind 3 Los 1 Anlandung	33.33%
Dach-ARGE RamBo WMC Kabelzug	38.68%
Dach-ARGE Refill PPS Vorwerk	53.00%
Dach-ARGE RV Ruhrtalleitung BA 2+3	45.00%
Dach-ARGE Stadtbeleuchtung II	50.00%
Dach-ARGE TAV	50.00%
Dach-ARGE TAV Rohrbau II	50.00%
Dach-ARGE Technische Dienstleistung Gasunie Deutschland	33.30%
Dach-ARGE VDS Achim West GU Lot 1	19.25%
Dach-ARGE WUV Dithmarschen Profilierungsarbeiten 2025	50.00%
Dach-ARGE ZEELINK Los 3 - (bis) 5	25.00%
Dach-ARGE Zielnetzplanung Aachen	33.30%
JV Baltic Pipe	33.33%

3. Principles of consolidation

The consolidated financial statements comprise the financial statements of Friedrich Vorwerk Group SE and its subsidiaries as of 31 December of each financial year. The financial statements of the subsidiaries are prepared using uniform accounting policies and for the same reporting period as the financial statements of the parent company.

The reporting date for all subsidiaries included in the consolidated financial statements is 31 December of the respective financial year.

3.1 Business combinations

Business combinations, including asset deals in which a business operation is acquired within the meaning of IFRS 3, are recognised using the acquisition method. Identifiable assets and liabilities are recognised at fair value at the time of acquisition.

Any difference between the consideration paid and the net assets is recognised as goodwill. If the fair value of the net assets attributable to the Group is higher than the acquisition cost of the shares, this results in a negative difference, which is recognised immediately in profit or loss after a further review of the purchase price allocation or fair values of the acquired assets, liabilities and contingent liabilities. If not all shares in a subsidiary have been acquired, non-controlling interests are initially recognised at the time of acquisition at their corresponding share of the identifiable net assets of the acquired company.

3.2 Subsidiaries

Subsidiaries are companies over which Friedrich Vorwerk Group SE exercises control. Control exists when a company has power over another company. This is the case when rights exist that confer the current ability to direct the relevant activities. Significant activities are those activities that have a material influence on the return of a company. Subsidiaries are fully consolidated from the date on which the possibility of control exists and cease to be consolidated when the possibility of control no longer exists.

3.3 Non-controlling interests

Non-controlling interests are initially measured at the time of acquisition at their corresponding share of the identifiable net assets of the acquired company. Changes in the Group's interest in a subsidiary that do not lead to a loss of control are recognised as equity transactions.

3.4 Associated companies

Companies in which the FRIEDRICH VORWERK Group holds between 20.0% and 50.0% of the share capital are generally classified as associates if the FRIEDRICH VORWERK Group exercises a significant but not a controlling influence. In cases of controlling influence, the respective companies are fully consolidated (see section 3.1).

Associated companies are included in the consolidated financial statements using the equity method. Associated companies that are not recognised at equity due to immateriality are measured at amortised cost.

3.5 Joint arrangements

Joint ventures are those in which the Group exercises joint control together with a third party in accordance with IFRS 11. Joint ventures are recognised in the FRIEDRICH VORWERK Group using the equity method and reported under financial assets. Joint ventures that are not accounted for using the equity method due to immateriality are measured at amortised cost and also reported under financial assets.

Working groups (ARGEs) are particularly common in Germany. According to a statement by the Institute of Public Auditors in Germany (IDW), the typical German ARGE fulfils the requirements for classification as a joint venture. Results from ARGES are recognised proportionately under income from equity investments. Receivables from and liabilities to ARGES include in particular incoming and outgoing payments as well as cost allocations and are recognised under trade receivables or other liabilities.

4. Presentation of accounting policies

4.1 General information

The consolidated financial statements have been prepared on a going concern basis and, with the exception of the revaluation of certain financial instruments, on the basis of historical cost. Historical cost is generally based on the fair value of the consideration paid in exchange for the asset.

The statement of financial position has been structured according to current and non-current assets and liabilities. The income statement is prepared using the nature of expense method to determine the consolidated net profit for the year.

4.2 Reporting currency

The consolidated financial statements are prepared in euro, as this is the currency on which the majority of Group transactions are based. Unless otherwise stated, all figures are rounded up or down to the nearest thousand of euro in accordance with commercial rounding. Amounts are stated in euros (€), thousands of euros (€ thousand) and millions of euros (€ million).

4.3 Foreign currency translation

Currency translation is carried out in accordance with the provisions of IAS 21.

The items included in the financial statements of the respective company are measured using the functional currency of the Group company.

Foreign currency transactions are initially translated into the functional currency at the spot rate applicable on the date of the transaction.

Monetary assets and liabilities in a foreign currency are translated into the functional currency on each reporting date using the closing rate. All currency differences are recognised in profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate on the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated at the exchange rate applicable at the time the fair value is determined.

The assets and liabilities of foreign operations are translated into euros at the closing rate. Income and expenses are translated at the average exchange rate for the financial year. The resulting translation differences are recognised as a separate component of equity.

4.4 Intangible assets

Intangible assets are recognised and initially measured at cost in accordance with the criteria of IAS 38 and, in the case of business combinations, at fair value in accordance with IFRS 3.

Costs for research activities are recognised as an expense in the period in which they are incurred, whereas development costs are capitalised if the capitalisation criteria of IAS 38 are cumulatively met.

If the criteria are not met, development costs are recognised as an expense in the period in which they are incurred.

Intangible assets (excluding goodwill) are amortised on a straight-line basis over their estimated useful life.

With the exception of goodwill, the Group has no intangible assets with an indefinite useful life.

The acquisition costs of new software are capitalised and treated as an intangible asset if these costs are not an integral part of the associated hardware. Software is amortised on a straight-line basis over a period of 3 to 5 years.

Costs incurred to restore or maintain the future economic benefits that the company originally expected are recognised as an expense.

Gains and losses from the disposal of intangible assets are calculated as the difference between the net disposal proceeds and the carrying amount of the asset and recognised in profit or loss in the period in which the asset is disposed of.

4.5 Goodwill

Goodwill from business combinations is the residual amount of the excess of the cost of the business combination over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired company.

Goodwill is not amortised but allocated to a cash-generating unit ("CGU") as part of the business combination, the carrying amount of which is tested for impairment at least once a year in accordance with the provisions of IAS 36.

If a subsidiary is sold, the amount of goodwill attributable to the subsidiary is recognised when determining the gain or loss on disposal.

4.6 Property, plant and equipment

Expenditure on property, plant and equipment is recognised and initially measured at cost in accordance with the criteria of IAS 16 and, in the case of business combinations, at fair value in accordance with IFRS 3.

Depreciation is calculated on a straight-line basis over the expected useful life, assuming a residual value of €0.00. The following estimated useful lives are used for the individual asset groups:

- Buildings and outdoor facilities: 5 to 50 years
- Technical equipment and machinery: 1 to 21 years
- Computer hardware: 3 years
- Other office equipment: 2 to 23 years

Land is not depreciated.

Advance payments made and property, plant and equipment under construction are not depreciated until completion.

If items of property, plant and equipment are sold or scrapped, the corresponding acquisition costs and accumulated depreciation are derecognised; any gain or loss realised on disposal is recognised in profit or loss.

4.7 Leasing

Leases are identified in accordance with the provisions of IFRS 16. Leases are recognised by capitalising a right-of-use asset and recognising the present value of the lease payments as a liability (lease liability).

As a lessee, the Group primarily utilises real estate, motor vehicles and other technical equipment and machinery.

The lease payments are discounted at the interest rate implicit in the lease, if this can be determined. Otherwise, they are discounted using the incremental borrowing rate. The FRIEDRICH VORWERK Group generally applies the incremental borrowing rate. This incremental borrowing rate as a risk-adjusted interest rate is derived for specific maturities and currencies and also takes into account the creditworthiness of the individual Group companies.

The right-of-use asset is initially measured at cost in accordance with IFRS 16.24 at the commencement date. Subsequent measurement is based on the cost model with straight-line amortisation of the right-of-use asset and any remeasurements due to impairment losses or remeasurements of the lease liability from contract modifications.

In the case of contracts that contain both lease and non-lease components, these components are generally separated.

Some leases, particularly for property, contain renewal options. When determining the lease term, such options are only taken into account if they are reasonably certain. The assessment of whether the options are exercised with sufficient certainty has an impact on the term of the lease and can therefore significantly influence the measurement of the lease liabilities or right-of-use assets.

The FRIEDRICH VORWERK Group makes use of the IFRS 16 rule with regard to the non-recognition of right-of-use assets and lease liabilities in the context of leases with a low value (i.e. the value of the underlying asset is €5,000 or less when new) and short-term leases (remaining term no longer than twelve months). The lease instalments associated with these leases are recognised as an expense on a straight-line basis over the term of the lease.

In rare cases, the FRIEDRICH VORWERK Group acts as lessor. These contracts are immaterial for the company's consolidated financial statements.

4.8 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, unless the borrowing costs are incurred for the acquisition, construction or production of qualifying assets. In this case, the borrowing costs are added to the production costs of these assets. Interest expenses are capitalised for qualifying assets.

4.9 Impairment of non-financial assets

Non-financial assets are tested for impairment if facts or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. For the impairment test, the recoverable amount of the asset or cash-generating unit (CGU) as defined in IAS 36.6 must be determined. If the recoverable amount is less than the carrying amount, the difference is immediately recognised as an impairment loss in profit or loss.

Non-financial assets other than goodwill are amortised through profit or loss subject to the conditions set out in IAS 36.110 and the carrying amounts and limits set out in IAS 36.117 and IAS 36.122.

4.10 Financial instruments - initial recognition and subsequent measurement

The classification, measurement and impairment of financial instruments and the derecognition are carried out in accordance with the provisions of IFRS 9. A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1) Financial assets

Initial recognition and measurement

With the exception of trade receivables, the Group measures financial assets at fair value on initial recognition.

Trade receivables that do not contain a significant financing component are measured at the transaction price determined in accordance with IFRS 15.

A regular way purchase or sale of financial assets is measured on the trade date, i.e. the date on which the Group entered into the obligation to purchase or sell the asset.

On initial recognition, financial assets must be classified in accordance with the criteria of IFRS 9.4.1 for the purposes of subsequent measurement. Further information on the classification criteria and subsequent measurement is presented below.

Subsequent measurement

Financial assets are classified into four categories for subsequent measurement:

- financial assets at amortised cost (debt instruments)
- financial assets at fair value through other comprehensive income with reclassification of cumulative gains and losses (debt instruments)
- financial assets at fair value through other comprehensive income without reclassification of cumulative gains and losses on derecognition (equity instruments)
- financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if the following two conditions are met

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- the contractual cash flows from the financial assets represent solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortised cost are measured in subsequent periods using the effective interest method and are tested for impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets measured at amortised cost mainly include trade receivables.

Financial assets at fair value through other comprehensive income (debt instruments)

The Group measures debt instruments at fair value through other comprehensive income if the following two conditions are met:

- the financial asset is held within a business model whose objective is both to collect the contractual cash flows and to sell financial assets, and
- the contractual cash flows from the financial assets represent solely payments of principal and interest on the principal amount outstanding.

In the case of debt instruments measured at fair value through other comprehensive income, interest income, remeasurements of currency translation gains and losses and impairment losses or reversals of impairment losses are recognised in the income statement and calculated in the same way as for financial assets measured at amortised cost.

The remaining changes in fair value are recognised in other comprehensive income. On derecognition, the cumulative gain or loss from changes in fair value recognised in other comprehensive income is reclassified to the income statement.

The Group's debt instruments recognised at fair value through other comprehensive income include listed bonds reported under current securities.

Financial assets at fair value through other comprehensive income (equity instruments)

On initial recognition, the Group can irrevocably elect to classify its equity instruments as equity instruments measured at fair value through other comprehensive income if they fulfil the definition of equity under IAS 32 and are not held for trading. Classification is made individually for each instrument.

Gains and losses from these financial assets are never reclassified to the income statement. Dividends are recognised in the income statement as other income if the legal claim to payment exists. Equity instruments recognised at fair value through other comprehensive income are not tested for impairment.

The Group has decided to categorise all of its listed equity instruments in this category.

Financial assets at fair value through profit or loss

In accordance with IFRS 9.4.1.4, the group of financial assets at fair value through profit or loss includes:

- financial assets "held for trading" as defined by IFRS 9, including derivatives not designated as hedging instruments,
- financial assets that are initially recognised at fair value through profit or loss, or
- financial assets that are required to be measured at fair value.

Financial assets measured at fair value through profit or loss are recognised in the statement of financial position at fair value, with changes in fair value recognised on a net basis in the income statement. This category includes derivative financial instruments, listed equity instruments held for trading and financial assets that do not meet the requirements described above for measurement at amortised cost or at fair value through other comprehensive income.

Derecognition

A financial asset is mainly derecognised if, in accordance with IFRS 9.3.2, the contractual rights to receive cash flows from the financial asset have either expired or have been transferred. In the event of a transfer, the associated transfer of significant risks and rewards or the transfer of control leads to the derecognition of the asset.

Impairment of financial assets

The Group recognises an allowance for expected credit losses in accordance with IFRS 9.5.5.1 (ECL) for all debt instruments that are not measured at fair value through profit or loss.

The measurement period of the expected credit loss is generally dependent on a significant increase in the default risk since initial recognition of the financial instrument. It is based on the expected 12-month credit loss if there is no significant increase in the default risk and on the remaining term (total term ECL) if there is a significant increase.

In the case of trade receivables and contract assets, the Group applies the accounting option of generally recognising risk provisions based on the total lifetime ECL without examining changes in risk. The Group has created an impairment matrix based on its previous experience with credit losses, which is adjusted for forward-looking factors if specific forward-looking factors can be determined with reasonable effort for the borrower and the economic conditions.

The Group assumes that a financial asset is in default if contractual payments are 90 days overdue and a subsequent detailed review of the debtor does not lead to any other findings. In addition, in certain cases, it may assume that a financial asset is in default if internal or external information indicates that it is unlikely that the Group will receive the outstanding contractual amounts in full before all of the credit collateral it holds is taken into account. A financial asset is written down if there is no reasonable expectation that the contractual cash flows will be realised.

*II) Financial liabilities**Initial recognition and measurement*

Financial liabilities are classified on initial recognition as financial liabilities at fair value through profit or loss, as loans, as liabilities or as derivatives that are designated as hedging instruments and are effective as such.

All financial liabilities are initially recognised at fair value, less directly attributable transaction costs in the case of loans and liabilities.

The Group's financial liabilities include trade payables, contract liabilities, other liabilities and loans, including overdrafts.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

In accordance with IFRS 9.4.2.1 and IFRS 9.4.2.2, financial liabilities at fair value through profit or loss include financial liabilities "held for trading" as defined in IFRS 9 as well as financial liabilities classified as at fair value through profit or loss upon initial recognition.

This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedging relationships in accordance with IFRS 9 and are effective as such.

Gains or losses from financial liabilities held for trading are recognised in profit or loss.

The Group has no financial liabilities classified as at fair value through profit or loss.

Loans and liabilities

After initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Fees paid between the contracting parties as well as transaction costs, premiums and discounts are included in the calculation of the effective interest rate. Gains and losses are recognised in profit or loss when the liabilities are derecognised and as finance costs as part of the amortisation using the effective interest method.

Derecognition

A financial liability is derecognised in accordance with IFRS 9.3.3 when the underlying obligation is discharged, cancelled or expired. If an existing financial liability is replaced by another financial liability from the same lender with substantially different contractual terms, or if the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the respective carrying amounts is recognised in profit or loss.

III) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position if there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.11 Derivative financial instruments

The Group uses derivative financial instruments such as commodity swaps or interest rate swaps to a small extent to hedge against commodity price and interest rate risks from existing and future underlying transactions and recognises them in accordance with IFRS 9. These derivative financial instruments are generally recognised or remeasured at fair value at the time the contract is concluded and in subsequent periods. Derivative financial instruments are recognised as financial assets if their fair value is positive and as financial liabilities if it is negative. These derivative financial instruments are not designated as hedging relationships, but are classified as held for trading.

4.12 Inventories

Inventories are accounted for in accordance with IAS 2 and recognised at the lower of cost and net realisable value (less necessary selling costs), taking into account their planned use. Raw materials, consumables and supplies as well as purchased goods are recognised at the lower of cost using the average price method or market price on the balance sheet date. In addition to the cost of production materials and production wages, the production costs of work in progress and finished goods also include pro rata material and production overheads, assuming normal capacity utilisation. Appropriate write-downs were recognised for inventory risks arising from the storage period and reduced usability.

4.13 Contract assets and contract liabilities

Contract assets and contract liabilities are recognised in accordance with IFRS 15. If revenue is recognised due to the fulfilment of a contractual performance obligation before the conditions for invoicing have been met or the customer has made a payment, the corresponding claim is recognised as a contract asset.

If payments are made by customers or receivables from a customer are contractually due before a contractual performance obligation has been fulfilled and revenue has thus been realised, the future revenue must be measured in accordance with IFRS 15 and recognised as a contract liability. The contract liabilities are then added to revenue in accordance with the fulfilment of the contractual performance obligations.

If the contract asset value of a customer order exceeds the advance payments received on it, it is recognised as an asset under contract assets. In the opposite case, it is recognised separately on the liabilities side under contract liabilities.

If it is probable that the production costs of construction contracts will exceed the recoverable amount, the expected losses are recognised immediately as an expense. In such cases, an impairment loss is recognised up to the amount of the respective contract asset or - if the contract asset is exceeded - a provision for onerous contracts is recognised on the liabilities side under current provisions in accordance with IAS 37. This is recognised on a case-by-case basis at the amount required to fulfil the current obligation from the customer contract.

Revenue in the Energy Grids segment

In accordance with the provisions of IFRS 15, revenue from the Energy Grids segment is generally recognised over time, as the projects are built on land owned by customers and they therefore always have control over the assets created or improved. Realisation takes place on the basis of individual contracts. The transaction price is allocated to separate performance obligations on the basis of labour costing. The contract amount agreed with the customer is used to determine the transaction price of projects in the FRIEDRICH VORWERK Group.

Revenue from these projects is recognised over time using the output-oriented method based on the work already performed. The work performed and the corresponding revenue are determined at the level of the individual items in accordance with the work calculation. Due to unforeseen deviations from the planned costs, the best indicator is the direct derivation of the performance progress from the work actually performed. The project team is required to carry out the direct determination of performance on a monthly basis.

Inventories that have not yet been utilised but are already present in the projects are reported separately under inventories. Partial services already invoiced are recognised as trade receivables.

Supplementary work in connection with these orders are services that cannot be offset on the basis of existing contractual agreements, but for which agreement must still be reached with the client as to whether they can be offset or recognised. While the costs are recognised in profit or loss as soon as they are incurred, revenue from supplementary work is generally only recognised after the client's written acknowledgement has been received or upon payment of the supplementary work if payment is received before the written acknowledgement.

Revenue in the area of Energy Transformation

The consideration for revenue in the Energy Transformation segment, which is realised over time on the basis of the services already rendered as at the reporting date, is recognised under contract assets. The contract asset represents the Group's claim.

Revenue is recognised over time if there is no alternative use due to a contractual agreement and there is a right to remuneration including a profit margin on the service provided. The comments on revenue in the Energy Grids segment apply accordingly.

4.14 Cash and cash equivalents

Cash and cash equivalents recognised in the statement of financial position comprise cash in hand, bank balances and short-term deposits with an original term of less than three months. Cash and cash equivalents are measured at amortised cost.

Cash and cash equivalents in the consolidated statement of cash flows are recognised in accordance with the above definition.

4.15 Provisions

In accordance with IAS 37, provisions are recognised for current obligations arising from a past event that will probably lead to an outflow of resources embodying economic benefits in the future in the amount of the reliably estimable expense.

Provisions that do not lead to an outflow of resources in the following year are recognised at their settlement amount discounted to the balance sheet date. The settlement amount also includes expected cost increases. Provisions are not offset against rights of recourse. If the Group expects at least a partial reimbursement for a provision recognised as a liability, the reimbursement is recognised as a separate asset if the inflow of the reimbursement is virtually certain.

Provisions with the liability character are recognised for obligations for which an exchange of services has taken place and the amount of the consideration is reasonably certain. Provisions with the liability character are recognised under liabilities.

4.16 Pensions and other post-employment benefits

Pension obligations are recognised in accordance with IAS 19. Payments for defined contribution plans are recognised as an expense. In the case of defined benefit plans, the obligation is recognised as a pension provision in the statement of financial position. The pension commitments are regarded as defined benefit plans and are therefore actuarially measured using the projected unit credit method.

The actuarial gains and losses are recognised in other comprehensive income. The interest expense resulting from the compounding of pensions is recognised in the financial result.

4.17 Revenue realisation

Revenue is recognised at the amount that corresponds to the consideration that the company expects to receive in exchange for the promised goods or services when they are transferred to the customer. Revenue is recognised when the customer obtains control of the goods or services.

In the case of projects with variable remuneration, either the expected value or the most probable value is recognised, depending on the specific contractual arrangement. In principle, both estimation methods can be used in a single contract. In addition, the amount determined in this way is reduced by a risk-adjusted discount in order to avoid a significant reversal of the cumulative revenue already recognised when the uncertainty is resolved.

Sale of goods and products, provision of services

The customer generally obtains control upon delivery of the goods and products or upon final acceptance by the customer. Revenue from service transactions is only recognised when it is sufficiently probable that the economic benefits associated with the transaction will flow to the customer. This occurs in the accounting period in which the respective services are rendered, whereby the customer obtains control over the service.

Revenue from contracts with customers (Energy Grids)

Revenue from contracts with customers is generally recognised over time in accordance with the provisions of IFRS 15. Revenue is recognised over time using the output-oriented method on the basis of the service already provided as at the reporting date.

For further details, please refer to the explanations on contract assets.

Revenue from contracts carried out in joint ventures is recognised over time in accordance with the work actually performed as at the reporting date. Impending losses from the further course of the project are recognised through corresponding write-downs.

Revenue from Energy Transformation projects

Revenue in the Energy Transformation segment is recognised over time on the basis of the work already performed as at the reporting date if there is no alternative use for the FRIEDRICH VORWERK Group due to a contractual agreement and the contractual agreement provides for a remuneration claim including a profit margin on the work already performed.

Interest income

Interest income is recognised when the interest has accrued (using the effective interest rate, i.e. the rate that discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Dividends

Income is recognised when the legal claim to payment arises.

4.18 Taxes

a) Current income taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The calculation is based on the tax rates and tax laws applicable on the balance sheet date.

b) Deferred taxes

Deferred tax liabilities are recognised in accordance with IAS 12 for all taxable temporary differences, with the exception of the deferred tax liability from the initial recognition of goodwill.

Deferred tax assets are recognised for all deductible temporary differences and unused tax loss carryforwards to the extent that it is probable that taxable income will be available against which the deductible temporary differences and unused tax loss carryforwards can be utilised.

Investment-dependent tax credits are recognised in analogous application of the provisions of IAS 12. They are not offset against the corresponding investment.

Deferred tax assets and liabilities are netted for individual companies if they are attributable to future charges or reductions by the same taxpayer vis-à-vis the same tax authority.

Deferred taxes are measured using tax rates that fulfil the requirements of IAS 12.47 et seq. They are based on the tax rates applicable or announced on the reporting date and are calculated using the tax rates expected to apply when the liability is settled or the asset is realised. Deferred taxes are recognised as tax income or expense in the statement of comprehensive income and, if they relate to items recognised directly in equity, are also recognised directly in equity.

4.19 Contingent liabilities and contingent assets

Contingent liabilities are disclosed separately in the notes unless the possibility of an outflow of resources embodying economic benefits is remote.

In the context of business combinations, contingent liabilities are recognised in accordance with IFRS 3.23 if the fair value can be reliably determined.

Contingent assets are not recognised in the financial statements. However, they are disclosed in the notes if the inflow of economic benefits is probable.

4.20 Classification of expenses

The expenses recognised in the income statement are classified by type of expense using the nature of expense method.

Other taxes comprise taxes other than income taxes and are recognised separately under "Other taxes".

4.21 Government grants

Government grants related to income are recognised as profit or loss in the periods in which the corresponding expenses are recognised and there is reasonable assurance that the conditions attached to the grants will be met.

If the grants offset future expenses, the grants received are recognised as deferred income under liabilities in the statement of financial position.

4.22 Measurement of fair value

The input factors used to determine the fair value are categorised in the so-called "fair value hierarchy" of IFRS 13.72 et seq., whereby the prices quoted in active markets for identical assets or liabilities (unadjusted) (level 1 input factors) are given the highest priority for application, while unobservable input factors are given the lowest priority (level 3 input factors).

If the inputs used to determine the fair value of an asset or liability can be categorised into different levels of the fair value hierarchy, the fair value measurement is allocated in its entirety to the level of the fair value hierarchy that corresponds to the lowest level input that is significant to the measurement as a whole.

Fair value disclosures are not made if the carrying amounts of the financial assets and liabilities that are not measured at fair value essentially correspond to the fair values.

5. Significant judgements, estimates and assumptions

For the preparation of the consolidated financial statements in accordance with IFRS, estimates and assumptions must be made in individual cases. These have an impact on the amounts of assets, liabilities and financial obligations recognised as at the balance sheet date and on the recognition of income and expenses. The actual amounts may differ from these estimates.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a) Impairment of non-financial assets

The Group determines at each balance sheet date whether there are any indications of impairment of non-financial assets. Non-financial assets are tested for impairment if there are indications that the carrying amount exceeds the recoverable amount. To estimate the value in use, management assesses the expected future cash flows of the asset or cash-generating unit and selects an appropriate discount rate to determine the present value of these cash flows.

b) Pensions and other post-employment benefits

The expense from defined benefit post-employment plans is determined on the basis of actuarial calculations. The actuarial valuation is based on assumptions regarding discount rates, future wage and salary increases, mortality and future pension increases. In line with the long-term nature of these plans, such estimates are subject to significant uncertainties.

c) Provisions

Other provisions are recognised and measured on the basis of an estimate of the probability of a future outflow of resources and on the basis of past experience and the circumstances known at the balance sheet date. The actual obligation may differ from the amounts recognised as provisions.

d) Deferred tax assets

Deferred tax assets are recognised for all unused tax loss carryforwards and temporary differences to the extent that it is probable that taxable income will be available against which the loss carryforwards can actually be utilised. In determining the amount of deferred tax assets, management judgement is required with regard to the expected timing and amount of future taxable income and future tax planning strategies.

e) Revenue from contracts with customers

The companies of the FRIEDRICH VORWERK Group conduct a large part of their business as construction contracts over time, for which revenue is recognised according to the stage of completion and the percentage of completion. This method requires an estimate of the percentage of completion. Depending on the method used to determine the stage of completion, the main estimates include the work already performed, the total contract costs, the costs to be incurred until completion, the total contract revenue, the contract risks and other judgements. The estimates are continuously reviewed by the company's management and adjusted if necessary. Particularly in the case of technically complex and demanding projects, there is a risk that the estimate of total costs may differ significantly from the actual costs incurred or the estimate of the percentage of completion.

II. Notes to the consolidated statement of financial position

1. Non-current assets

The development of intangible assets and property, plant and equipment is shown in the following statement of changes in non-current assets.

1.1 Statement of changes in non-current assets of the FRIEDRICH VORWERK Group as at 31 December 2025

	Cost as at	Additions	Business acqui- sitions	Reclassi- fication	Dispos- als	Exchange rate diff.	Cost as at	Acc. de- precia- tion as at	Additions	Dispos- als	Ex- change rate diff.	Acc. de- precia- tion as at	Net books value as at	Net books value as at
	1 Jan						31 Dec	1 Jan				31 Dec	1 Jan	31 Dec
31 Dec 2025	€k	€k	€k	€k	€k	€k	€k	€k	€k	€k	€k	€k	€k	€k
I. Intangible assets														
1. Concessions, industrial property rights and similar rights	2,910	285	0	0	0	0	3,195	1,883	313	0	0	2,196	1,028	999
2. Goodwill	4,450	0	0	0	0	0	4,450	0	0	0	0	0	4,450	4,450
	7,360	285	0	0	0	0	7,645	1,883	313	0	0	2,196	5,477	5,449
II. Property, plant and equipment														
1. Land and buildings including buildings on third-party land	57,741	3,842	104	3,289	454	5	64,526	6,820	2,987	401	1	9,407	50,920	55,119
2. Technical equipment and machinery	72,644	32,135	757	0	3,413	7	102,131	32,916	13,329	3,146	3	43,102	39,728	59,029
3. Other equipment, operating and office equipment	50,005	18,066	537	350	2,598	2	66,362	17,033	9,927	2,275	1	24,685	32,973	41,677
4. Advance payments and assets under construction	4,775	1,871	0	-3,639	1,049	0	1,958	0	0	0	0	0	4,775	1,959
	185,165	55,914	1,398	0	7,514	15	234,977	56,769	26,243	5,822	4	77,194	128,397	157,784
Total	192,525	56,199	1,398	0	7,514	15	242,622	58,652	26,556	5,822	4	79,390	133,874	163,233

1.2 Statement of changes in non-current assets of the FRIEDRICH VORWERK Group as at 31 December 2024

	Cost as at	Additions	Busi- ness ac- quisi- tions	Reclassi- fication	Disposals	Exchange rate diff.	Cost as at	Acc. de- precia- tion as at	Additions	Disposals	Exchange rate diff.	Acc. de- precia- tion as at	Net book value as at	Net book value as at
	1 Jan						31 Dec	1 Jan				31 Dec	1 Jan	31 Dec
31 Dec 2024	€k	€k	€k	€k	€k	€k	€k	€k	€k	€k	€k	€k	€k	€k
I. Intangible assets														
1. Concessions, industrial property rights and similar rights	2,725	185	0	0	0	0	2,910	1,579	304	0	0	1,883	1,147	1,028
2. Goodwill	4,276	0	173	0	0	0	4,450	0	0	0	0	0	4,276	4,450
	7,002	185	173	0	0	0	7,360	1,579	304	0	0	1,883	5,423	5,477
II. Property, plant and equipment														
1. Land and buildings including buildings on third-party land	41,722	5,974	0	12,284	2,245	6	57,741	4,964	2,438	582	1	6,820	36,758	50,920
2. Technical equipment and machinery	63,848	15,256	9	243	6,719	8	72,644	27,695	11,490	6,271	2	32,916	36,154	39,728
3. Other equipment, operating and office equipment	37,248	16,863	60	386	4,554	3	50,005	13,938	7,016	3,922	1	17,033	23,310	32,973
4. Advance payments and assets under construction	14,118	3,759	0	-12,912	190	0	4,775	0	0	0	0	0	14,118	4,775
	156,936	41,852	69	0	13,708	17	185,165	46,597	20,944	10,775	4	56,769	110,340	128,397
Total	163,938	42,037	242	0	13,708	17	192,525	48,175	21,248	10,775	4	58,652	115,763	133,874

2. Goodwill

The carrying amount of goodwill is €4,450 thousand (previous year: €4,450 thousand).

Goodwill is subject to an annual impairment test. Goodwill acquired as part of business combinations is allocated to cash-generating units (CGUs). The allocation and parameters used for the impairment test are shown in the table below.

The impairment test confirmed the recoverability of the capitalised goodwill.

Estimation uncertainties in the impairment test

The recoverable amount of the cash-generating units is determined on the basis of a value-in-use calculation using cash flow forecasts based on medium-term planning approved by the management of the respective CGU for a period of five years. Following the medium-term planning, the calculation is transferred to perpetuity, taking into account an unchanged sustainable growth rate of 1.0%. Current and future probabilities, the expected economic development and other circumstances are taken into account when determining the budget figures. The forecast cash flows are discounted using a pre-tax discount rate (WACC), the values and underlying parameters of which are shown in the following table.

31 Dec 2025	Goodwill	Market risk premium	Risk-free interest rate	WACC before taxes	Revenue growth rate*
CGU	€k	in %	in %	in %	in %
Gottfried Puhlmann (31 Dec 2024)	3,812 3,812	6.0 7.5	3.3 2.5	10.4 8.7	10.0 3.7
Korupp (31 Dec 2024)	314 314	6.0 7.5	3.3 2.5	11.2 10.0	2.5 0.5
Hempel (31 Dec 2024)	151 151	6.0 7.5	3.3 2.5	11.0 9.6	16.4 -0.5
Pipeline- und Anlagen- service (formerly: Seyde und Co- burg)** (31 Dec 2024)	173 173	6.0 7.5	3.3 2.5	11.5 9.6	-0.9 6.2

* Planned revenue growth including changes in finished goods and work in progress (operating performance), average of the next five years

** Seyde und Coburg Kathodischer Korrosionsschutz GmbH was merged into Vorwerk Pipeline- und Anlagenservice GmbH in the reporting period

Estimation uncertainties in the impairment test

The assumptions underlying the calculation of the value in use of the CGU are subject to the greatest estimation uncertainties with regard to

- EBITDA margins
- discount rates
- Revenue growth rates

EBITDA margins: The EBITDA margins are based on the medium-term planning of the respective cash-generating unit. A decrease in the EBITDA margin of 0.5 percentage points would not lead to an impairment for any CGU or CGU Group.

Discount rates: The discount rates represent the market estimates with regard to the specific risks attributable to the cash-generating units in each case; the interest effect and the specific risks of the assets for which the estimated future cash flows have not been adjusted are taken into account. The calculation of the discount rate takes into account the specific circumstances of the Group. To determine a pre-tax discount rate, the discount rate is adjusted for the corresponding amount and timing of taxable cash flows. An increase in the pre-tax discount rate of 0.5 percentage points would not lead to an impairment for any CGU or CGU Group.

Revenue growth rates: The forecast revenue trends are based on past experience and growth assumptions for the target markets of the respective CGUs. The Group recognises that potential new competitors or a changed market environment could have a significant impact on the assumptions for revenue development. Such a development could lead to a different reasonably possible development for the cash-generating units. A deviation from the forecast revenue development of one percentage point would not lead to an impairment for any CGU or CGU Group.

3. Intangible assets

With regard to the development of intangible assets, please refer to the presentation in the statement of changes in non-current assets.

4. Property, plant and equipment

With regard to the development of property, plant and equipment, we refer to the presentation in the statement of changes in non-current assets. No borrowing costs were capitalised for qualifying assets in either the reporting year or the previous year.

The development costs capitalised by the FRIEDRICH VORWERK Group in the financial year amount to €0 thousand (previous year: €1,038 thousand).

The following table provides an overview of the capitalised right-of-use assets per asset class as at 31 December 2025

	31 Dec 2025	31 Dec 2024
	€k	€k
Land and buildings	1,526	1,576
Technical equipment and machinery	569	1,139
Other equipment, operating and office equipment	1,176	12
Total	3,270	2,727

The right-of-use assets presented separately here are also included in the statement of changes in non-current assets in section II.1. Additions to right-of-use assets in the 2025 financial year totalled €3,498 thousand (previous year: €1,865 thousand), of which €175 thousand (previous year: €0 thousand) was attributable to business combinations.

5. Financial assets

	31 Dec 2025	31 Dec 2024
	€k	€k
Equity investments	27,626	9,310
Long-term securities	5,987	1,982
Carrying amount as at 31 Dec	33,613	11,293

The development of financial assets is shown in the following tables

	31 Dec 2025	31 Dec 2024
	€k	€k
Carrying amount as at 1 Jan	1,982	2,068
Additions in the period	3,931	0
Disposals in the period	0	-291
Revaluation	74	206
Carrying amount as at 31 Dec	5,987	1,982

	31 Dec 2025	31 Dec 2024
	€k	€k
Carrying amount as at 1 Jan	9,310	10,591
Pro rata annual results	21,189	5,903
Distributions	-2,873	-7,183
Carrying amount as at 31 Dec	27,626	9,310

Information on securities

The securities were only sold in the previous year as part of active portfolio management. The fair value of the securities sold in the previous year was €359.3 thousand at the time of derecognition. The cumulative gain on disposal in the previous year totalled €68.1 thousand.

Disclosures on ARGES

In the Group, ARGES are classified as joint ventures and their results are recognised in the result from equity investments. For the 2025 financial year, the following table contains the ten largest joint ventures in terms of revenue in 2025

	Shareholding in %
(EWA) ARGE EWA	50.00%
(BAL) Dach-ARGE Baltrum Büsum	33.33%
(SE2) ARGE SEL 02	50.00%
(GH2) ARGE Get H2 Lingen	10.00%
(SE3) ARGE SEL 03	50.00%
(PFA) ARGE Kabeltrasse SüdLink PFA3	45.00%
(VDS) Dach-ARGE VDS Achim West GU Lot 1	19.25%
(HEP) ARGE OGE HEP	33.30%
(BRU) ARGE LNG Brunsbüttel	50.00%
(BAU) ARGE Bauausführung ETL 182	40.00%

The financial information on these ARGES for the 2025 financial year is presented at 100%.

	Revenue	Non-current assets	Current assets	thereof cash funds	Non-current liabilities	Current liabilities
	€k	€k	€k	€k	€k	€k
(EWA)	81,541	723	134,391	3,388	0	125,128
(BAL)	81,039	429	178,082	1,556	0	175,431
(SE2)	48,181	0	64,278	10,778	0	59,383
(GH2)	45,617	0	78,576	0	0	78,576
(SE3)	29,610	0	22,797	8,383	0	19,387
(PFA)	29,242	109	44,011	9,780	0	41,661
(VDS)	28,710	0	15,738	1,337	0	15,741
(HEP)	25,791	0	40,418	3,183	0	33,607
(BRU)	24,269	0	403,167	7,058	0	383,825
(BAU)	15,543	162	46,792	28,652	0	44,985

Information on cumulative losses from equity investments

In the financial year, all pro rata losses from equity investments were recognised in profit or loss.

Disclosures on securities held as current assets

The development of securities classified as current assets is shown in the following table

	31 Dec 2025	31 Dec 2024
	€k	€k
Carrying amount as at 1 Jan	0	0
Additions in the period	7,588	0
Disposals for the period	0	0
Valuation using the effective interest method*	11	0
Valuation at market value - foreign exchange rate effect	-6	0
Valuation at market value - bond price	-17	0
Carrying amount as at 31 Dec	7,576	0

* excluding accrued interest (recognised as other financial assets in the statement of financial position). With regard to the total interest resulting from the effective interest method, please refer to section III. 7 Financial income.

Financial assets recognised at fair value through other comprehensive income

The financial assets of the FRIEDRICH VORWERK Group recognised at fair value through other comprehensive income include securities (shares and bonds). The FRIEDRICH VORWERK Group has designated the securities as at fair value through other comprehensive income because they are not acquired for the purpose of trading.

Of the securities recognised at fair value through other comprehensive income in the amount of €13,564 thousand (previous year: €1,982 thousand), €5,987 thousand (previous year: €1,982 thousand) are reported under non-current assets and €7,576 thousand (previous year: €0 thousand) under current assets. The Group's debt instruments recognised at fair value through other comprehensive income consist exclusively of listed bonds, which the management considers to be an investment with a low credit risk. Impairment losses of €14 thousand (previous year: €0 thousand) were recognised for expected credit losses from bonds.

Derivative financial instruments

The positive market value of derivatives (interest rate swaps, commodity swaps) is recognised as a separate item (derivative financial instruments) under "Financial assets" from the 2025 financial year. The previous year's figure was also presented accordingly. In the annual report for 2024, this value was reported under "Other current assets".

6. Inventories

	31 Dec 2025	31 Dec 2024
	€k	€k
Raw materials and supplies	8,770	6,715
Work in progress	127	164
Advance payments	4,653	168
Carrying amount as at 31 Dec	13,550	7,047

Impairment losses totalling €20 thousand (previous year: €3 thousand) were recognised on inventories during the reporting period.

7. Trade receivables

	31 Dec 2025	31 Dec 2024
	€k	€k
Trade receivables	15,092	19,576
Receivables from ARGEs	11,839	23,448
less individual valuation adjustments	-963	-2,486
less expected credit loss	-37	-63
Carrying amount as at 31 Dec	25,931	40,475

The total amount of trade receivables is due within one year. Trade receivables are individually impaired as required. Indicators for value adjustments are non-receipt of payments and information about changes in the creditworthiness of customers. There is no significant concentration of credit risk due to the breadth of the customer base. The individual valuation adjustments mainly include reporting date-related devaluation effects from the valuation of the joint ventures.

8. Contract assets and contract liabilities

Contract assets comprise the remuneration claims from contracts with customers and plant construction projects for services already rendered on the reporting date. If the advance payments received on these exceed the remuneration claim, they are recognised under contract liabilities.

	31 Dec 2025	31 Dec 2024
	€k	€k
Gross contract assets	839,947	559,347
advance payments received thereon	-785,917	-505,467
Contract assets	54,029	53,880
Contract liabilities (incl. advance payments)	84,084	80,750

No costs of contract initiation or contract fulfilment were capitalised as separate assets in the financial year (previous year: none).

Revenue, which was included in the balance of contract liabilities at the beginning of the period, totalled €67,010 thousand in the 2025 financial year (previous year: €18,654 thousand).

9. Other current assets

Other current assets break down as follows:

	31 Dec 2025	31 Dec 2024
	€k	€k
Tax receivables	1,754	5,183
Receivables from personnel	1,224	1,253
Prepaid expenses	1,616	1,426
Other current assets	1,274	903
Carrying amount as at 31 Dec	5,869	8,765

Tax receivables include corporation and trade tax refunds of €1,403 thousand (previous year: €4,769 thousand) and input tax refund claims of €351 thousand (previous year: €413 thousand). Receivables from staff mainly comprise employee loans.

10. Cash in hand, bank balances

The composition of cash and cash equivalents and the reconciliation to liquidity reserve are shown in the following overview

	31 Dec 2025	31 Dec 2024
	€k	€k
Composition of the cash and cash equivalents		
Cash in hand	22	9
Bank balances	266,016	174,639
Reconciliation as at 31 Dec		
Cash and cash equivalents at the end of the period	266,038	174,647
Securities and accrued interest	13,643	1,982
Cash and cash equivalents as at 31 Dec	279,682	176,630

11. Equity

With regard to the development of equity, please refer to the separate appendix "Consolidated statement of changes in equity" to these notes.

11.1 Issued capital

As at 31 December 2025, the issued capital of Friedrich Vorwerk Group SE amounted to €20,000 thousand (previous year: €20,000 thousand). It is divided into 20,000,000 no-par value bearer shares with a notional value of €1.00 per share of issued capital.

Authorised capital and conditional capital

By resolution of the Annual General Meeting on 3 June 2024, the Management Board was authorised, with the approval of the Supervisory Board, to increase the share capital by up to €10,000,000.00 by issuing new no-par value bearer shares on one or more occasions until 2 June 2029 (Authorised Capital 2024). The Management Board is authorised, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in certain cases. The Authorised Capital 2021/I was cancelled with effect from the date of entry of the new Authorised Capital 2024 in the commercial register.

The Authorised Capital 2024 amounts to €10,000,000.00 as at 31 December 2025.

By resolution of the Annual General Meeting on 3 June 2024, the Management Board was authorised to issue convertible bonds and/or bonds with warrants with a total nominal value of up to €200,000,000.00 on one or more occasions until 2 June 2029 with the approval of the Supervisory Board and to grant the creditors of these bonds conversion rights to new no-par value bearer shares of Friedrich Vorwerk Group SE with a proportionate share of the share capital of up to a total of €10,000,000.00 (Contingent Capital 2024). The share capital is conditionally increased by up to €10,000,000.00. The conditional capital increase is only to be carried out to the extent that the creditors of convertible bonds or bonds with warrants issued by the company on the basis of the authorisation resolution of the Annual General Meeting on 3 June 2024 until 2 June 2029 have exercised their conversion rights and the company has not fulfilled the conversion claim in another way, or to the extent that these creditors are subject to a conversion obligation. At the same time, Conditional Capital 2021/I in the amount of €9,000,000.00, to which no instruments are outstanding, was cancelled.

The Conditional Capital 2024 amounts to €10,000,000.00 as at 31 December 2025.

Acquisition of treasury shares

The Annual General Meeting on 3 June 2024 authorised the company to acquire and sell treasury shares in the period up to 2 June 2029, subject to the principle of equal treatment (Section 53a AktG), up to an amount of 10% of the share capital at the time of this authorisation. The authorisation may be exercised in full or in partial amounts, on one or more occasions. The acquisition may also be carried out by Group companies dependent on the company or for its account by third parties. The authorisation to acquire and use treasury shares granted by the company's Annual General Meeting on 10 February 2021 was revoked when the aforementioned authorisation came into effect. Friedrich Vorwerk Group SE did not make use of this authorisation in the year under review.

Disclosures pursuant to Section 160 (1) No. 8 AktG:

In accordance with Section 160 (1) no. 8 of the German Stock Corporation Act (AktG), the existence of a shareholding that has been notified in accordance with Section 20 (1) or (4) AktG or Section 33 (1) or (2) of the German Securities Trading Act (WpHG) must be disclosed. The content of the notification published in accordance with Section 20 (6) AktG or Section 40 (1) WpHG must be stated. In the event that the thresholds specified in this provision are reached, exceeded or fallen below of several times by a party subject to the notification obligation, the most recent notification that led to the thresholds being reached, exceeded or fallen short of shall be listed. All voting rights notifications received by Friedrich Vorwerk Group SE can be viewed on the company's website (<https://www.friedrich-vorwerk-group.de/en/investor-relations/corporate-governance/>).

Declarant	Registered office	Date of threshold contact	Type of threshold contact	Notification threshold	Equity investment in %*
DWS Investment GmbH	Frankfurt (Main), Germany	24 Feb 2026 11 Mar 2026	overrun underrun	3% 3%	3.06% 2.25%
J.P. Morgan Investment Management Inc.	Wilmington, Delaware, USA	10 Jun 2025 24 Oct 2025	underrun overrun	3% 3%	2.91% 3.08%
JPMorgan Chase Bank, National Association	Columbus, Ohio, USA	10 Jun 2025 24 Oct 2025	underrun overrun	3% 3%	2.91% 3.08%
JPMorgan Asset Management (UK) Limited	London, United Kingdom	10 Jun 2025 24 Oct 2025	underrun overrun	3% 3%	2.91% 3.08%

*Shareholding on the date of notification of the last breach of the threshold

11.2 Capital reserve

The capital reserve remained unchanged at €76,204 thousand as at the balance sheet date (31 December 2024: €76,204 thousand)

11.3 Retained earnings and other reserves

Difference in equity from currency translation

The difference in equity from currency translation is the result of translation using the modified reporting date method.

The difference results from the translation of the income statement items of the subsidiaries that have prepared their accounts in foreign currencies at the average exchange rate and the statement of financial position items at the closing rate on the one hand and the equity of the respective subsidiaries at the historical exchange rate on the other. As at the balance sheet date, the scope of consolidation includes one branch that reports in Polish zloty.

Reserve for changes in fair value

The reserve for changes in fair value results from the measurement of financial assets at fair value on the balance sheet date. For the statement of comprehensive income, a breakdown is made in other comprehensive income according to whether these valuation gains or losses can be reclassified to the income statement upon realisation.

Reserve for pensions

In accordance with IAS 19, actuarial gains/losses (after taking into account the associated deferred tax effects) are recognised in the reserve for pensions and in other comprehensive income.

Generated group equity

This item contains the profits generated by the FRIEDRICH VORWERK Group less the dividends distributed. In the 2025 financial year, a dividend of €0.30 per dividend-bearing share was paid out, which was approved by the Annual General Meeting on 2 June 2025.

11.4 Non-controlling interests

Non-controlling interests result from the investment (65%) in 5C-Tech GmbH.

In accordance with IAS 32, the shares of the non-controlling shareholders of Friedrich Vorwerk SE & Co. KG are not recognised in equity, but under current and non-current liabilities.

12. Provisions for pensions and similar obligations

The pension obligations under defined benefit pension plans relate to Friedrich Vorwerk SE & Co. KG and Gottfried Puhlmann GmbH. They comprise claims to a lifelong retirement pension combined with

a surviving dependant's pension in the amount of the provision recognised in the financial accounts at the end of the month of death. As at 31 December 2025, 96 (31 December 2024: 107) pensioners will benefit from the pension plans. The pension agreement is closed, i.e. no further company pension commitments are agreed for new hires.

	31 Dec 2025	31 Dec 2024
	€k	€k
Pension provisions at the beginning of the period	2,122	1,990
Utilisation	-107	-114
Additions to provisions (service cost)	20	19
Additions to provisions (interest cost)	66	70
Actuarial gains (-)/losses (+)	-320	157
Pension provisions at the end of the period	1,779	2,122
- Plan assets	0	0
Carrying amount	1,779	2,122

The defined benefit pension commitments expose the Group to actuarial risks, in particular increasing life expectancy and interest rate risks. The following actuarial assumptions were used as a basis:

	2025	2024
Actuarial interest rate	3.70% - 4.11%	3.14% - 3.20%
Salary trend	0.00%	0.00%
Pension trend	0.00% - 2.00%	0.00% - 2.00%

The benefit plans are not funded. The liability corresponds to the obligation (DBO).

The expenses and income recognised in the income statement are as follows

	31 Dec 2025	31 Dec 2024
	€k	€k
Additions to provisions (service cost)	-20	-19
Additions to provisions (interest cost)	-66	-70
Total	-85	-89

The expected pension payments from the pension plans for 2026 amount to €116 thousand.

The sensitivity of the total pension obligation to changes in the weighted main assumptions can be (at most) as follows

	Effect on DBO		
	Change in assumption	Increase in assumption	Reduction in assumption
Interest rate	0.25%	-2.7%	+2.9%
Pension growth rate	0.25%	+0.3%	-0.3%
Life expectancy	1 year	+3.9%	-3.9%

When calculating the sensitivity of the defined benefit obligation to actuarial assumptions, the same method was used to determine the value of the pension provision in the statement of financial position. The sensitivity analysis is based on the change in one assumption, while all other assumptions are held constant. It is unlikely that this will occur in reality. Changes in some assumptions may correlate.

The weighted average duration of the defined benefit plans is 11.6 years.

13. Liabilities

Liabilities have the following maturities:

	Up to 1 year	More than 1 and up to 5 years	More than 5 years	Total
31 Dec 2025	€k	€k	€k	€k
Liabilities to banks	2,203	7,745	3,515	13,463
Trade payables	5,853	0	0	5,853
Provisions with liability character	33,521	0	0	33,521
Other liabilities	46,225	0	0	46,225
Contract liabilities	84,084	0	0	84,084
Lease liabilities	3,181	1,047	104	4,332
Liabilities to non-controlling interests	3,767	0	16,614	20,381
Liabilities from profit participation rights	0	0	10,213	10,213
As at 31 Dec 2025	178,834	8,792	30,446	218,072

	Up to 1 year	More than 1 and up to 5 years	More than 5 years	Total
31 Dec 2024	€k	€k	€k	€k
Liabilities to banks	4,534	8,080	5,382	17,996
Trade payables	4,369	0	0	4,369
Provisions with liability character	31,447	0	0	31,447
Other liabilities	31,839	0	0	31,839
Contract liabilities	80,750	0	0	80,750
Lease liabilities	2,192	2,131	54	4,377
Liabilities to non-controlling interests	3,225	0	8,534	11,759
Liabilities from profit participation rights	0	0	10,213	10,213
As at 31 Dec 2024	158,356	10,211	24,183	192,749

Liabilities to banks bear interest at both fixed and variable interest rates of between 0.65% and 3.92% (previous year: 0.65% and 3.92%). The weighted average interest rate for 2025 is 2.05% (previous year: 1.91%).

Assets with a value of €22,695 thousand were provided as collateral for liabilities to banks as at the reporting date (31 December 2024: €26,248 thousand).

Trade payables include liabilities to MBB SE in the amount of €0 thousand (31 December 2024: €56 thousand).

Profit participation capital totalling €10,213 thousand (31 December 2024: €10,213 thousand) issued by Friedrich Vorwerk SE & Co. KG was reported as at the balance sheet date. The profit participation rights grant a guaranteed interest rate of 2.5% above the applicable 3-month EURIBOR. In addition, the holder of the profit participation rights participates in the profitability of the FRIEDRICH VORWERK Group in the form of a variable interest rate. The total interest rate on the profit participation rights in the reporting year was 7.2% (previous year: 7.3%). The profit participation rights can be terminated for the first time with effect from 31 December 2039.

The liabilities to non-controlling interests consist of profit shares of the non-controlling shareholders. The withdrawable claims are recognised in the short term.

14. Other liabilities

The other liabilities are as follows

	31 Dec 2025	31 Dec 2024
	€k	€k
Current		
Value added tax	21,977	22,093
ARGEs	21,679	6,627
Wage tax	2,056	1,569
Wages and salaries	172	121
Social security benefits	170	889
Non-hedge derivatives	161	257
Accrued expenses	3	13
Debtors with credit balances	0	255
Other	6	16
Total	46,225	31,839

15. Provisions

15.1 Other provisions

Other current provisions and provisions with the liability character are composed as follows

	31 Dec 2024 €k	Utilisation €k	Reversal €k	Additions €k	31 Dec 2025 €k
Current provisions					
Outstanding invoices	23,936	-23,930	0	24,026	24,033
Holiday	5,163	-3,965	-37	5,337	6,497
Personnel costs	619	-51	0	157	725
Warranty costs	2,835	-60	-173	1,331	3,934
Variable salary and commissions	989	-816	-167	2,379	2,385
Accounting and audit costs	499	-397	-30	377	448
Employer's liability insurance association	613	-558	-55	903	903
Flexitime	617	-210	0	507	914
Miscellaneous	2,180	-605	-57	665	2,183
	37,451	-30,590	-519	35,682	42,023

	31 Dec 2023	First-time consolidation	Utilisation	Reversal	Additions	31 Dec 2024
	€k	€k	€k	€k	€k	€k
Current provisions						
Outstanding invoices	18,111	0	-18,105	0	23,930	23,936
Holiday	5,004	0	-2,850	-28	3,036	5,163
Personnel costs	551	0	-59	-1	127	619
Warranty costs	2,361	1	-60	-260	793	2,835
Variable salary and commissions	343	27	-258	-113	989	989
Accounting and audit costs	398	1	-320	-11	430	499
Provision for onerous contracts	2,093	0	-2,093	0	0	0
Employer's liability insurance association	586	1	-399	-142	567	613
Flexitime	450	0	-172	0	340	617
Miscellaneous	2,107	0	-518	-30	621	2,180
	32,004	30	-24,834	-584	30,835	37,451

The outflow of resources for current provisions is expected in the following financial year.

15.2 Tax provisions

Tax provisions are as follows:

	31 Dec 2025	31 Dec 2024
	€k	€k
Corporate Income Tax	5,955	3,167
Trade Tax	9,100	4,485
Carrying amount as at 31 Dec	15,055	7,653

16. Leases

Lease liabilities are broken down as follows:

Lease liabilities by asset type	31 Dec 2025	31 Dec 2024
	€k	€k
Land and buildings	1,567	1,608
Technical equipment and machinery	1,572	2,756
Other equipment, operating and office equipment	1,194	12
Total	4,332	4,377

Lease liabilities by maturity	31 Dec 2025	31 Dec 2024
	€k	€k
Non-current	1,151	2,185
Current	3,181	2,192
Total	4,332	4,377

In the 2025 and 2024 financial years, the following amounts were recognised in the consolidated statement of comprehensive income

Amounts recognised in the consolidated statement of comprehensive income	2025	2024
	€k	€k
Depreciation and amortisation	2,901	2,115
of which for land and buildings	1,168	684
of which for technical equipment and machinery	594	1,331
of which for other equipment, operating and office equipment	1,140	101
Interest expense	128	71
Expenses for short-term leases	28,827	12,522
Total	31,856	14,708

The cash outflows for leases (including payments for short-term and low-value leases) totalled €32,410 thousand in the 2025 financial year (previous year: €15,108 thousand).

17. Deferred taxes

Deferred tax assets and liabilities from temporary differences as at 31 December 2025 and 31 December 2024 are shown in the following table

	31 Dec 2025	31 Dec 2024
	€k	€k
Deferred tax assets	6,081	7,510
Deferred tax liabilities	47,277	24,026
Total	-41,196	-16,516

	31 Dec 2025	31 Dec 2024
	€k	€k
Temporary differences from:		
Pension provisions	261	274
Intangible assets	4,669	5,732
Liabilities	1,829	1,473
Property, plant and equipment	778	923
Provisions	75	62
Receivables and contract assets	562	744
Securities	3	0
Other	1	2
Netting	-2,097	-1,700
Deferred tax assets	6,081	7,510

	31 Dec 2025	31 Dec 2024
	€k	€k
Temporary differences from:		
Receivables and contract assets	37,648	19,784
Securities	24	27
Intangible assets	0	1
Property, plant and equipment	2,676	2,659
Financial assets	8,085	2,722
Pension provisions	184	121
Inventories	750	394
Other	7	18
Netting	-2,097	-1,700
Deferred tax liabilities	47,277	24,026

On 11 July 2025, the law for an immediate tax investment programme to strengthen Germany as a business location came into force, thereby changing the German Corporate Income Tax rate. Under this programme, Corporate Income Tax will be reduced from 15% to 10% in 1% increments from 2028 to 2032, which will be accompanied by a reduction in the solidarity surcharge. The revaluation of deferred taxes by applying the corporation tax rates that are expected to apply at the time of the reversal of the underlying temporary differences led to deferred tax expenses of €451 thousand recognised in the income statement and deferred tax income of €17 thousand recognised in other comprehensive income.

III. Notes to the statement of comprehensive income

1. Revenue

In the 2025 financial year, revenue totalled €704,326 thousand (previous year: €498,353 thousand).

The following table shows a breakdown of revenue by region

Region	2025 €k	2024 €k
Germany	697,046	488,407
Europe excluding Germany	4,009	6,083
Other	3,271	3,863
Total	704,326	498,353

Service & Operations accounts for 8.6% (previous year: 12.6%) of revenue.

Please refer to the combined management report and group management report for information on the development of revenue.

As at 31 December 2025, the Group had an order backlog of €1,021.4 million, which is broken down by segment as follows

Segment	31 Dec 2025 €k	31 Dec 2024 €k
Natural Gas	160,377	129,150
Electricity	664,097	903,830
Clean Hydrogen	43,658	44,687
Adjacent Opportunities	153,276	109,993
Total	1,021,408	1,187,660

The Group's remaining performance obligations mainly result from long-term customer contracts and project orders, for which revenue is mainly recognised over time in accordance with IFRS 15 as the work progresses.

The fulfilment of these performance obligations and the associated revenue recognition depend on the progress of the project, contractually agreed milestones and the respective construction and performance schedule.

Based on current project planning, the Group expects that revenue from the remaining performance obligations existing as at the reporting date will be recognised over several reporting periods. A significant portion of the revenue will be realised within the next few financial years, while the remainder will be realised over the course of the long-term project.

2. Income from equity investments

	2025 €k	2024 €k
Net income from equity investments recognised in financial assets	21,189	5,903
Net income from equity investments recognised in receivables and liabilities	-157	126
Total	21,032	6,029

Shares of the FRIEDRICH VORWERK Group in accumulated profits of ARGEs classified as joint ventures are recognised in financial assets under equity investments. Revenues of the FRIEDRICH VORWERK Group from deliveries and services to and services for joint ventures are recognised under revenue. The capital paid into a working group is recognised together with any trade receivables from the working group after deduction of capital withdrawals and accumulated losses under trade receivables or, if there is a net liability, under other liabilities.

3. Other operating income

	2025	2024
	€k	€k
Offsetting of benefits in kind	2,018	1,563
Own work capitalised	1,785	728
Renting and leasing	1,152	1,081
Reimbursements and government grants	956	692
Insurance indemnities and compensation payments	547	651
Release of provisions	519	584
Asset disposals	391	88
Prior-period income	126	5
Income from securities	45	0
Other items	1,025	467
Total	8,563	5,859

Please refer to the statement of changes in provisions for information on income from the reversal of provisions.

Income from government reimbursements and grants relates to public funds to promote employment: mainly training reimbursements totalling €880 thousand (previous year: €680 thousand) as well as integration grants and reimbursed wages and salaries.

4. Cost of materials

	2025	2024
	€k	€k
Cost of raw materials and supplies	-87,712	-61,748
Cost of purchased services	-235,315	-175,725
Total	-323,027	-237,473

5. Staff costs

	2025	2024
	€k	€k
Wages and salaries	-139,976	-114,551
Social security contributions	-42,489	-33,537
Other personnel expenses	-1,339	-1,207
Total	-183,804	-149,295

6. Other operating expenses

	2025	2024
	€k	€k
Rental agreements and leasing	-28,827	-12,522
Maintenance expenses	-12,794	-10,176
Travel and vehicle costs	-6,856	-4,740
Other personnel-related expenses	-2,206	-1,867
Insurance	-2,079	-1,600
Education and training	-1,422	-1,268
Research and development costs	-1,414	0
Fees and contributions	-1,065	-964
Legal and counselling	-820	-1,020
Telephone, postage and data communication	-652	-491
Advertising	-410	-242
Office supplies	-281	-266
Ancillary costs for monetary transactions	-70	-92
Exchange rate losses	-44	-15
Losses from the disposal of non-current assets	-43	-148
Losses on receivables and valuation adjustments on receivables	-31	-973
Expenses from derivative financial instruments	0	-360
Prior-period expenses	0	-18
Miscellaneous other operating expenses	-4,804	-6,184
Total	-63,817	-42,945

The increase in "Rental agreements and leasing" is mainly due to the costs for the short-term rental of equipment and other construction site facilities, which are required for the parallel realisation of numerous major projects.

The research and development costs of €-1,414 thousand (previous year: €0 thousand) recognised in other operating expenses related to expenses in the area of automated welding technology.

7. Finance income

	2025	2024
	€k	€k
Interest income from bank balances	2,453	1,108
Income from securities	50	0
Other interest and similar income	55	154
Total	2,559	1,262

8. Finance expenses

	2025	2024
	€k	€k
Interest expenses profit participation rights*	-733	-744
Bank interest	-430	-419
Interest expense from leasing	-128	-71
Interest expense from pensions	-66	-70
Other interest and similar expenses	-254	-121
Total	-1,610	-1,426

* The interest expense from participation rights will be recognised as a separate item from the 2025 financial year. In the annual report for the 2024 financial year, the interest expense from participation rights was recognised under "Other interest and similar expenses".

At the level of Friedrich Vorwerk SE & Co. KG, there are non-controlling interests of 10.1% that arose as part of the reorganisation of the company structure carried out in 2020. These interests accounted for earnings of €9.7 million in the reporting year (previous year: €3.8 million).

9. Taxes

Detailed information on the deferred tax assets and liabilities recognised can be found in section I.4.18 b) "Deferred taxes". The income tax rate of the parent company is 29.1% (previous year: 29.1%) and is slightly below the weighted average tax rate of the FRIEDRICH VORWERK Group of 29.2% (previous year: 29.2%). Deferred taxes are recognised on the basis of the future local income tax rate.

As at 31 December 2025, the following tax loss carryforwards exist for which no deferred tax assets were recognised in the financial year, as in previous years:

	2025	2024
	€k	€k
Trade Tax	26,874	24,185
Corporate Income Tax	17,577	12,801

The reconciliation between the income tax expense and the product of the profit for the period recognised in the statement of financial position and the Group's applicable tax rate for the 2025 and 2024 financial years is as follows

	2025	2024
	€k	€k
Corporate Income Tax	-8,836	-4,317
Trade Tax	-8,062	-4,469
Deferred taxes	-24,605	-10,314
Total	-41,504	-19,101

	2025	2024
	€k	€k
Consolidated net profit before income taxes	127,426	54,804
Income tax expense	-41,504	-19,101
Actual tax rate	32.6%	34.9%

	2025	2024
	€k	€k
Earnings before taxes (EBT)	127,936	55,300
Other taxes	-510	-496
Applicable (statutory) tax rate	29.1%	29.1%
Expected tax expense	37,113	15,962
Effects from non-deductible expenses and tax-free income	1,135	515
Taxes relating to other periods	-262	378
Effects due to the utilisation and addition of loss carryforwards	902	1,533
Tax effect due to changes in the income tax rate*	451	38
Taxation of foreign permanent establishments	213	155
Tax effect from profit shares of non-controlling interests**	2,334	557
Other tax effects	-382	-38
Actual income tax expense	41,504	19,101

* For reasons of materiality, the tax effect due to changes in the income tax rate will be reported separately from the 2025 financial year (the reason for the change is the reduction in corporation tax from 2028). In the annual report for the 2024 financial year, these effects were reported under "Other tax effects".

** From the 2025 financial year, this effect will be reported as a separate item. In the annual report for the 2024 financial year these effects were reported under "Other tax effects".

10. Earnings per share

Basic earnings per share are calculated by dividing the earnings attributable to the holders of ordinary shares in the parent company by the weighted average number of ordinary shares outstanding during the year.

The following table contains the amounts used in the calculation of basic earnings per share:

	2025	2024
Earnings attributable to the holders of ordinary shares (in €)	86,500,571	35,771,309
Weighted average number of ordinary shares (undiluted, in units)	20,000,000	20,000,000
Earnings per share (in €)	4.33	1.79

11. Other comprehensive income

The IFRS total comprehensive income of the FRIEDRICH VORWERK Group of €86,245 thousand (previous year: €35,865 thousand) is made up of earnings after taxes of €85,922 thousand (previous year: €35,703 thousand) and other comprehensive income of €323 thousand (previous year: €162 thousand). Other comprehensive income includes losses from the fair value measurement of bonds of €3 thousand (previous year: €0 thousand), gains from the fair value measurement of shares of €74 thousand (previous year: €274 thousand) and actuarial gains from pension provisions of €320 thousand (previous year: losses of €157 thousand).

The following overview shows the income taxes recognised in the respective items of other comprehensive income.

Taxes recognised in other comprehensive income	2025	2024
	€k	€k
Changes in fair value of bonds	1	0
Items that may be subsequently reclassified to profit and loss	1	0
Changes in fair value of shares	-12	-7
Pension reserve	-63	45
Items that will not be subsequently reclassified to profit and loss	-75	38
Total	-74	38

IV. Segment reporting

1. Information by segment

Segment reporting was prepared in accordance with IFRS 8 (Operating Segments). According to this standard, operating segments are components of an entity for which separate financial information is available and which are regularly reviewed by the chief operating decision maker to determine how to allocate resources and assess performance.

The composition of the operating segments as at the balance sheet date is as follows:

Natural Gas

The Natural Gas segment comprises infrastructure services and product solutions for the transport and conversion of raw natural gas into processed natural gas for our customers. This involves a series of steps from the transport of natural gas through high-pressure pipelines to processing in filtration and separation plants, compressor stations, storage and metering systems, LNG terminals and gas pressure regulating and metering systems.

Electricity

The Electricity segment focuses on providing the infrastructure for the underground transport and conversion of electricity generated from climate-friendly, non-fossil energy sources such as wind, solar, water and renewable raw materials. Our expertise in the field of electricity transport and conversion focuses on the landing of offshore electricity and the installation of high-voltage underground cables through which this electricity is transported in transmission grids. At the end of these cables are connection points in the form of substations and inverters as well as power-to-heat plants, which link the transmission grids with local energy distribution networks.

Clean Hydrogen

The Clean Hydrogen segment comprises product solutions and infrastructure services for converting energy from climate-friendly energy sources into clean hydrogen and transporting it to end consumers. This is done through a series of processing steps from the conversion of renewable energy through electrolysis to the processing and transport of the resulting clean hydrogen through storage facilities, compressor stations, pipelines and gas pressure regulation and measurement systems.

Adjacent Opportunities

In the Adjacent Opportunities segment, we also focus on related turnkey technologies, such as the treatment and purification of biogenic and synthetic gases, heat extraction technologies used in district heating and solutions for the transport of district heating, drinking water and waste water, as well as special solutions for the chemical and petrochemical industries.

Segment figures

The accounting policies applied for segment reporting correspond to the accounting policies described in section I. 4. The segment result is based on the EBITDA of the individual segments, as this is used to manage the segments.

1 Jan – 31 Dec 2025	Natural Gas €k	Electricity €k	Clean Hydrogen €k	Adjacent Opportunities €k	Group €k
Third-party revenue	184,768	364,817	28,097	126,644	704,326
EBITDA	59,693	59,940	9,318	34,322	163,273
EBITDA margin (in %)	32.3%	16.4%	33.2%	27.1%	23.2%
Revenue share	26.2%	51.8%	4.0%	18.0%	

1 Jan – 31 Dec 2024	Natural Gas €k	Electricity €k	Clean Hydrogen €k	Adjacent Opportunities €k	Group €k
Third-party revenue	171,756	184,439	26,319	115,839	498,353
EBITDA	39,037	20,453	4,441	16,598	80,529
EBITDA margin (in %)	22.7%	11.1%	16.9%	14.3%	16.2%
Revenue share	34.5%	37.0%	5.3%	23.2%	

Reconciliation of EBITDA to consolidated net income	2025 €k	2024 €k
Total EBITDA of the segments	163,273	80,529
Depreciation and amortisation	-26,556	-21,248
Net finance cost	-8,781	-3,981
EBT	127,936	55,300
Income tax expense	-41,504	-19,101
Other taxes	-510	-496
Non-controlling interests	579	68
Consolidated net income	86,501	35,771

2. Information by region

The non-current assets of the FRIEDRICH VORWERK Group are predominantly located in Germany.

3. Information on main customers

In the reporting year, revenue with one customer (previous year: one) totalled more than 10% of the Group's revenue.

Customer	2025 €k	2024 €k
Customer A	247,754	110,795
Total	247,754	110,795

Revenue from customer A is recognised in the Electricity segment.

V. Notes to the consolidated statement of cash flows

The cash flow statement is presented in a separate statement. It shows the changes in cash and cash equivalents in the FRIEDRICH VORWERK Group. The cash and cash equivalents recognised are not subject to any restrictions on disposal by third parties. The Group has not made any payments for extraordinary transactions. Payments for income taxes and interest are recognised separately. The cash flow statement was prepared in accordance with IAS 7 and breaks down the changes in cash and cash equivalents into cash flows from operating, investing and financing activities. The cash flow from operating activities is presented using the indirect method.

The following table shows the changes in liabilities from financing activities:

	Liabilities to banks €k	Lease liabilities €k	Other loans €k	Total €k
Statement of financial position as at 1 Jan 2024	12,702	3,631	200	
Proceeds	8,000	0	0	8,000
Repayments	-2,702	-2,587	-200	-5,489
Cash-effective changes	5,298	-2,587	-200	2,511
Accrued interests	-4	0	0	-4
New leases	0	3,335	0	3,335
Derecognitions	0	-3	0	-3
Non-cash changes	-4	3,332	0	3,328
Statement of financial position as at 31 Dec 2024	17,996	4,377	0	
Proceeds	0	3,593	0	3,593
Repayments	-4,530	-3,583	0	-8,113
Cash-effective changes	-4,530	10	0	-4,520
Accrued interest	-2	0	0	-2
New leases	0	0	0	0
Derecognitions	0	-55	0	-55
Non-cash changes	-2	-55	0	-57
Statement of financial position as at 31 Dec 2025	13,463	4,332	0	

VI. Supplementary disclosures on financial instruments

The financial instruments break down as follows as at the balance sheet date

31 Dec 2025 €k	Classifica- tion ac- cording to IFRS 9 ¹	Carrying amount	Fair value			Total
			Level 1	Level 1 2	Level 3	
Assets						
Long-term securities (31 Dec 2024)	FVTOCI	5,987 1,982	5,987 1,982			5,987 1,982
Trade receivables (31 Dec 2024)	AC	25,931 40,475				n/a
Other assets ² (31 Dec 2024)	AC	2,498 2,156				n/a
Securities (debt instruments) (31 Dec 2024)	FVTOCI	7,576 0	7,576 0			7,576 0
Derivatives without hedge relationship (31 Dec 2024)	FVTPL	17 69		17 69		17 69
Cash and cash equivalents (31 Dec 2024)	AC	266,038 174,647				n/a
Liabilities						
Liabilities to banks (31 Dec 2024)	FLaC	13,463 17,996		13,356 17,790		13,356 17,790
Liabilities from participation rights (31 Dec 2024)	FLaC	10,213 10,213		13,790 13,827		13,790 13,827
Trade payables (31 Dec 2024)	FLaC	5,853 4,369				n/a
Other liabilities ² (31 Dec 2024)	FLaC	21,679 6,627				n/a
Provisions with liability character (31 Dec 2024)	FLaC	33,521 31,447				n/a
Liabilities to non-controlling interest (31 Dec 2024)	FLaC	20,381 11,759				n/a
Derivatives without hedge relationship (31 Dec 2024)	FVTPL	161 257		161 257		161 257
Aggregated by measurement category						
Financial assets	AC	294,468				
Financial assets	FVTOCI	13,564				
Financial assets	FVTPL	17				
Financial liabilities	FLaC	105,111				
Financial liabilities	FVTPL	161				

¹ AC: amortised cost; FLaC: financial liabilities at amortised cost; FVTPL: fair value through profit and loss; FVTOCI: fair value through other comprehensive income

² Other assets and liabilities that are not financial assets or liabilities are not included.

The fair value of financial instruments for which the carrying amount represent a reasonable approximation of the fair values is not disclosed separately.

Investments in equity instruments are measured at fair value through other comprehensive income based on a quoted market price in an active market. For derivatives measured at fair value, the fair value is determined using the expected future cash flows, which are discounted using generally observable market data of the corresponding yield curves.

Cash and cash equivalents and trade receivables mainly have short remaining terms. Therefore, their carrying amounts as at the balance sheet date approximate their fair values.

Trade payables, other current loans and other financial liabilities generally have short maturities; the values recognised in the statement of financial position approximate the fair values. The fair values of financial liabilities and liabilities from participation rights are calculated as the present value of expected future cash flows. Standard market interest rates for the corresponding maturities and credit ratings are used for discounting.

There were no changes between the levels in the current or previous financial year.

The following tables show the valuation techniques used to determine the fair values.

Financial instruments measured at fair value

Financial instrument	Valuation technique	Material, unobservable input factors	Relationship between key unobservable inputs and fair value measurement
Securities	The fair value is based on the market price of the equity and debt instruments as at 31 December 2025.	Not applicable	Not applicable
Interest rate and diesel swaps	The fair value is calculated as the present value of the estimated future cash flows.	Not applicable	Not applicable

Financial instruments not measured at fair value

Financial instrument	Valuation technique
Liabilities to banks and liabilities from participation rights	Discounted cash flows: The valuation model takes into account the present value of the expected payments, discounted using a risk-adjusted discount rate.

VII. Objectives and methods of financial risk management

1. Financial assets and liabilities

The Group's main financial liabilities are non-current and current liabilities to banks, liabilities from participation rights, current trade payables and other non-current and current liabilities. The Group's financial assets mainly consist of cash and cash equivalents, trade receivables and securities. The carrying amount of the financial assets recognised in the consolidated financial statements less impairments represents the maximum default risk. It amounts to a total of €305,613 thousand (31 Dec 2024: €217,105 thousand). Business relationships are only entered into with creditworthy contractual partners. Trade receivables are due from a diversified customer structure in the energy industry. Ongoing credit assessments are carried out with regard to the financial status of receivables. A payment term of 30 days without deduction is usually granted. No valuation allowances were recognised for trade receivables that were overdue as at the balance sheet date if no significant changes in the creditworthiness of the customers were identified and payment of the outstanding amounts is expected.

For information on the maturities of financial liabilities, please refer to our comments under II.13. Liabilities and II.14. Other liabilities.

2. Capital risk management

The Group manages its capital (equity plus liabilities less cash and cash equivalents) with the aim of achieving its growth targets through financial flexibility while at the same time optimising finance costs. The overall strategy in this regard is unchanged compared to the previous year.

Management reviews the capital structure at least every six months. The cost of capital, the collateral provided and the open credit lines and credit facilities are reviewed.

The capital structure in the reporting year is as follows:

	31 Dec 2025	31 Dec 2024
Equity in €k	285,253	205,006
- in % of total capital	49.5%	46.9%
Liabilities in €k	290,685	232,553
- in % of total capital	50.5%	53.1%
Current liabilities in €k	202,391	172,012
- in % of total capital	35.1%	39.3%
Non-current liabilities in €k	88,294	60,541
- in % of total capital	15.3%	13.8%
Net gearing ratio*	-0.9	-0.8

* Calculated as financial liabilities less cash and cash equivalents in relation to equity.

3. Financial risk management

Financial risk is monitored centrally by the management. The individual financial risks are reviewed at least quarterly.

The main risks to the Group arising from financial instruments include liquidity and credit risks. Business relationships are only concluded with creditworthy contracting parties.

Assessments by independent rating agencies, other available financial information and the Group's own trading records are used to evaluate the creditworthiness of major customers in particular. In addition, the amounts receivable are monitored on an ongoing basis so that the FRIEDRICH VORWERK Group is not exposed to any significant credit risk. The maximum default risk is limited to the respective carrying amount of the assets recognised in the statement of financial position.

Valuation allowances on trade receivables and contract assets are determined using the simplified approach.

The Group manages liquidity risks by holding appropriate reserves, monitoring and maintaining credit agreements and planning and coordinating cash inflows and outflows.

4. Market risks

Market risks can arise from changes in exchange rates (exchange rate risk), interest rates (interest rate risk) or commodity prices (other price risks). Exchange rate risks are largely avoided by the fact that the Group mainly invoices in euros or local currency.

The Group is exposed to interest rate risks as a result of borrowing funds at variable interest rates. The FRIEDRICH VORWERK Group manages this risk by maintaining an appropriate ratio between fixed and variable interest rate agreements. Hedging using derivatives (e.g. interest rate swaps or interest rate futures) takes place in exceptional cases. As at the reporting date, there were variable-interest liabilities totalling €10,513 thousand (previous year: €10,826 thousand), of which variable-interest liabilities to banks amounted to €300 thousand (previous year: €613 thousand), with the remaining amount relating to liabilities from participation rights (unchanged at €10,213 thousand). Hedging transactions existed in the form of four interest rate swaps with a nominal volume of €7,322 thousand. If, ceteris paribus, interest rates had been two percentage points higher (lower)

assuming a corresponding average level of debt (including liabilities from participation rights), earnings before taxes and equity would have been €213 thousand lower (higher) (of which €8 thousand relates to liabilities to banks).

In addition, there were two commodity swaps with a nominal volume of €524 thousand as at the reporting date.

5 Liquidity risk

Liquidity risk describes the risk that the Group will not be able to fulfil its payment obligations when they fall due. There are no liquidity risks from financial liabilities due to the high level of cash and cash equivalents. The Group and its subsidiaries manage liquidity risks both by holding appropriate reserves and by constantly monitoring forecast and actual cash flows as well as by matching the maturity profiles of financial assets and liabilities.

IFRS 7 also requires a maturity analysis for financial liabilities. The following maturity analysis shows how the undiscounted cash flows in connection with the liabilities as at 31 December 2025 affect the Group's future liquidity situation.

31 Dec 2025	Undiscounted cash flows			
	Carrying amount as at 31 Dec 2025	Up to 1 year	More than 1 year and up to 5 years	More than 5 years
Type of liability	€k	€k	€k	€k
Liabilities to banks	13,463	2,507	8,559	3,728
Liabilities from participation rights	10,213	627	2,728	17,078
Trade payable	5,853	5,853	0	0
Other financial liabilities	21,679	21,679	0	0
Liabilities to non-controlling interests	20,381	3,767	0	16,614
Lease liabilities	4,332	3,265	1,094	158
Total	75,922	37,698	12,382	37,577

31 Dec 2024	Undiscounted cash flows			
	Carrying amount as at 31 Dec 2024	Up to 1 year	More than 1 year and up to 5 years	More than 5 years
Type of liability	€k	€k	€k	€k
Liabilities to banks	17,996	4,914	9,053	5,740
Liabilities from participation rights	10,213	603	2,537	16,925
Trade payables	4,369	4,369	0	0
Other financial liabilities	6,627	6,627	0	0
Liabilities to non-controlling interests	11,759	3,225	0	8,534
Lease liabilities	4,377	2,291	2,200	62
Total	55,340	22,028	13,791	31,260

If the contractual partner can call up a payment at different times, the liability is based on the earliest due date. Interest payments on financial instruments with variable interest rates are calculated on the basis of forward interest rates. In the case of performance-related interest, the interest rate for the reporting year is generally assumed, unless better information is available. The cash flows of financial and lease liabilities are made up of their undiscounted interest and amortisation payments.

VIII. Other mandatory disclosures

1. Executive bodies

Management Board of Friedrich Vorwerk Group SE

- Torben Kleinfeldt, engineering graduate, business graduate, Chief Executive Officer (CEO)
- Tim Hameister, business management graduate (M.Sc.), Chief Financial Officer (CFO)

Torben Kleinfeldt, Chief Executive Officer, is responsible for Strategic Development & Internationalisation, Strategic Sales, Purchasing, Engineering and Legal & Compliance. Tim Hameister, Chief Financial Officer, is responsible for Finance, Investor Relations, Controlling and Human Resources.

Supervisory Board of Friedrich Vorwerk Group SE

- Dr Christof Nesemeier, business graduate, Chairman
- Dr Julian Deutz, business graduate, Deputy Chairman
- Heike von der Heyden, business graduate

Information on other mandates in other statutory supervisory boards and comparable domestic and foreign supervisory bodies

Dr Christof Nesemeier is also Chairman of the Board of Directors of MBB SE, Berlin, and a member of the Supervisory Board of DTS IT AG, Herford.

2. Remuneration of the members of the Management Board and Supervisory Board

The total remuneration granted to the members of the Management Board in the financial year totalled €1.1 million (previous year: €0.9 million), while that of the members of the Supervisory Board amounted to €0.1 million (previous year: €0.1 million).

3. Transactions with related parties

Related parties are companies and individuals that have the ability to control the FRIEDRICH VORWERK Group or exercise significant influence over its financial and operating policies.

3.1 Related parties

In accordance with IAS 24, the FRIEDRICH VORWERK Group also reports on transactions with related parties and their family members. Related parties within the meaning of IAS 24 are defined as the members of the Management Board of Friedrich Vorwerk Group SE and their family members. There were no business transactions with family members in the financial year or in the previous year.

The remuneration of key management personnel to be disclosed in accordance with IAS 24 comprises the remuneration of the members of the Management Board and Supervisory Board.

These were remunerated as follows:

	2025	2024
	€k	€k
Salaries and other short-term benefits	1,146	932
Total	1,146	932

In the year under review, the Management Board was remunerated via the subsidiary Friedrich Vorwerk Management SE.

Management Board

In the reporting period, ALX Beteiligungsgesellschaft mbH acquired a used motor vehicle from a Group company for a standard market purchase price of €48 thousand. The balance as at the balance sheet date from transactions with ALX Beteiligungsgesellschaft mbH totalled €0 thousand. ALX Beteiligungsgesellschaft mbH is attributed to the Chairman of the Management Board of Friedrich Vorwerk Group SE.

Please also refer to the information on the remuneration of the executive bodies and the separate remuneration report.

Notification of transactions in accordance with Section 15a WpHG

Persons with management duties, in particular the Management Board and the members of the Supervisory Board of Friedrich Vorwerk Group SE, as well as persons closely related to them are obliged to disclose transactions in shares of Friedrich Vorwerk Group SE or related financial instruments in accordance with Section 15a of the German Securities Trading Act (WpHG). Notifications of such transactions are published on our website at www.friedrich-vorwerk-group.de/en/investor-relations/corporate-governance/.

3.2 Related companies

Subsidiaries are considered to be related companies irrespective of whether they are included in the consolidated financial statements or not. Transactions between the company and its subsidiaries were eliminated by way of consolidation and are not explained in these notes or are of minor importance and customary in the industry. Related companies are also considered to be those companies described as associated with the above related persons.

In addition, MBB SE, as the parent company of Friedrich Vorwerk Group SE, and the companies included in the scope of consolidation of MBB SE are to be regarded as related parties. Business transactions with these companies were conducted at arm's length.

As at the balance sheet date, there was a consultancy agreement at arm's length with MBB SE as the contractor. The total transactions in the 2025 financial year amounted to €560 thousand (previous year: €560 thousand). In addition, costs for D&O insurance, IT systems and other services totalling €71 thousand (previous year: €63 thousand) were charged on by MBB SE to the FRIEDRICH VORWERK Group. The balance with MBB SE as at the balance sheet date was €0 thousand (previous year: €56 thousand).

The FRIEDRICH VORWERK Group has commissioned DTS Systeme GmbH, an indirect subsidiary of MBB SE, to provide various IT-specific services at arm's length conditions. The total transactions in the 2025 financial year totalled to €213 thousand (previous year: €183 thousand). As at the balance sheet date, a total balance of €1 thousand (previous year: €0 thousand) was outstanding.

The FRIEDRICH VORWERK Group has commissioned Aumann AG, a subsidiary of MBB SE, to provide recruiting services at standard market conditions. The total transactions in the 2025 financial year amounted to €30 thousand (previous year: €51 thousand). As at the balance sheet date, a total balance of €0 thousand (previous year: €12 thousand) was outstanding.

With regard to the ARGEs, please refer to section II.5 (Information on ARGEs).

4. Employees

The Group had the following employees in the financial year:

	2025	2024
Average number of employees	Headcount	Headcount
Technical staff	1,457	1,252
Employees	683	608
Total	2,140	1,860

	31 Dec 2025	31 Dec 2024
As at the reporting date	Headcount	Headcount
Technical staff	1,526	1,315
Employees	717	633
Total	2,243	1,948

As at 31 December 2025, the FRIEDRICH VORWERK Group had 160 people (previous year: 129) in training or on a dual study programme who are not included in the above employee figures.

5. Auditor costs

The fees recognised for the auditor in the 2025 and 2024 financial years are broken down as follows

	2025	2024
	€k	€k
Audit services	204	211
Tax advisory services	0	0
Other assurance services	0	0
Other services	0	0
Total	204	211

6. Events after the end of the reporting period

The military escalation in the course of the Iran war has the potential to have a significant impact on the global economy. The military conflict leads to significant price increases on the crude oil markets. The potential impact on the global financial markets, international supply chains and economy in Germany and the FRIEDRICH VORWERK Group is currently not foreseeable due to the highly dynamic and uncertain nature of the current situation.

7. Contingent liabilities and off-balance sheet transactions

It is customary and necessary in the industry to issue various guarantees and warranties to secure contractual obligations. These guarantees are usually issued by banks or credit insurance companies and essentially comprise contract fulfilment, advance payment and warranty guarantees. As at the reporting date, the guarantees issued amounted to €398.2 million (31 December 2024: €281.5 million). The banks have recourse claims against the Group if the guarantee is utilised. There is only a risk of a guarantee being utilised if the underlying contractual obligations are not properly fulfilled. No claims were made against the Group in the financial year or in the past.

Obligations or probable risks from such guarantees are recognised as liabilities or provisions in the statement of financial position.

In addition, as is customary in the industry, joint and several liability exists with the other working group partners in which companies of the FRIEDRICH VORWERK Group are involved.

8. Other financial obligations

Right-of-use assets and lease liabilities were recognised in the statement of financial position for the majority of operating leases. Exceptions to this are short-term leases, leases with low-value underlying assets and variable lease payments.

In addition, the FRIEDRICH VORWERK Group concluded contracts in 2025 for the purchase of property, plant and equipment that had not been delivered and not yet invoiced as at 31 December 2025.

The off-balance sheet obligations as at 31 December 2025 and in the prior-year period are as follows:

Other financial obligations	31 Dec 2025	31 Dec 2024
	€k	€k
Up to one year	7,628	9,140
More than one year and up to five years	0	29
More than five years	0	0
Total	7,628	9,169

9. Declaration pursuant to section 161 AktG (unaudited)

As a listed stock corporation, Friedrich Vorwerk Group SE is required to issue a declaration in accordance with section 161 AktG on the extent to which it complies with the recommendations of the "Government Commission on the German Corporate Governance Code". The Management Board and the Supervisory Board issued this declaration for the last time on 24 March 2026. It is part of the combined management and group management report and is published on the Internet at www.friedrich-vorwerk-group.de/en/investor-relations/corporate-governance.

10. Appropriation of earnings

On the occasion of the outstanding financial year 2025, the Management Board and the Supervisory Board propose that, in addition to the basic dividend of €14,000,000.00 or €0.70 per dividend-bearing share, a special dividend of €8,000,000.00 or €0.40 per dividend-bearing share, i.e. a total of €22,000,000.00 or €1.10 per dividend-bearing share, be distributed and the remaining amount be carried forward to new account.

11. Affiliation to the Group

Friedrich Vorwerk Group SE, Tostedt, prepares the consolidated financial statements for the smallest group of companies. These are published in the electronic Federal Gazette. MBB SE, based in Berlin, prepares the consolidated financial statements for the largest group of companies. The consolidated financial statements are published in the electronic Federal Gazette.

12. Exemption from disclosure requirements

Pursuant to section 264b HGB, Friedrich Vorwerk SE & Co. KG, Tostedt, is exempt from the obligation to publish its annual financial statements for the 2025 financial year.

Tostedt, 24 March 2026

Torben Kleinfeldt
CEO

Tim Hameister
CFO

Assurance of the legal representatives (unaudited)

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of operations of the Group, and the group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Tostedt, 24 March 2026

Torben Kleinfeldt
CEO

Tim Hameister
CFO

Independent Auditor's Report

To Friedrich Vorwerk Group SE:

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED GROUP MANAGEMENT REPORT

Audit Opinions

We have audited the consolidated financial statements of Friedrich Vorwerk Group SE, Tostedt, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from 1 January to 31 December 2025, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Friedrich Vorwerk Group SE, which is combined with the management report of the Company, for the financial year from 1 January to 31 December 2025. In accordance with the German legal requirements, we have not audited the content of the components listed in the "Other information" section of our auditor's report.

In our opinion, based on the findings of our audit

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to section 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2025 and of its financial performance for the financial year from 1 January to 31 December 2025, and
- the accompanying group management report as a whole provides a suitable view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of those parts of the group management report listed in the "Other information" section.

Pursuant to section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the audit opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with section 317 HGB and the EU Audit Regulation (No 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the group management report" section of our auditor's report. We are independent of the Group companies in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In our view, the following matter was the most significant in our audit:

- Revenue recognition from construction contracts

We have structured our presentation of this key audit matter as follows:

1. Matter and issue
2. Audit approach and findings
3. Reference to further information

We present the key audit matter below:

Revenue recognition from construction contracts and projects

1. A significant portion of the Group's business activities is conducted via construction contracts and projects. The recognition of revenue in accordance with IFRS 15 depends on the degree of fulfilment of the performance obligation and must be evaluated on the basis of the underlying contracts. Due to its complexity, revenue recognition is an area with a significant risk of material misstatement (including the potential risk of management overriding controls) and is therefore a key audit matter. The Group's revenue amounts to €704,326 thousand in 2025. €54,029 thousand in contract assets and €84,084 thousand in contract liabilities from construction contracts and projects are reported as at 31 December 2025.
2. To address this risk, we critically scrutinised the management's assumptions and estimates and performed the following audit procedures, among others:
 - as part of our audit, we examined the internally defined methods, procedures and control mechanisms of project management in the bidding and execution phase of construction contracts. In addition, we assessed the design and effectiveness of the accounting-related internal controls by tracing order-specific business transactions from their origination to their presentation in the consolidated financial statements and by testing controls.
 - we assessed the estimates and assumptions made by the legal representatives in the context of case-by-case audits on the basis of random samples selected on a risk-oriented basis. Our audit procedures included, among other things, a review of the contractual basis and contractual conditions, including contractually agreed provisions on partial deliveries or services, cancellation rights, default and contractual penalties and damages. For the selected projects, we also examined the billable revenue as at the reporting date and the related cost of sales to be recognised in profit or loss based on the percentage of completion and the accounting treatment of related statement of financial position items in order to assess the determination of revenue for the period.
 - we also conducted inquiries of project management (both commercial and technical project managers) regarding the development of the projects, the reasons for deviations between planned costs and actual costs, the current assessment of the costs expected to be incurred until completion and the estimates of the legal representatives regarding potential contract risks.

Our audit procedures did not lead to any reservations relating to the recognition of revenue from construction contracts.

3. The Company's disclosures on the accounting policies applied in the context of recognising construction contracts are contained in Note I.4.17 of the notes to the financial statements.

Other information

The legal representatives and the Supervisory Board are responsible for the other information. The other information comprises

- the Group declaration on corporate governance pursuant to section 315d HGB in conjunction with section 289f HGB,
- the non-financial Group report in accordance with section 315b HGB in conjunction with section 289b HGB and all references thereto,
- the remaining parts of the annual report (in particular the report of the Supervisory Board), with the exception of the audited consolidated financial statements and the group management report and our auditor's report, and
- the responsibility statement pursuant to section 297 (2) sentence 4 HGB for the consolidated financial statements and the responsibility statement pursuant to section 315 (1) sentence 5 HGB for the group management report.

The Supervisory Board is responsible for the report of the Supervisory Board. The legal representatives and the Supervisory Board are responsible for the declaration pursuant to section 161 AktG on the German Corporate Governance Code, which forms part of the declaration on corporate governance contained in the management report. In all other respects, the legal representatives are responsible for the other information.

Our opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon. In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the legal representatives and the Supervisory Board for the consolidated financial statements and the group management report

The legal representatives are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. Furthermore, management is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e. accounting fraud or misstatement) or error.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. Furthermore, they are responsible for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, management is responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects,

consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

During the audit, we exercise professional judgement and maintain professional scepticism. In addition

- identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control or on the effectiveness of these arrangements and measures.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of accounting estimates and related disclosures made by the executive directors.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. We draw our conclusions on the basis of the audit evidence obtained up to the

date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to section 315e (1) HGB.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We are solely responsible for our audit opinions.
- evaluate the consistency of the group management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- perform audit procedures on the prospective information presented by the legal representatives in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the forward-looking statements or on the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to address independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current reporting period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

REPORT ON THE AUDIT OF THE ELECTRONIC VERSIONS OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT PREPARED FOR PUBLICATION PURPOSES IN ACCORDANCE WITH SECTION 317 (3A) OF THE GERMAN COMMERCIAL CODE (HGB).

Audit opinion

We have performed an assurance engagement in accordance with section 317 (3a) HGB to obtain reasonable assurance about whether the reproduction of the consolidated financial statements and the group management report (hereinafter also referred to as "ESEF documents") contained in the attached file "FriedrichVorwerkGroupSE-2025-12-31-1-de.xbri" and prepared for publication purposes complies in all material respects with the requirements of section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this audit only extends to the conversion of the information contained in the consolidated financial statements

and the group management report into the ESEF format and therefore does not extend to the information contained in these reproductions or any other information contained in the above-mentioned file.

In our opinion, the reproduction of the consolidated financial statements and the group management report contained in the above-mentioned attached file and prepared for publication purposes complies in all material respects with the requirements of section 328 (1) HGB for the electronic reporting format. Beyond this audit opinion and our audit opinions on the accompanying consolidated financial statements and on the accompanying group management report for the financial year from 1 January to 31 December 2025 contained in the "Report on the Audit of the Consolidated Financial Statements and of the Group Management Report" above, we do not express any audit opinion on the information contained in these reproductions or on the other information contained in the above-mentioned file.

Basis for the audit opinion

We conducted our audit of the reproduction of the consolidated financial statements and of the group management report contained in the above-mentioned attached file in accordance with Section 317 (3a) HGB and in compliance with IDW Auditing Standard: Audit of the Electronic Reproduction of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW PS 410 (06.2022)). Our responsibilities under those requirements are further described in the "Auditor's responsibilities for the audit of the ESEF documents" section. Our audit practice complies with the quality management system requirements of the IDW Quality Management Standard: Requirements for Quality Management in the Auditing Practice (IDW QMS 1 (09.2022)) have been applied.

Responsibility of the legal representatives and the Supervisory Board for the ESEF documents

The company's management is responsible for the preparation of the ESEF documents including the electronic reproduction of the consolidated financial statements and the group management report in accordance with section 328 (1) sentence 4 no. 1 HGB and for the labelling of the consolidated financial statements in accordance with section 328 (1) sentence 4 no. 2 HGB.

Furthermore, the company's management is responsible for such internal control as they have determined necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of section 328 (1) HGB for the electronic reporting format, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Auditor's responsibilities for the audit of the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of section 328 (1) HGB, whether due to fraud or error. During the audit, we exercise professional judgement and maintain professional scepticism. In addition

- identify and assess the risks of material non-compliance with the requirements of section 328 (1) HGB, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- obtain an understanding of internal control relevant to the audit of the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these controls.

- evaluate the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents complies with the requirements of the Delegated Regulation (EU) 2019/815 in the version applicable as of the reporting date regarding the technical specification for this file.
- evaluate whether the ESEF documents enable a consistent XHTML reproduction of the audited consolidated financial statements and the audited group management report.
- evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) according to Articles 4 and 6 of the Delegated Regulation (EU) 2019/815 in the version applicable at the reporting date provides an adequate and complete machine-readable XBRL copy of the XHTML reproduction.

Other disclosures in accordance with article 10 of the EU-Audit Regulation

We were elected as group auditor by the Annual General Meeting of the parent company on 2 June 2025. We were engaged by the Supervisory Board on 4 December 2025. We have been the group auditor without interruption since the financial year 2019.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (audit report).

Other Matters - Use of the Auditor's Report

Our audit opinion should always be read in conjunction with the audited consolidated financial statements, the audited group management report and the audited ESEF documents. The consolidated financial statements and the group management report converted into the ESEF format - including the versions to be filed in the Federal Gazette - are merely electronic reproductions of the audited consolidated financial statements and the audited group management report and do not replace them. In particular, the ESEF report and our audit opinion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

RESPONSIBLE AUDITOR

The German Public Auditor responsible for the engagement is Christian Weyers.

Düsseldorf, 24 March 2026

Nexia GmbH

Wirtschaftsprüfungsgesellschaft

Steuerberatungsgesellschaft

Dr Grabs

Wirtschaftsprüfer

[Certified Public Auditor]

Weyers

Wirtschaftsprüfer

[Certified Public Auditor]

Financial calendar

Annual Report 2025

31 March 2026

Quarterly report Q1 2026

12 May 2026

Annual General Meeting 2026

1 June 2026

Half-year financial report 2026

13 August 2026

Quarterly report Q3 2026

12 November 2026

End of the financial year

31 December 2026

Conferences

Berenberg European Conference, New York City

19 May 2026

Jefferies German & Swiss Corporate Conference

June 2026

Hamburg Investor Days, Hamburg

August 2026

Berenberg and Goldman Sachs German Corporate Conference, Munich

September 2026

German Equity Forum, Frankfurt

November 2026

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Legal notice

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