



Annual Report 2025



The Group at a Glance

GROUP KEY FIGURES 2022 – 2025

IFRS in EUR million	2022	2023	2024	2025	Change 2024/2025
Total Group revenues	1,748.1	1,831.1	2,183.4	1,725.2	-21.0%
of which Germany	536.5	432.4	441.6	459.0	3.9%
International	1,211.6	1,398.7	1,741.8	1,266.2	-27.3%
International in %	69.3	76.4	79.8	73.4	n/a
of which Geotechnical Solutions	787.4	904.0	1,191.4	753.3	-36.8%
Equipment	747.8	721.5	789.4	728.6	-7.7%
Resources	299.2	277.7	270.8	292.8	8.1%
Corporate Services/Consolidations	-86.3	-72.1	-68.2	-49.5	-27.4%
Consolidated revenues	1,680.0	1,773.4	2,107.3	1,649.1	-21.7%
Sales revenues	1,630.1	1,698.2	2,035.9	1,627.9	-20.0%
Order intake	1,828.6	1,939.8	1,848.4	1,709.9	-7.5%
Order backlog	1,445.0	1,553.6	1,218.7	1,203.3	-1.3%
EBITDA	60.5	203.6	223.9	234.7	4.8%
EBITDA margin in % (of sales revenues)	3.7	12.4	11.0	14.4	n/a
EBIT	-68.0	89.0	89.1	103.0	15.6%
EBIT margin in % (of sales revenues)	-4.2	5.2	4.4	6.3	n/a
Earnings after tax	-94.0	2.8	9.7	12.5	28.9%
Investments in property, plant and equipment	133.0	149.0	192.1	135.2	-29.6%
Equity	402.3	483.1	502.0	502.0	0.0%
Equity ratio in %	24.8	28.6	29.8	32.6	n/a
Total assets	1,620.0	1,686.8	1,683.6	1,539.9	-8.5%
Earnings per share	-3.66	0.02	0.21	0.26	23.8%
Dividends	0.00	0.00	0.00	0.00	n/a
Dividend per share (in EUR)	0.00	0.00	0.00	0.00	n/a
Returns on equity after taxes in %	-19.5	0.6	1.9	2.5	n/a
Employees (Reporting date)	11,892	12,034	11,380	10,544	-7.3%
of which Germany	4,045	3,876	3,938	3,852	-2.2%
International	7,847	8,158	7,442	6,692	-10.1%

The total Group revenues presented here, in contrast to the consolidated revenues presented in the Consolidated Income Statement, include revenue components from associated companies as well as revenue from non-consolidated subsidiaries and consortia.

BAUER Aktiengesellschaft Annual Report 2025



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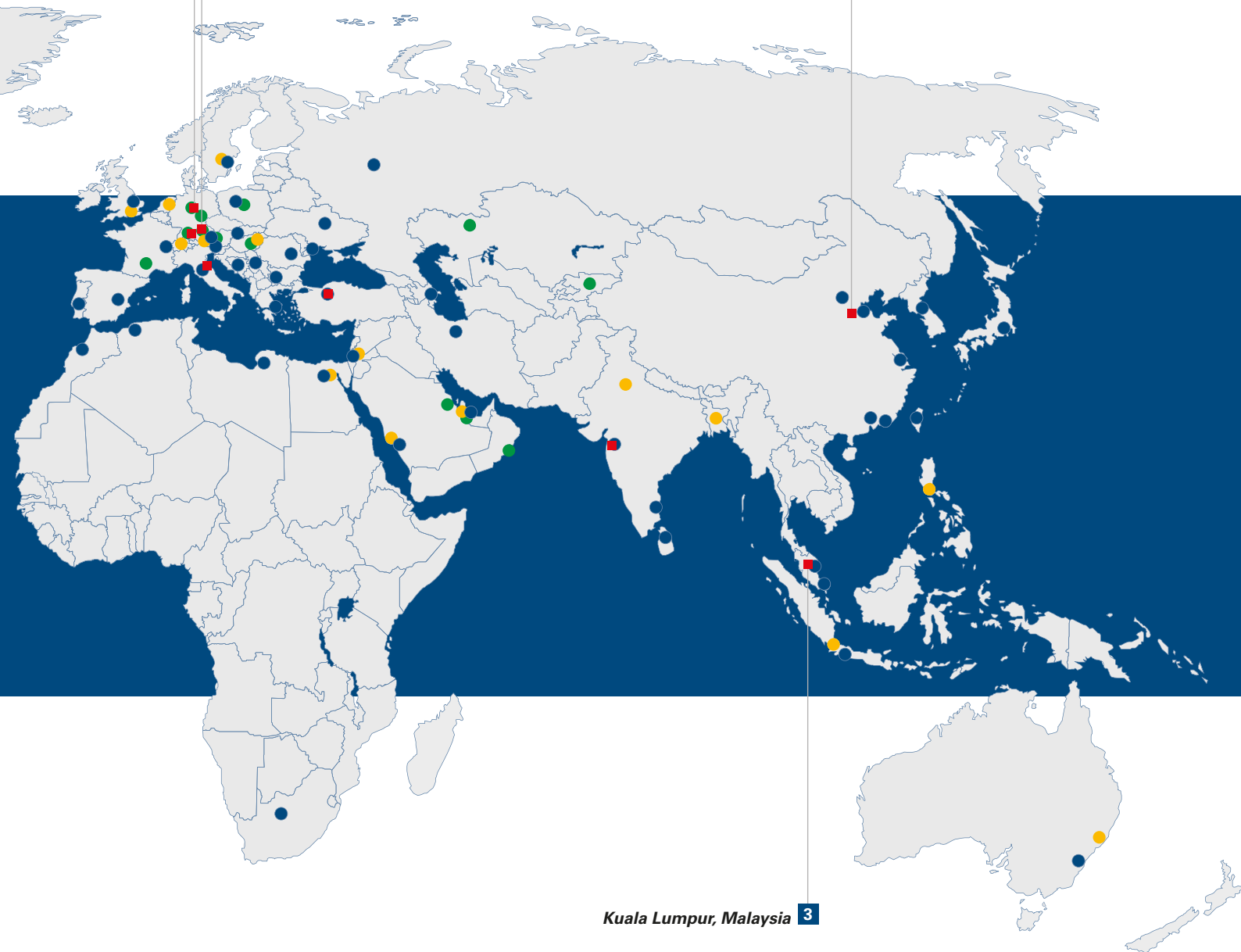
The World is our Market



1 *Schrobenhausen, Germany*
Aresing, Germany
Edelshausen, Germany
Nordhausen, Germany

4 *Tianjin, China*

Kuala Lumpur, Malaysia **3**



Foreword

Ladies and Gentlemen, shareholders and friends of our company,

the 2025 business year was marked by consolidation. We continue to concentrate on healthy, moderate and profitable growth within an economic and geopolitical environment that remains challenging.

As in the previous year, geopolitical tensions are ubiquitous. There are flashpoints that have calmed down in some parts of the world, while others have newly developed or flared up again. We are concerned about the war in Ukraine, the conflicts in the Middle East centered on Iran or the territorial claims surrounding Greenland. The tariff policies in the USA continue to cause uncertainty, which results in limited capacity for planning. In addition, the weak economic performance in most Asian countries has persisted, and even in China the construction industry has not yet properly recovered. As a consequence, commercial connections are increasingly being forged with emerging countries such as India. However, these are not currently able to compensate entirely for the declining willingness to invest in developed countries. Nevertheless there are encouraging signs from major projects in Europe, such as those in Belgium or France, which offer noticeable recovery in those regions.

We are fundamentally satisfied with the total Group revenues of EUR 1.7 billion and EBIT of EUR 103.0 million achieved in 2025.

We were able to make further progress with the development of our key balance sheet figures. Total assets decreased significantly, predominantly due to the low total Group revenues and consistent working capital management. Owing to the increase in EBITDA and accompanying reduction of net financial debt, the ratio of net financial debt to EBITDA further improved to 1.25 and thereby reached a new historically low value.

In the Geotechnical Solutions segment, consistent continuation of the implemented cost, risk and contract management measures has paid off. The operative execution of our projects in 2025 varied according to the economic trends in the individual regions. For instance, we observed very positive developments in India and the USA, while business in Europe was more subdued.

The Equipment segment had to contend with some challenges in terms of the operative business. The business year was characterized by increasing competitive pressure associated with a corresponding price sensitivity. Moreover, the financial year went very well in Europe, while business in the USA was clearly marked by uncertainties in terms of tariffs. China remained unsatisfactory, with the local construction sector failing to make an appreciable recovery. On the other hand, the business figures for countries such as India or Australia were more encouraging.

The Resources segment recorded an encouraging performance once again in 2025. Solid revenue and earnings figures were achieved in all business areas apart from water well construction. In environmental services, the relevant key figures were slightly improved despite a difficult market environment for construction in Germany and the intensified competitive situation. Performance was encouraging in the areas of infrastructure, plant construction and mining. The area of mining delivered a positive earnings contribution once again, and also further considerably increased its order backlog. This means long-term capacity utilization for this business. The constructed wetland in Oman remained stable, as in the past years. Furthermore, at the start of the 2026 financial year a resolution was passed to sell 50% of the shares in the Carbo-FORCE GmbH joint venture to the co-shareholders.

Overall we are satisfied with the 2025 financial year, yet we remain tireless in our efforts to make our company profitable and successful on the long term. In the process we have launched several important projects to achieve this goal and further

enhance our earnings margins over the coming years. In the Equipment segment, these include the plant expansion in Aresing, which will facilitate logistics and streamline processes in the future, the ongoing consistent improvement of our supply chain to reduce manufacturing costs, as well as a strategy for our international production network. We are working to develop a clearer product strategy and aim to foster a stronger customer orientation in our sales activities. Our company has numerous excellent and innovative products and brands which we hope to position even better and more strategically. In general, we are working towards a more intensified focus on customer orientation in all areas, particularly in product development and sales.

We continue to proceed according to the approach we have adopted over the past several years: Profitability before growth. Stability in business performance is the goal of our efforts. Overall, we want to place a stronger focus on the performance of the BAUER Group, while also further emphasizing innovation and technology. In all segments we are one of the leading companies in our sector. We are committed to being the best in order to continue asserting ourselves against our competitors in the years to come. And we want to be the best partner for our customers. We don't just sell a product or service – we sell a solution and help our customers to optimally resolve their challenges.

In the last several years, we have laid all the groundwork and established an economic and financial basis for stable and reliable development over the years to come. The further reinforced balance sheet gives us options for beneficial investments in the future. The economic and geopolitical environment around the world has further worsened in the past year, and we are preparing for this. In all areas, we are working on lowering costs to remain successful over the coming years despite a difficult market environment. We have laid all the groundwork to make 2026 a successful year. We anticipate a slight increase in total Group revenues, EBIT and earnings after tax.

We would like to warmly thank all our employees for their tireless dedication. The BAUER Group is working hard to ensure our success and our orientation towards the future – and we truly appreciate this. And we would like to warmly thank you, dear shareholders, financing partners, customers and friends of the company, for your loyalty, assistance and support. We look forward to continuing this journey with you in the years to come.

Yours sincerely

Dr.-Ing. Martin Thormann

Dirk Pfortner



Paris Metro Expansion: The BAUER BCS 185 power pack cutter system carried out the cutting work for the new Nanterre La Folie metro station – with zero local CO₂ emissions thanks to its electric power unit.

Combined Management Report

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Combined Management Report

I. GENERAL INFORMATION ABOUT THE GROUP

GROUP STRUCTURE

The BAUER Group sees itself as one of the leading providers of services, equipment and products related to ground and groundwater. BAUER operates a worldwide network on all continents. The BAUER Group is divided into three future-oriented segments: Geotechnical Solutions, Equipment and Resources.

The Geotechnical Solutions segment applies all the established methods and techniques of specialist foundation engineering all over the world. These include executing complex excavation pits and foundations for large-scale infrastructure projects and buildings, as well as cut-off walls and soil improvements. On the one hand, the markets are handled by local subsidiaries that support one another in networks, and on the other hand, large projects in countries without a local company are carried out by pooling capacities from all over the world. From Germany and from regional centers, support services are provided by means of central service functions and standards are set for the subsidiaries of each segment.

In the Equipment segment, BAUER is a provider for a full range of equipment for specialist foundation engineering as well as for the exploration, mining and extraction of natural resources. Besides its headquarters in Schrobenhausen, the Equipment segment operates a worldwide distribution network and production facilities in Germany, China, Malaysia, Turkey and in the USA, among other locations.

The Resources segment focuses on the development, production and execution of innovative products and services and acts as a service provider with several business divisions and subsidiaries in the areas of water well construction, environmental services and energy, mining, infrastructure as well as constructed wetlands.

BAUER Aktiengesellschaft (BAUER AG) is the holding company of the Group and primarily represents the Corporate Services segment. BAUER AG performs central administrative and service functions for the affiliated companies, with particular involvement in the areas of personnel, accounting, financing, balance sheet preparation and controlling, public relations and marketing, legal and tax affairs, IT, internal audit and risk management as well as health, safety and environment (HSE).

PERFORMANCE INDICATORS

Financial performance indicators

The total Group revenues, earnings before interest and taxes (EBIT) and earnings after tax (EAT) are used as the fundamental and significant key financial performance indicators for the management of the BAUER Group. For BAUER AG, exclusively the sales revenues are used for this purpose.

Here, the total Group revenues serve as the common performance indicator for the construction industry and represent the revenues of all the companies that form part of the BAUER Group. The difference between the consolidated revenues and the total Group revenues is derived from the revenues of the associated companies, from the portion of revenues in consortia and from the revenues of non-consolidated companies. In contrast, sales revenues are not used as a performance indicator.

These only provide an incomplete picture of Group performance in the financial year. For a presentation of the reconciliation, we refer to section 7 in the Notes to the Consolidated Financial Statements, and the Explanatory Notes to the Consolidated Income Statement.

Given the background of the intensified focus on the Group's long-term profitability, the Executive Board decided to include earnings after tax (EAT) as an additional performance indicator in Group controlling. Using earnings after tax as an indicator allows for a holistic assessment of the BAUER Group's economic performance, since this accounts for operating profitability along with financing, tax and currency effects.

The performance of total Group revenues and relevant contributions by the various segments to the total Group revenues are set out in the Business Report. The Business Report also details the calculation and trends in EBIT and earnings after tax for

the BAUER Group. At segment level, the total Group revenues and the EBIT along with earnings after tax are also used as key financial performance indicators.

Non-financial performance indicators

Non-financial key figures of the BAUER Group's performance are also measured as part of a comprehensive reporting system, although they have no individual material significance in terms of internal controls nor in other respects. The reporting on trends in these key figures is primarily intended to convey an overall picture of the operations of the BAUER Group.

The key figures included originate from the human resources function, such as workforce numbers, among other sources. Key figures derived from the field of research and development are also reported.

RESEARCH AND DEVELOPMENT

In the 2025 financial year, the BAUER Group once again invested a considerable amount to create new and develop existing products and services in three segments as well as for research purposes. Research and development work in the BAUER Group is organized on a decentralized basis, but is coordinated across segments. The focus was primarily a wide range of equipment for specialist foundation engineering as well as the appropriate drilling tools and attachment units. This was complemented by the new development and optimization of construction site applications and methods.

For bauma (construction equipment and mining trade fair) 2025, the Equipment segment was able to successfully conclude development work from the previous year present this at the trade fair in the form of new products. Thoroughly positive feedback from customers and visitors confirmed the segment's technological orientation and offered additional momentum for the ongoing development of smart, AI-assisted digital systems and equipment. This response underscores the high market relevance of these new solutions and demonstrates that the strategic focus on digitalization and automation should be consistently pursued.

For the increasingly important area of urban applications, which is characterized by strict transport weight restrictions and more demanding requirements for stability, a new equipment generation was successfully introduced in 2025 with the BG 23 V. This model features a compact design, excellent efficiency and improved ease of operation. The portfolio has been expanded to include the BG 30 H and BG 36 H, which represent a consistent continuation of the trend – particularly in the market segment of mid-sized equipment – towards more powerful equipment while also delivering improved efficiency. Both equipment groups make a crucial contribution towards further improving productivity on urban sites and for challenging foundation projects.

In the area of diaphragm wall equipment as well, considerable progress was achieved in 2025. Alongside the BCS 185 power pack, which was designed as a flexible solution for zero-emissions operation of a cutter, the GB 80 S grab with EEP was newly introduced on the market. The combination of energy-efficient drive technology and considerably more intuitive controls enables greater precision in operation while at the same time making the system more environmentally friendly. These new product developments reinforce the company's position as a leading technological innovator for reduced-emission and energy-efficient specialist foundation engineering solutions.

One particular highlight of the year was the enhancement of the Smart Tracker, which was successfully transferred into a pilot phase with initial reference customers in 2025. Working closely together with the equipment and machine operators, a digital system was created which provides customers for the first time with transparent real-time information about the deployment times, location and status of their tools.

This solution addresses key challenges in site logistics:

- finding and allocating tools,
- preventing losses,
- reducing logistical delays,
- and minimizing the resulting downtimes.

In this way, the Smart Tracker contributes directly to improving efficiency on the site, while at the same time supporting a more sustainable use of the implemented resources.

In 2025, strategic work continued in the Geotechnical Solutions segment focusing on developments in our products, workflows and the area of sustainability. Research in the area of diaphragm wall equipment examined the behavior of a excavated diaphragm wall joint depending on various joint formations, in particular the load conditions of the retaining wall when subjected to the planned loads. This topic was addressed as part of an outstanding thesis project which was nominated in Berlin for an award from the Construction Industry Chamber. In the area of construction materials technology, an innovative approach was pursued for the cleaning process of stabilizing slurries. The goal is to broaden the range of existing separation technology with a technical solution that is easier in practical implementation and more economical in terms of the operating costs incurred. Initial practical trials have demonstrated the existing potential as well as a further need for optimization of this technology. In line with our sustainability strategy, our objective with R&D (research and development) projects is always to identify opportunities that lead to ecological improvements as well as economic improvements if possible. One topic currently under investigation, both theoretically and on a laboratory scale, is to determine the necessary conditions for technically secure removal and recovery of steel beams from MIP (Mixed-in-Place) walls. Based on these results, the pilot phase is being launched with practical trials.

The main focus of development in the Resources segment was placed on solutions for environmental business, brownfield remediation as well as product improvements in water well construction. For some time now, the treatment of water polluted with per- and polyfluorinated chemicals (PFAS), known as forever chemicals, has been a focus. Trials were carried out at various locations in 2025 with alternative sorbents to assess their effect on water polluted with PFAS and identify alternatives to the activated carbon that has been used until now.

For the development of a fully networked pressure sensor to improve quality assurance in geothermal heat projects, initial prototypes were analyzed in field tests during 2025. Relying on a measurement network on site, the sensors aim to ensure online monitoring of pressure line quality and identify any damages early on. The project is planned for completion in 2026.

In the area of water well construction, efforts centered around the market introduction of super-duplex (stainless steel) riser pipes for geothermal heat as well as tensile strength improvements for pipe connections.

To promote research that might be of Group-wide importance, internal and external orders for research projects are placed via the BAUER Research Community. This type of overall organization for research and development work has proven to be highly effective. Thanks to fast decisions and high flexibility, all products can be kept up to date, with new ideas and market requirements able to be implemented quickly.

In 2025, research and development costs recognized in net income for the BAUER Group amounted to EUR 35.8 million (previous year: EUR 40.1 million). In the past, this expense has led to a general increase in the expertise base of the segments. Of the total research and development costs and patent costs incurred in 2025, EUR 4.1 million fulfilled the activation criteria in accordance with IFRS.

II. BUSINESS REPORT

MACROECONOMIC TREND

The macroeconomic and geopolitical conditions have worsened in 2025 compared to the previous year. The persistent and undiminished flashpoints in the world with their wars and conflicts remain a major challenge for the global economy. These challenges are exacerbated by ongoing climate change and continually increasing extreme weather events such as storms, floods and fires. The interest rate development decreased in 2025 compared to the previous year, with noticeable sideways movement over the course of the year. Inflation remained largely under control.

The global economic development in 2025 was stable overall, yet still characterized by regional differences as well as persistent structural and geopolitical challenges. In Europe, the broad stabilization of inflation and interest rate levels had a fundamentally positive effect on the economic environment. This led to improved planning capacity for companies, although momentum for growth remained subdued on the whole. The war in Ukraine remained a key geopolitical risk factor, yet its economic impacts were largely factored into prices over the course of the year.

In 2025 as well, Germany remained behind the development of many other European economies. This weak economic momentum is particularly attributable to structural problems in the industry, including the transformation of the automotive sector, ongoing weakness in the construction sector as well as low overall investment activity. Political uncertainties and delayed reform processes were an additional burden on the economic environment.

On the other hand, North America continued its strong performance, yet initial signs of a slight weakening in its previous highly dynamic development became evident over the course of the year. The effects of numerous government subsidy programs are still noticeable, but are gradually losing momentum. Nevertheless the economic environment remains stable, supported by a resilient job market and consumer demand that continues to be robust.

In Asia, economic performance continued to be marked by regional differences. China only recorded a moderate economic recovery for 2025 as well. Although state stimulus measures delivered selective stabilization effects, they did not lead to a sweeping recovery, especially in the real estate and infrastructure sectors. In contrast, India maintained its clear growth trajectory and solidified its position as one of the fastest growing large economies worldwide. The country benefited once again from growing international investments as well as structural reforms.

The Middle East was able to continue its positive economic development. Underpinned by extensive investment programs, particularly in infrastructure, energy and diversification of the economy, the region recorded further growth in spite of geopolitical tensions. Above all, the large economies of the region continued to act as a central driving force.

In general it can be said that in 2025 as well, the global economy demonstrates a certain capacity to adapt to changing conditions. Nevertheless, the challenges are growing: geopolitical conflicts, ongoing climate change and technological upheavals are causing increasingly frequent and intense disruptions. These developments increase uncertainty, shorten economic cycles and require continual adjustment on the part of companies and national economies.

Despite these factors, the global economy remains stable overall. This is also reflected in the development of international financial markets, which are still performing at comparatively high levels despite intermittent volatility. On the whole, the 2025 financial year confirms the resilience of the global economy, even when subject to complex and rapidly challenging conditions.

OVERVIEW OF OUR MARKETS

In this management report, the appraisal of the market developments along with the general and economic situation for the BAUER Group and its business segments is based on information from the individual subsidiaries as well as the appraisals of regional managers and the top levels of management.

As expected, the macroeconomic trends described above had varying effects on the individual markets. North America was able to continue its positive development, which benefits both the construction sector and consequently the area of construction equipment as well. The European markets – with the exception of Germany – performed well for the most part compared to the previous year, which benefited the construction sector as well. China remained behind expectations once again in terms of its economic performance and was unable to recover. This also had a sustained impact on the construction sector and the area of construction equipment. The other countries in Asia recorded stable performance overall. The persistent positive development in the Middle East enables local construction markets to continue growing. Nevertheless, the impacts of the ongoing conflict in Iran are currently impossible to predict. Characterized by persistent crises on the continent, the countries in Africa continued to develop at a low level.

The general need for infrastructures, both in countries with emerging economies and in established industrial nations, continues to exist. State investments in infrastructure supported the global construction markets.

Alongside construction and equipment, which are the most important markets for us, we also see a positive trend in environmental services, water, mining and renewable energies, which is being spurred on by the growing significance of these products and services.

Germany

Subdued economic growth, political conditions and the effects of inflation and interest rate trends from the previous years continued to have a noticeable impact on the construction industry. In residential construction and building construction, the activities remained at a low level and the market environment for project developers was still difficult. In industrial construction as well, customers' reluctance to invest was noticeable due to the economic and political conditions. Public sector construction continued to benefit from a considerable deficit in infrastructure, for which federal funding was available despite the tense budget situation. Price pressure and the competitive situation in the market further intensified over the course of the year.

The demand for construction equipment was roughly at the same high level in 2025 as in the previous year.

Europe

The construction sector in Europe was subdued in most countries compared with the previous year. The markets for construction equipment were accordingly restrained. This development applied particularly for the countries in southern Europe such as Italy, but also for Belgium.

Middle East

The persistent demand for raw materials, as well as the transformation of the countries in the Middle East towards a period after natural resources, provided for good economic development and growth. This particularly has applied and continues to apply for Saudi Arabia and the United Arab Emirates. The construction equipment markets also benefited from this trend. However, the persistent conflict in the Middle East could still result in disruptions in 2026.

Asia-Pacific

China's economy remained behind expectations due to the persistent challenges within the country. Even state measures were not able to generate a turnaround. The construction and equipment markets performed at a very low level. This

impacted in particular the exportation of construction equipment from China to the Asian markets, which increased considerably and placed European manufacturers under further pressure.

The other countries in the region recorded stable development. As the fastest-growing country in the region, India on the other hand experienced a marked upturn in the construction sector, which was particularly driven by infrastructure, energy and industry projects. The market for construction equipment also benefited from this growth, yet remains heavily dominated by Chinese manufacturers. Australia recorded solid economic development, which also affected construction activities. This particularly applied to the areas of infrastructure and building construction. This environment had a corresponding positive effect on the market for construction equipment.

Americas

The backlog demand in the infrastructure sector of the USA remains high. The US economy performed well overall. A solid environment was also apparent in the sale of construction equipment. Nevertheless, geopolitical uncertainties have a growing negative influence on economic performance. In Canada, the construction and equipment market performed well, while in contrast the countries in Central and South America continued to be subdued.

Africa

In Africa, the economic level of many countries continues to be very low, which meant that demand for construction and equipment was weak in 2025 as well. Only Egypt had a stable construction sector. This is primarily due to state infrastructure projects. Algeria also showed positive signs. Important future issues for the continent, such as water, the environment, energy and natural resources, are gaining in importance and have been supported by incentive measures. Nevertheless, developments are very subdued in these areas as well.

Summary of markets

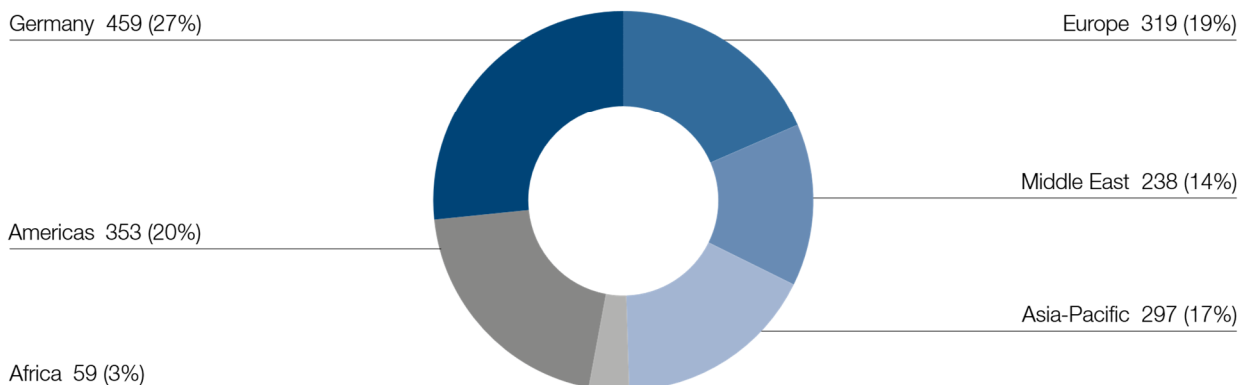
The persistent volatility of global markets, crisis flashpoints and geopolitical developments along with climate change and its impacts, once again pose major challenges. Political and economic framework conditions continue to change at short notice, requiring us to adapt quickly and flexibly. The opportunities and risks resulting from climate change as well as developments in the area of artificial intelligence need to be managed professionally with sufficient foresight in order to stay competitive on markets over the long term.

Overall, the global demand in the construction and equipment markets was positive in 2025 as well. Negative influencing factors, such as Russia's war against Ukraine and political tensions, had a negative effect on individual markets. Nevertheless, the global economy remained robust in 2025. Overall it is expected that the markets will continue to adjust to the modified framework conditions.

Geographical breakdown of total Group revenues

in EUR million

Total 1,725



COURSE OF BUSINESS

The BAUER Group achieved **total Group revenues** amounting to EUR 1,725.2 million in the 2025 financial year, 21.0% below the previous year's figure of EUR 2,183.4 million. At EUR 103.0 million, **EBIT** was moderately above the previous year's value of EUR 89.1 million. **Earnings after tax** amounted to EUR 12.5 million and was therefore slightly higher than the previous year's figure of EUR 9.7 million.

The total Group revenues decreased compared to the previous year according to the planning, particularly due to the Geotechnical Solutions segment. The major project in Hungary during the previous year made a significant contribution to the total Group revenues amounting to roughly EUR 318 million. Total Group revenues in the Equipment segment also decreased, while in contrast a slight increase was recorded in the Resources segment.

The EBIT of the BAUER Group once again reflected the stabilization of the operating business. In the Geotechnical Solutions segment, EBIT increased markedly, and the Resources segment also made a good contribution to earnings once again. EBIT decreased in the Equipment segment. Despite a strong fourth quarter, the Equipment segment experienced a downward trend in the operative results. In addition, necessary impairments on assets had to be recognized along with provisions, which reinforce the operative downturn.

With regard to the BAUER Group's earnings after tax, interest rate hedging transactions due to the interest rate levels and the corresponding valuation in the balance sheet had a positive influence of EUR 3.4 million in the financial year (previous year: negative influence of EUR 4.9 million). The financial result fell back by a total of EUR 10.1 million (previous year: EUR -4.9 million). This was primarily caused by higher currency losses as well as lower investment income. In contrast, there were positive effects from reduced interest payments for loans.

With the publication of the 2024 Annual Report, the Group issued a forecast for the 2025 financial year on May 7, 2025 which anticipated a considerable decrease in total Group revenues and a slight increase in EBIT. As anticipated, the total Group revenues decreased markedly in 2025 due to the Geotechnical Solutions segment, while EBIT on the other hand was considerably above the previous year's value at the end of 2025. The EBIT forecasts for the Geotechnical Solutions and Resources segments were met; however, the Equipment segment performed negatively against the forecast.

The **order backlog** of the BAUER Group at the end of 2025 was EUR 1,203.3 million, a decrease of 1.3% compared to EUR 1,218.7 million in the previous year. The order backlog decreased markedly in the Geotechnical Solutions segment, which was due to the execution of the extensive major project in Hungary. In the Equipment segment and Resources segment, an increase was recorded. **Order intake** decreased by 7.5% to EUR 1,709.9 million, compared to EUR 1,848.4 million in the previous year.

Summary of course of business

The BAUER Group experienced further positive development in the 2025 financial year after several difficult years. In the Geotechnical Solutions segment, very good results were achieved in many countries and on major projects. The optimization of the international positioning and closure of several subsidiaries also contributed to the better result. Risk and contract management as well as risk controlling were considerably improved in the past years and the objective is to further improve them. With the exception of China, the revenue performance in the Equipment segment was solid overall, although there was a slight downturn. At the same time, the earnings performance was not yet satisfactory. The Resources segment again recorded good operative performance in nearly all areas, and thus progressed seamlessly from the positive previous year. Overall, consistent measures continue to be implemented to make the Group strong for the future. The economic and financial basis for a stable and reliable performance in the coming years was established from 2023 to 2025. The Executive Board assesses the course of business and the situation of the Group as satisfactory overall. The earnings position was improved and the net debt was considerably reduced.

GEOTECHNICAL SOLUTIONS SEGMENT

in EUR thousand	2024	2025	Change
Total Group revenues	1,191,376	753,258	-36.8%
Sales revenues	1,121,669	693,028	-38.2%
Order intake	849,452	695,124	-18.2%
Order backlog	641,118	582,984	-9.1%
EBIT	37,320	78,176	n/a
Earnings after tax	5,075	28,939	n/a
Employees (Reporting date)	6,886	6,218	-9.7%

General conditions

The general conditions for the Geotechnical Solutions segment were already described in the chapters "Macroeconomic trend" and "Overview of our markets".

Significant events

The Geotechnical Solutions segment achieved **total Group revenues** of EUR 753.3 million in the 2025 financial year, which fell by 36.8% compared with previous year's EUR 1,191.4 million. **EBIT** increased significantly to EUR 78.2 million, primarily due to lower depreciation of property, plant and equipment as well as one-time effects as a result of successful negotiations on supplemental requirements in the USA, and was thus considerably above the previous year's value of EUR 37.3 million.

Earnings after tax also rose significantly to EUR 28.9 million (previous year: EUR 5.1 million).

In the 2025 financial year, the overall positive operating business with several very successfully implemented projects as well as the numerous restructuring measures of the previous years were clearly noticeable in the key figures.

Based on the general conditions, the individual construction markets showed themselves to be very different as well. In Germany, the construction market was slightly positive compared to the previous year, which meant that revenue and

earnings increased compared with the previous year. In Europe, the 2025 financial year was very subdued. In Great Britain, revenues and earnings fell back to a minimum. The market in Hungary was weak overall, which meant that revenue and earnings in normal project business reduced by half compared with the previous year. Work on the major project in Hungary was interrupted in 2025, but returned back to normal status due to received payments. Furthermore, the order total was slightly reduced and the budget was adjusted accordingly. Revenues also decreased in the Netherlands and in Switzerland. The company in Austria was sold.

The markets in the Middle East performed very well overall. Thanks to the successful execution of orders in the United Arab Emirates and Saudi Arabia, very good earnings were once again achieved in the region. Saudi Arabia recorded an exceptional boom overall with huge projects. There is further potential for major orders here. The location in Qatar is under review. In Egypt, revenue and earnings remain at the previous year's level, which is attributable to the difficult market environment and currency fluctuations. Inflation in Egypt calmed down considerably.

The countries in the Asia-Pacific region continued to vary widely in their performance. Our subsidiaries in Indonesia and the Philippines had good capacity utilization, in line with the previous years. The failure to achieve positive results was predominantly due to marked exchange rate effects. The location in Malaysia currently serves as the regional office and we have further scaled back our companies in Thailand. In India, we were able to increase our revenue by more than 50% compared to the previous year, which enabled us to significantly heighten our market presence. The company was able to make a solid contribution to earnings as a result.

The subsidiary in the USA had a good order situation overall, and the positive outcome of a follow-up order allowed the company to achieve a very good year-end result. In Canada, revenue and earnings remained subdued, at the previous year's level. In both countries, several measures have been further pursued to improve the market situation. Revenues decreased slightly in Panama. Nevertheless, the company achieved very good results with various projects for the new metro line.

Our efforts focused on additional measures to establish a streamlined and globally networked organizational structure with a lower number of individual companies. As before, we aim to take on a leading role in specialist foundation engineering in the area of sustainable construction methods and applications.

Order situation

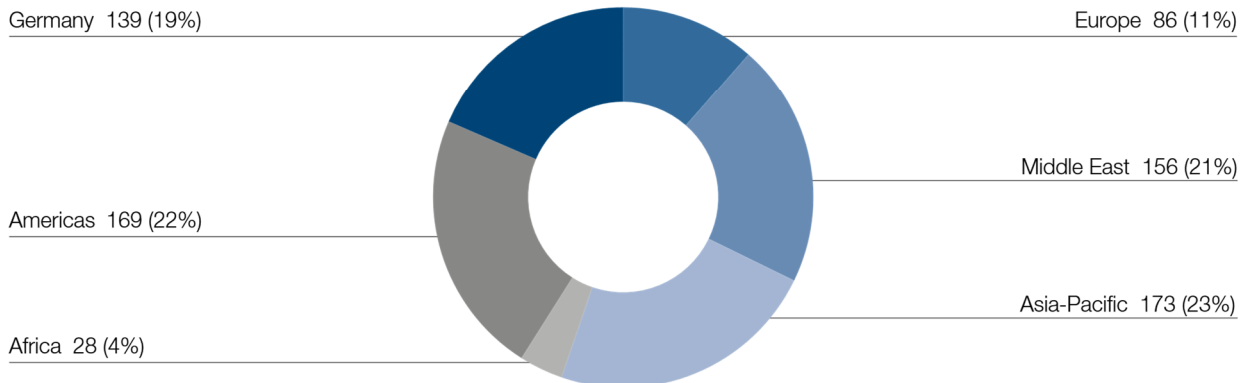
Order backlog decreased by 9.1%, from EUR 641.1 million in the previous year to EUR 583.0 million. This was due in part to the adjustment of the budget for the Paks major project in Hungary. Overall, we continue to see a good order backlog with a focus on the Americas and the Middle East. The **order intake** was EUR 695.1 million, representing a significant decrease of 18.2% from the previous year's value of EUR 849.5 million.

Geographical breakdown of total Group revenues

Geotechnical Solutions segment

in EUR million (after deduction of Consolidation)

Total 751



Nevertheless, we assess the order intake as good. Even though the markets continued to be very volatile, we were successful in winning several large orders – particularly in the USA and the Middle East. Major projects around the world continue to be on the market and in our focus. Due to the existing order backlog and further opportunities around the globe, we see a good starting position for the current financial year. In particular, there are still opportunities resulting from the global challenges of urbanization, infrastructure and energy supply.

EQUIPMENT SEGMENT

in EUR thousand	2024	2025	Change
Total Group revenues	789,372	728,569	-7.7%
Sales revenues	680,000	687,739	1.1%
Order intake	751,069	753,459	0.3%
Order backlog	169,805	194,695	14.7%
EBIT	48,785	9,432	-80.7%
Earnings after tax	11,313	-23,624	n/a
Employees (Reporting date)	2,931	2,708	-7.6%

General conditions

The general conditions for the Equipment segment were already described in the chapters “Macroeconomic trend” and “Overview of our markets”.

Significant events

In the Equipment segment, **total Group revenues** decreased by 7.7% from EUR 789.4 million in the previous financial year to EUR 728.6 million. At EUR 9.4 million, **EBIT** was markedly below the previous year's value of EUR 48.8 million, primarily due to the decreased operating business and additional impairments in the fixed assets and current assets. **Earnings after taxes** also dropped significantly, from EUR 11.3 million to EUR -23.6 million.

Overall, revenues were below the value for 2024. However, it must be considered here that a positive influence occurred in 2024 that amounted to at least EUR 30 million due to displacements resulting from the cyber attacks in 2023. If these are taken into account, the revenues are still 4% below the level of 2024. Sales were actually slightly increased during the comparison period.

The sales region of Europe delivered excellent results, while there were problems in the USA: it was not possible to achieve some of the planned sales in the USA because customers were very reticent due to high levels of uncertainty in the 1st half of the year caused by the tariff policies. Despite a very good year-end rally, the planned values were not achieved.

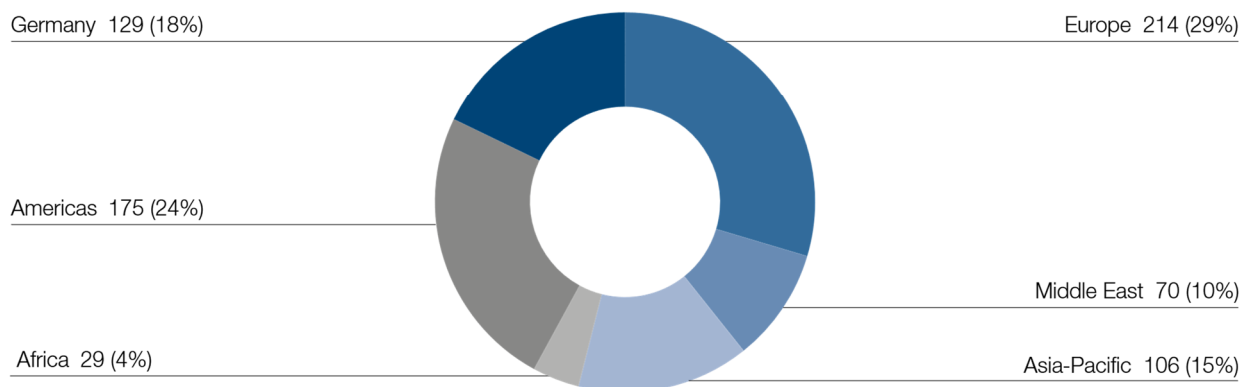
Another negative effect on the earnings performance was the closure of the production site in Italy. Moreover, impairments were made to property, plant and equipment due to non-use resulting from relocation of production within the segment. Fundamentally, we observe high levels of competition and margin pressure in all regions. For this reason, the focus is on reducing manufacturing costs while improving process efficiency in all areas of the Equipment segment.

Geographical breakdown of total Group revenues

Equipment segment

in EUR million (after deduction of Consolidation)

Total 723



As described, the sales company for specialist foundation engineering equipment in the USA had a difficult market environment and recorded a decline in revenues and earnings. The local product brand for water well drilling rigs was successfully restructured and also recorded a considerable increase in sales figures, but was not yet able to achieve positive earnings.

The financial year was challenging overall for the subsidiaries and the individual product groups: Sales of small rigs and anchor drilling rigs were significantly behind the planned sales targets and delivered a negative contribution to earnings. Despite these difficulties, by the end of the year we achieved an order backlog capable of lasting several months into the ongoing year. For drilling rigs such as piling rings, unfortunately, the budgeted target figures were not fully achieved either. Well drilling rigs, mixing systems and rotary drives recorded positive growth compared to the previous year and delivered good results. For casings, the results were below the level of the previous year. Business in spare parts, drilling tools and service recorded sales growth and once again had a good impact on earnings. This area continues to be a focus for the future successful development of revenue and earnings for the segment. A solid and stable financial year was recorded for the purchase and sale of used machines.

Order situation

The **order intake** increased slightly by 0.3% to EUR 753.5 million, compared to the previous year's EUR 751.1 million.

Order backlog was EUR 194.7 million at the end of 2025, representing a significant increase of 14.7% compared to the previous year's EUR 169.8 million.

Overall the demand for specialist foundation engineering equipment remained stable despite the weakening of individual construction markets. The numerous additional uncertainties for the capital goods market, such as political conflicts, wars and protectionist economic policies, had a regional impact on demand in some regions during the previous year.

RESOURCES SEGMENT

in EUR thousand	2024	2025	Change
Total Group revenues	270,808	292,776	8.1%
Sales revenues	233,382	244,475	4.8%
Order intake	316,065	310,670	-1.7%
Order backlog	407,746	425,640	4.4%
EBIT	12,442	24,148	n/a
Earnings after tax	7,967	18,625	n/a
Employees (Reporting date)	1,121	1,189	6.1%

General conditions

The Resources segment is focused on products and services in the business areas of water well construction, environmental services and energy, mining, infrastructure and constructed wetlands. The general conditions for the segment were already described in the chapters "Macroeconomic trend" and "Overview of our markets".

Significant events

Total Group revenues in the Resources segment increased by 8.1%, from EUR 270.8 million in the previous year to EUR 292.8 million. At EUR 24.1 million, **EBIT** was significantly above the previous year's value of EUR 12.4 million. The same was true for the **earnings after tax**, which were EUR 18.6 million, compared to EUR 8.0 million in the previous year.

In the financial year gone by, the Resources segment was able to further continue and even improve on its positive trend from the past few years. All business segments with the exception of water well construction recorded considerable positive contributions to earnings and finished the year above the previous year's values.

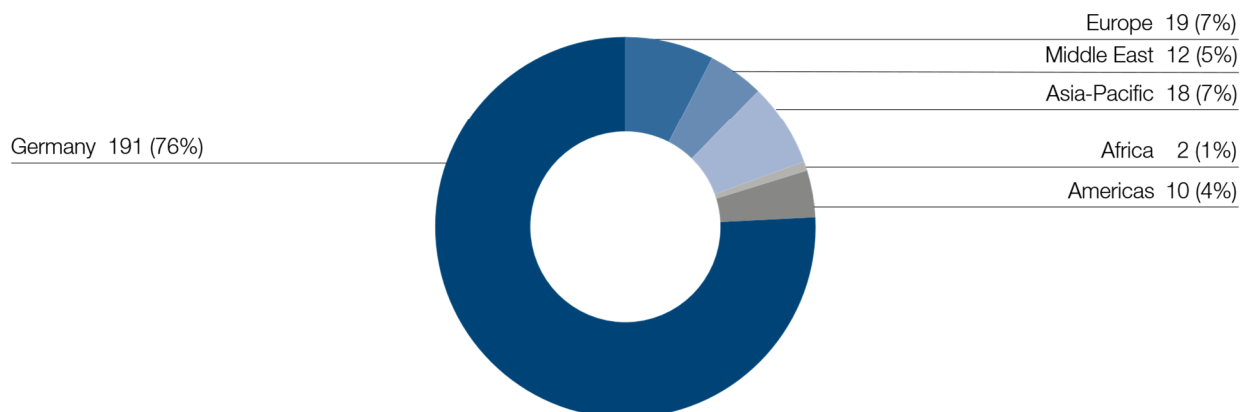
In the business division of water well construction, the GWE Group, which manufactures and sells well materials in Germany, France and Eastern Europe as well as in Chile, had another difficult financial year overall. In Germany and Europe, the market situation continues to be difficult and no significant improvements can be observed. The market for geothermal heat and small wells is highly competitive or diminishing, and competitive pressure is still very high. Sales decreased significantly, above all in Germany, which meant that the entire business division concluded the financial year with negative results due to Germany and France. In contrast, the subsidiaries in Chile and Poland delivered a very strong contribution to earnings.

Geographical breakdown of total Group revenues

Resources segment

in EUR million (after deduction of Consolidation)

Total 252



Despite a persistently difficult market environment on the German construction market, the business division of environmental services was able to significantly increase its revenues and helped to improve the earnings in the segment with its positive earnings contribution. The areas of construction and technology were markedly above the targets and the previous year in terms of revenue as well as earnings. The area of disposal markedly reduced its losses from the previous year and almost moved into the black. Furthermore, it was resolved during the financial year to sell the unprofitable disposal site in Bleicherode. Provoked by the current energy policies in Germany, the area of geothermal heat and energy had to contend with decreasing drilling prices, falling demand and heavy competition, recording a further downturn in revenues for the financial year and correspondingly negative contributions to earnings. This also includes an unplanned depreciation on goodwill.

Our participation in Oman had another successful operative financial year in the area of constructed wetlands.

The biggest jump in revenue and earnings for the financial year was achieved by the area of mining and infrastructure. Thanks to the continuously high demand in Germany, the mining division once again made a very positive contribution to revenue and earnings. The same applies for the subsidiary in Kazakhstan. In the area of infrastructure, which includes plant engineering and steel construction, capacity utilization remained high with a corresponding very good contribution to revenue and earnings. Special-purpose construction, which is also part of the infrastructure division, is still burdened by the restructuring measures initiated in the previous year yet was able to achieve a slightly positive earnings contribution due to their effect.

Order situation

The **order intake** was EUR 310.7 million in 2025 and thus 1.7% slightly below the previous year's value of EUR 316.1 million. At EUR 425.6 million, the **order backlog** at the end of the year was 4.4% higher than the previous year's EUR 407.7 million.

The majority of the order backlog is generated once again by the mining division as well as plant engineering and steel construction in Germany with a volume of EUR 301.4 million (previous year: EUR 223.5 million). Plant engineering and steel construction achieved record order inventories. Compared with the previous year, these inventories were further increased in the areas of mining and plant engineering, which explains the majority of the upturn in the segment. The constructed wetland in Oman contributes another significant share of the order backlog due to its long operating time.

CORPORATE SERVICES/CONSOLIDATION SEGMENTS

The Corporate Services and Consolidation segments bundle the revenues and earnings of the BAUER Group that cannot be allocated to the operating segments. The Corporate Services segment however essentially comprises the revenues of BAUER AG itself, generated from a wide variety of administrative services provided to Group subsidiaries.

In 2025, the **Corporate Services segment** posted EBIT of EUR 0.7 million (previous year: EUR -8.8 million). This includes EUR 9.9 million of dividend payments by Group subsidiaries to the parent company. Earnings after taxes amounted to EUR -2.2 million (previous year: EUR -14.4 million). The segment revenues are generated mainly by internal charges within the BAUER Group.

Consolidations were carried out in the **Consolidation segment**. The EBIT of EUR -9.4 million (previous year: EUR -0.6 million) largely contains the aforementioned distribution payments by Group subsidiaries to BAUER AG. Earnings after taxes amounted to EUR -9.3 million (previous year: EUR -0.2 million).

III. EARNINGS, FINANCIAL AND NET ASSET POSITION OF THE GROUP

GROUP EARNINGS POSITION

The earnings position of the BAUER Group was positive overall in the financial year. Positive earnings contributions in the Geotechnical Solutions and Resources segments were decisive for achieving this result. The Equipment segment remained behind the expectations and the forecast.

The most important key figures changed as follows:

Total Group revenues decreased significantly by 21.0% from EUR 2,183.4 million in the previous year to EUR 1,725.2 million. At EUR 103.0 million, **EBIT** was 15.6% above the previous year's value of EUR 89.1 million. The primary reasons for this were successful negotiations on supplemental requirements in the USA amounting to EUR 7 million, an insurance claim payout for the 2023 cyber attack in the amount of EUR 4 million, as well as reduced impairments on receivables and reduced additions to provisions. **Earnings after tax** was EUR 12.5 million, representing a slight increase from the previous year's figure of EUR 9.7 million.

The individual income statement items for 2025 are summarized in the following:

Consolidated revenues fell markedly by 21.7%, from EUR 2,107.3 million in the previous year to EUR 1,649.1 million. The decline is essentially due to Geotechnical Solutions segment. In the previous year, the execution of the major project in Hungary was responsible for the significant increase. There was an increase (project sales and insurance claim payout) in the Resources segment, while a decrease (weaker sales during the year) was recorded in the Equipment segment.

Sales revenues fell accordingly by 20.0% from EUR 2,035.9 million to EUR 1,627.9 million. This decrease also resulted from the performance of the segments described under the consolidated revenues.

Changes in inventories changed considerably from EUR 12.1 million to EUR -29.4 million, which was mainly the result of the inventory reduction in the Equipment segment due to strong sales in the last quarter.

Other own work capitalized fell due to increased research and development in the Equipment segment in the previous year, from EUR 9.1 million to EUR 6.5 million.

Other income fell from EUR 50.2 million to EUR 44.1 million in the previous year. The previous year included income from deconsolidation amounting to EUR 12.5 million, which only amounted to EUR 0.6 million in the financial year. The reduction of income from deconsolidation is offset by income from insurance claim payouts amounting to EUR 7.4 million and an increase in income from the disposal of fixed assets amounting to EUR 2.3 million.

The **cost of materials** fell considerably by 36.3% in the year under review, from EUR 1,145.5 million to EUR 730.2 million. This was primarily attributable to the material use associated with the major project in Hungary during the previous year.

Personnel expenses decreased slightly by 0.3% from EUR 480.1 million to EUR 478.7 million. This item includes an extraordinary expense from provisions for personnel measures amounting to EUR 8.6 million. Without these provisions, the personnel expenses would have decreased by 1.8%. We will continue to strive to improve personnel expenses in relation to consolidated revenues over the next few years.

Other operating expenses fell significantly by 9.9% from EUR 249.4 million to EUR 224.6 million. The principal factors behind this change from the previous year were reduced allocations to provisions, and lower costs for legal and compliance consulting along with lower travel costs.

Impairments and impairment reversals in accordance with IFRS 9 in the amount of EUR 0.9 million were considerably below the previous year's value of EUR -20.6 million. This was due to lower impairments on receivables related to creditworthiness.

At EUR 18.3 million, the **income from shares accounted for using the equity method** was once again considerably higher than the previous year's value of EUR 12.3 million, which is attributable to higher earnings contributions from the equity companies and joint ventures, above all in the Resources segment.

Depreciation of fixed assets decreased by 3.5% from EUR 117.0 million to EUR 112.9 million. The background for this was a larger depreciation on capitalized development costs in the previous year as well as high depreciations on technical equipment and machinery for the major project in Hungary in the Geotechnical Solutions segment. In addition, the depreciations on leasing use rights in the fixed assets decreased by EUR 0.5 million. This was primarily countered in the Equipment segment by additional impairments on assets made on the recoverable amount of cash-generating units amounting to a total of EUR 13.0 million.

Write-downs of inventories due to use reflect the use of rental equipment made available to our customers. This primarily concerns the business in the USA. The item increased insignificantly by 5.5% from EUR 17.9 million to EUR 18.8 million in the year under review. The rental rate was at a normal level.

Financial income decreased from EUR 47.0 million to EUR 42.6 million. The currency gains and income from hedging transactions included in this item rose by EUR 4.9 million, while the income from operating participations and other interest income fell by EUR 9.5 million. The previous year included income from investments with non-consolidated companies amounting to EUR 6.1 million.

At EUR 91.3 million, **financial expenses** were higher than the previous year's level of EUR 85.6 million. In the financial year, the increase came primarily from currency losses due to foreign currency valuation at EUR 19.3 million. This was countered by losses from hedging transactions as well as the interest expenses for loans. These fell by a total of EUR 14.5 million.

At EUR 41.8 million, **income tax expense** was slightly higher than the previous year's EUR 40.8 million. This increase results from mutually compensating positive and negative effects in deferred taxes on valuation differences and losses carried forward, as well as an increase in the actual tax expense of EUR 1.8 million. Income tax expenses in the financial year correspond to a tax rate of 77% (previous year: 81%). The background for this rate in the financial year are increased effects of deferred taxes in respect of losses carried forward and temporary differences amounting to EUR 12.8 million (previous year: EUR 6.6 million). This was countered by effects from tax rate differences as well as tax effects from non-deductible expenses and tax-free earnings in the amount of EUR 10.2 million (previous year: EUR 16.5 million). One special factor here in the financial year was an off-balance-sheet amount added back under the Tax Haven Defense Act (Steuerroasenabwehrgesetz) concerning the subsidiary in Panama amounting to approx. EUR 5 million in the Geotechnical Solutions segment.

The **earnings after taxes attributable to BAUER AG shareholders** were EUR 11.2 million (previous year: EUR 9.1 million).

At EUR 1.3 million, the **earnings after taxes attributable to non-controlling interests** were somewhat higher than in the previous year (previous year: EUR 0.6 million).

GROUP FINANCIAL AND NET ASSET POSITION

Total assets of the BAUER Group decreased considerably by 8.5% in 2025, from EUR 1,683.6 million to EUR 1,539.9 million. At 32.6%, the **equity ratio** increased significantly compared to the previous year's level of 29.8%, which is primarily owing to the rise in earnings after tax and the reduction of total assets.

Net financial debt was EUR 293.3 million in the year under review, representing a significant decrease from the previous year's figure of EUR 375.3 million. Accordingly, the net financial debt has further significantly improved relative to total assets. The level of net financial debt in the BAUER Group is largely dependent on the level of working capital.

Development of key financial indicators

	2024	2025
Net financial debt/EBITDA	1.68	1.25
Equity ratio in %	29.8	32.6

It was possible to keep the agreed financial indicators – net financial debt to EBITDA and equity ratio – within the agreed thresholds by a large margin. The ratio between net financial debt and EBITDA, with a value of 1.25, again reflects a significant improvement of the earnings and debt situation. In addition to the two syndicated loan agreements valued at EUR 390 million (drawdown: EUR 144.8 million) and EUR 53 million (outstanding loan amount: EUR 2.7 million), the BAUER Group set financial indicators for a number of loans, which were valued as per the 2025 year-end at EUR 54.5 million. In June 2024, the syndicated loan agreement was extended by three years with an extension option for a total volume of EUR 390.0 million. By exercising the first extension option in April 2025, the term of the syndicated loan agreement was extended by an additional year to June 2028. The interest on the syndicated loan is made up of a margin plus EURIBOR. The margin is defined in a margin grid and is oriented on the debt ratio of the last quarterly reporting date.

With regard to the items on the balance sheet, the following material changes should be noted:

On the asset side:

- **Intangible assets** decreased compared to the previous year, from EUR 27.2 million to EUR 23.8 million. This decrease is primarily attributable to the valuation allowance on goodwill carried out in the financial year in the Resources segment due to the impairment test that was performed.
- **Property, plant and equipment** fell from EUR 497.2 million to EUR 442.7 million. The principal reasons for this were general decreases in equipment utilization along with increased equipment sales, currency effects (US dollar) and impairments on cash-generating units in the Equipment segment. The new building for production facilities at the subsidiary KLEMM Bohrtechnik GmbH in the Equipment segment was completed in the fourth quarter of the financial year and amortized since then.
- **Investments accounted for using the equity method** increased from EUR 70.1 million to EUR 77.2 million. The decisive factor here was high earning contributions from joint ventures, particularly from SCHACHTBAU Nordhausen GmbH, and from the participation in TOO SCHACHTBAU Kazakhstan.
- **Deferred tax assets** decreased slightly from EUR 51.1 million to EUR 49.1 million. In the financial year, the tax losses carried forward decreased overall. The background for this is the use or consumption of previously capitalized tax losses carried forward, as well as reduced capitalizations due to the forecast tax utilization. One effect of this was that the

impairments on deferred tax assets in respect of losses carried forward also decreased. This is set against higher deferred tax assets on consolidation measures recognized in the balance sheet as well as the offsetting of deferred tax assets, along with individual larger impairments on deferred tax assets due to the companies' loss history.

- **Other non-current financial assets** increased significantly from EUR 32.0 million to EUR 37.9 million, which is largely attributable to an increase in market valuation for derivatives in the amount of EUR 4.8 million.
- **Inventories** reduced from EUR 494.6 million to EUR 417.00 million. Reasons for this included above-average selling off of equipment in the last quarter of the financial year, higher unscheduled depreciations on the net sale value as well as more consistent inventory management. Currency effects also contributed to the decrease in this item.
- **Contract assets** fell back from EUR 68.1 million to EUR 56.5 million.
- **Trade receivables** are divided into a non-current and current share and increased primarily due to recognized additional claims in the Geotechnical Solutions segment from EUR 265.9 million to EUR 291.5 million.
- **Other current assets** reduced compared to the previous year, from EUR 58.7 million to EUR 47.2 million. This is essentially due to the reduced sales tax receivables.
- **Cash and cash equivalents** decreased from EUR 72.9 million to EUR 56.0 million as of the balance sheet date.

On the liabilities side:

- At EUR 502.0 million, **equity** was on a par with the previous year's value. The negative currency conversion effects (EUR -13.8 million) were offset by the positive earnings after tax (EUR 11.2 million) and the positive change in reserves for income and losses based on actuarial calculations (EUR 6.0 million). An amount of EUR 6.7 million pertained to non-controlling interests (previous year: EUR 8.1 million).
- The **non-current portion of liabilities to banks** reduced significantly from EUR 182.9 million to EUR 125.1 million. A significant portion of this was owing to repayments at BAUER AG in the amount of EUR 22.5 million as well as at KLEMM Bohrtechnik GmbH due to reclassification into the current portion.
- **Provisions for pensions** reduced overall from EUR 115.7 million to EUR 106.4 million. This is essentially due to the higher discount rate of 4.10% (previous year: 3.50%).
- **Other non-current financial liabilities** only decreased insignificantly from EUR 11.7 million to EUR 9.4 million.
- **Deferred tax liabilities** increased primarily due to the valuation differences and the lower offsetting of deferred tax liabilities compared to the previous year, from EUR 21.0 million to EUR 32.1 million.
- The **current portion of liabilities to banks** also decreased significantly due to repayments, from EUR 181.8 million to EUR 143.5 million.
- **Contract liabilities** increased from EUR 79.3 million to EUR 121.3 million, primarily in the Geotechnical Solutions segment due to advance payments from customers for which services have not yet been provided.

- **Trade payables** fell from EUR 306.6 million to EUR 208.6 million. In the previous year, higher outstanding amounts and outstanding invoices from our suppliers caused this item to increase sharply.
- **Liabilities to companies and participations accounted for using the equity method** rose as of the balance sheet date, primarily due to an increase in liabilities to consortia, from EUR 37.5 million to EUR 47.3 million.
- **Other current debt** decreased due to the full payment of Christmas bonuses in the financial year (in the previous year, second partial payment in first quarter) from EUR 82.6 million to EUR 72.4 million.
- **Effective income tax obligations** only increased insignificantly from EUR 28.4 million to EUR 29.0 million.
- **Other provisions** rose from EUR 53.8 million to EUR 64.6 million, which was primarily attributable to allocations to provisions for personnel measures, above all in the Corporate Services segment, and to increased warranty provisions. However, provisions for impending losses decreased by EUR 6.7 million in the financial year.

Net cash from operating activities shown in the **consolidated statement of cash flows** was EUR 172.5 million, below the previous year's EUR 194.2 million. The reason for this was primarily a net negative development of the working capital, particularly owing to the decrease in trade payables and the change in trade receivables. This was countered by higher contract liabilities and a positive development of inventories without fully compensating for the outlined effects. Overall, the slightly higher earnings before interest and taxes could not be transferred into a correspondingly higher operating cash flow due to the working capital effects and lower compensating non-cash effects.

Cash flow from investment activity totaled EUR -48.0 million and was below the previous year's EUR -89.4 million. The decrease in the outflow of funds is primarily attributable to lower investments in property, plant and equipment as well as intangible assets.

Cash flow from financing activities amounted to EUR -140.6 million (previous year: EUR -102.0 million). The higher outflow of funds compared to the previous year is primarily the result of significantly lower inflows of funds from the raising of loans and liabilities to banks (EUR 38.4 million; previous year: EUR 172.0 million). At the same time, repayments of loans and liabilities to banks amounted to EUR -122.0 million (previous year: EUR -205.1 million) and were therefore below the previous year's level. Overall, the repayments exceeded the new loans taken out in the current financial year by a much more significant margin than in the previous year, which resulted in a higher net outflow of funds from financing activities. In the financial year, the Group was in a position to fulfill its payment obligations at all times.

INVESTMENTS

Investments in the 2025 financial year were considerably lower than the previous year. In the previous year, an investment in the expansion of equipment production at KLEMM Bohrtechnik GmbH was included in the Equipment segment, which was occupied during the financial year. In the financial year, typical project-related investments in equipment and additional smaller investments in land and buildings were made.

In the **Geotechnical Solutions segment**, investments in our equipment decreased in the financial year. The background for this was primarily the release of equipment with insufficient capacity utilization, which was used again in other countries for project in the Geotechnical Solutions segment. Due to our strategy of increasing involvement in large international infrastructure projects with high levels of specialist foundation engineering services, general investments in large equipment are needed. As in the previous year, investments were made in digitalization at a moderate level in the financial year.

In the **Equipment segment**, investments focused on modernizing the product portfolio and the production sites. In 2025, the new plant for subsidiary KLEMM Bohrtechnik GmbH was acquired. In the coming years, further new investments are planned for the expansion and modernization of our production facilities on the one hand, as well as for the automation and digitalization of equipment on the other.

In the **Resources segment**, in addition to the typical substitute investments in production facilities, earth-moving machines, drilling rigs and renewing the vehicle fleet, new investments were made in the financial year for the erection of a PVC line, a plant for washing contaminated soils and a drilling rig for geothermal drilling.

In the 2025 financial year, the **BAUER Group** invested a total of EUR 140.7 million (previous year: EUR 199.8 million) in intangible assets and property, plant and equipment. Depreciation of fixed assets across the Group totaled EUR 112.9 million (previous year: EUR 117.0 million). Write-downs of inventories due to use totaled EUR 18.8 million across the Group (previous year: EUR 17.9 million).

IV. EARNINGS, FINANCIAL AND NET ASSET POSITION OF BAUER AG

The consolidated management report and the management report of the parent company, BAUER AG, are combined. Accordingly, the description of the course of business for the Group is taken as a reference and applies analogously with regard to overall development indirectly for BAUER AG. Furthermore, the course of business for BAUER AG was characterized by increased options for charging to subsidiaries and investment incomes, as well as out-of-period income from insurance compensation associated with the cyber attack. Above and beyond this, provisions for personnel measures burdened the results of BAUER AG. The earnings, financial and net asset position of BAUER AG is explained here.

- **Sales revenues**, primarily created by charging of administrative services and financing costs to subsidiaries, increased by EUR 6.4 million to EUR 62.9 million (forecast: slight increase), which was primarily due to higher IT license costs. The forecast for sales revenues (slight increase) was thus met.
- The **other operating income** increased by EUR 4.5 million due to out-of-period income from insurance compensation.
- **Personnel expenses** increased by EUR 3.8 million from EUR 28.6 million to EUR 32.4 million, and include normal increases in salaries. Moreover, in the 2024 financial year, departments from the Equipment segment were restructured into BAUER AG, which have additionally burdened the personnel expenses starting from 2025.
- **Other operating expenses** increased from EUR 29.4 million to EUR 34.7 million. Waivers of claims were not executed in comparison to the previous year (EUR 3.3 million). In contrast, additional costs in the financial year included strategy and management consulting (EUR 1.2 million), costs for maintenance and licenses (EUR 1.0 million) as well as legal and compliance advice (EUR 0.4 million). Moreover, this item includes an extraordinary expense from provisions for personnel measures amounting to EUR 6.3 million.
- At EUR -9.7 million, the **operating result** was again markedly negative (previous year: EUR -10.7 million) due to the previously described effects.
- In the financial year, the company obtained **dividends** (income from participations) of EUR 9.9 million.
- The **financial result** improved significantly from EUR -1.4 million to EUR 7 million, which is attributable to the operating dividends from participations on the one hand and to lower interest expenses for loans and affiliated companies on the other.
- The **net loss** was EUR -2.7 million (previous year: net loss of EUR -15.5 million). Accumulated loss was EUR -2.7 million (previous year: accumulated loss of EUR -0.007 million).
- **Intangible assets** reduced from EUR 8.9 million to EUR 7.5 million, which is largely attributable to ongoing depreciation of capitalized expenses for a large IT conversion project.
- The **financial assets** grew insignificantly by from EUR 345.0 million to EUR 345.2 million and make up 72.1% (previous year: 71.0%) of the total assets.
- **Receivables from affiliated companies** fell from EUR 118.1 million to EUR 111.5 million, which corresponds to a decrease of 5.6%.

- **Equity** amounted to EUR 210.0 million (previous year: EUR 212.7 million) and decreased largely due to a recorded loss for BAUER AG.
- **Liabilities** decreased from EUR 251.6 million to EUR 241.0 million, with liabilities to banks decreasing by EUR 46.8 million. In contrast, liabilities to affiliates rose by EUR 36.1 million. The background for this is the adjustment of the liquidity situation for subsidiaries. In this context, excess liquidity is granted to BAUER AG. BAUER AG uses these funds to repay its liabilities to banks.

Because BAUER AG as a holding company also exercises a financing function for the Group and its financial position is largely determined from an overall Group perspective due to mutual financing and charging transactions, reference is made to these circumstances in the statements regarding the Group financial position. For this reason and due to the existing syndicated loan with the banks, despite a cash inventory on the reporting date of EUR 0.0 million (previous year: EUR 0.0 million), the company was able to meet its payment obligations without restrictions.

The distribution of profit to shareholders is based on the distributable retained earnings of BAUER AG as the group parent company, taking into account consolidated earnings of the BAUER Group. As the Group holding company, BAUER AG is dependent on the income of its subsidiaries and additionally provides financing to them. It is necessary to continue striking a careful balance between shareholder participation on the one hand, and safeguarding our equity ratio on the other. Due to the accumulated loss, the Executive Board will therefore recommend that the Supervisory Board proposes to the Annual General Meeting that no dividends be distributed.

V. RISK AND OPPORTUNITY REPORT

RISK REPORT

BASIC PRINCIPLE OF RISK MANAGEMENT

As part of our business activities, we are exposed to risks that are inextricably connected with our entrepreneurship. There can be no entrepreneurial action without risk. Unforeseeable events can create both risks and opportunities. Therefore, at BAUER, risk management means not just reducing hazards but also knowing how to take advantage of opportunities. The goals of risk management includedetecting and identifying potential future risks, safeguarding our business objectives, initiating measures early on and reducing the costs of risk. Our system of risk management, which assesses both risks and opportunities, is based on a fundamentally risk-averse approach, meaning that we aim primarily to safeguard against impending risks rather than to exploit opportunities for short-term gain.

Risk management system

Our risk management system regulates the handling of risks within the BAUER Group. It defines a uniform methodology applicable to all segments and their member companies. It is continually reviewed and adjusted as required. It is an integral element of our management system and serves as an instrument of value- and success-oriented corporate governance. Audits are routinely conducted to verify its implementation and continuously improve its efficacy. The process steps involved in risk management are: identification, assessment, control and monitoring of measures.

For the identification of risks, risk categories have been defined and assigned to specific areas of risk. This defines areas of focus. Risk categories defined by the BAUER Group are: strategic risks, market risks, financial market risks, political and legal risks, risks arising from the value chain, and risks of the supporting processes. These risks are grouped as latent risks and managed in a unified process within the framework of our risk management system. Conversely, project risks are managed according to their nature and significance by an additional, independent process. The assessment of risks relates to their potential impact on the anticipated earnings before tax.

The process of identifying and assessing latent risks is reviewed at least twice annually through interviews with the managers of the relevant Group companies as well as with departmental and central function heads. This process ensures that potential new and familiar risks as well as opportunities are submitted for review at management level. Structured risk identification is followed by risk assessment based on a relevance scale.

Relevant risks above a certain threshold value are assessed based on standardized methods. Risks are analyzed both according to their maximum damage as well as according to their probability of occurrence. The assessment of risks accounts for the risk-specific measures to limit damages (net perspective). Risks are assessed over a one-year period under review. Where possible and useful, we purchase appropriate insurance policies that cover potential damage and liability risk in order to reduce the risk exposure and minimize or completely avoid potential losses.

Relevance scale for the BAUER Group

Relevance	Extent of damage (in EUR thousand)	Definition
1	up to 10,000	Low risk
2	up to 20,000	Medium risk
3	up to 50,000	Significant risk
4	up to 150,000	Serious risk
5	more than 150,000	Critical risk

Responsibility for monitoring the respective risks lies with the risk managers.

The effects of individual risks are aggregated in the context of corporate planning by means of risk simulations. This means that the risks and opportunities, their probabilities of occurrence, specific damage amounts and their effects on the consolidated income statement for a given financial year is played through several thousand times in independent simulations based on random figures (Monte Carlo simulation). By aggregating all significant risks at Group level, the potential effects on the earnings figures for the risks (confidence level: 99%) are determined. To assess the risk-bearing capacity, the aggregate risks taking into account the project risks are compared with the recognized Group equity.

Yearly reports are submitted to the Executive Board and Supervisory Board. To communicate acute risks, the routine risk analysis is supplemented by immediate reporting.

Handling of project risks

Project risks are the principal performance risks and thus are an integral element in the work of the Geotechnical Solutions and Resources segments, wherever construction work or plant construction is carried out on the customer's premises. With respect to all relevant projects, prior to submission of quotes, all conceivable risks and opportunities are systematically identified, analyzed and assessed, and appropriate measures are defined to minimize risks and pursue opportunities. In ongoing projects, the risk analysis and action plans are updated as part of continuous project controlling and project management.

Each project is examined with regard to its risks and escalated within the organization based on the risk assessment. The project is thus subject to a strict approval process depending on the risk assessment. The risk assessment is carried out based on defined checklists. The risk classes defined by this process are also incorporated in cost surcharges to cover the identified risks. Corresponding procedural instructions are maintained in the Geotechnical Solutions and Resources segments for this purpose.

The system has been developed over a number of years across the corporate units faced by the relevant project risks and expanded to apply to the relevant operations. The communication and release process is supported in part by IT with standardized workflows.

Risks

In the following, we set forth potential risks that may have a significant impact on our asset, financial and earnings position, the organization and management as well as our reputation and assess the relevance to our business. The breakdown follows the same risk categories as we apply in our risk management system. Unless otherwise specified, the risks described in the following relate to all our segments, including BAUER AG indirectly.

STRATEGIC RISKS

Segmental structure

We counter the strategic risks arising from the segmental structure of the BAUER Group, and the orientation toward the construction market and accompanying dependence on the construction market, by dividing it internationally into separate Geotechnical Solutions, Equipment and Resources segments, thereby pursuing the aim of greater economic independence from the risks of the construction sector and regional investment cycles. Our three segments also offer significant synergy effects in addition to risk diversification. For example, the insights we gain while deploying equipment and developing methods in the Geotechnical Solutions segment are regularly used to improve equipment. Comprehensive specialist foundation engineering works, including geothermal activation, waste disposal or brownfield remediation, are successfully offered through cooperation between the Geotechnical Solutions and Resources segments.

The Equipment segment's manufacture of machinery for geothermal heat, well construction and mining applications will also further reduce its dependence on the overall construction sector. As in the previous year, we classify the risks associated with the structure of our business as medium.

MARKET RISKS

Competitive environment

We operate in highly competitive and price-sensitive markets. To improve our competitive situation in the Equipment segment, structural adjustments were made. In the Geotechnical Solutions and Resources segments, we use a combination of international experts and local personnel. This allows us to ensure both methodical expertise and quality as well as a competitive cost structure. The competitive risk is considered to be medium (previous year low). The reason for the change in our assessment is the particularly heightened price pressure from Asia to which the Equipment segment is exposed, as well as the portfolio expansion of European competitors in the Equipment segment.

Market development risks

We continue to classify the global economic and geopolitical prospects as a major uncertainty for the future market development. Russia's war against Ukraine and the resulting sanctions, reactions and measures continue to harbor risks for the market development of the BAUER Group in Europe, such as project delays, decreasing demand and displacement of investments.

The war in the Middle East and its allies is causing major damages to the entire market in the Middle East and harbors the risk of a long-lasting economic crisis for the entire region and beyond. The local subsidiaries of the BAUER Group in the Emirates, Oman and Saudi Arabia are directly affected, because these countries are targets for one of the parties in the war and suffer restrictions in supply and mobility as a result, along with the Equipment segment in general, which means that there is a risk of not reaching the planned company targets in the region in 2026. Nevertheless, we are currently assuming that the risk will not occur.

The tariff policy of the US government has repeatedly posed challenges for the Equipment segment since last year such as rising sales prices, increased bureaucratic expenses in export and reluctance to invest in the USA. Incalculable US politics could have a general negative effect on the US economy and the entire world, as well as on achievement of the market targets.

Our strategy of spreading business in each segment across a large number of regions worldwide reduces the overall risk, so that there is a reduced overall risk posed to the BAUER Group as a whole in the event of any weakening or collapse of individual regional markets. Moreover, in the event of a regional market downturn, our network strategy in the Geotechnical Solutions segment enables us to relocate our capacities rapidly to another country and continue operations at the new location. This strategy has proven effective during various regional crisis situations in the past, in which it cushioned negative

impacts on total earnings. In the Resources segment, internationalization is arranged selectively according to the prospects for success.

Overall, we assess the market development risks to be significant for the BAUER Group, as in the previous year.

FINANCIAL MARKET RISKS

Financial stability and liquidity

Compliance with key financial figures has been agreed with banks for multiple long-term loans. These primarily include the ratio between net financial debt and EBITDA, as well as equity and equity ratio.

In addition to the earnings situation pertaining to the BAUER Group, increased financing requirements, in particular, may lead to an increased risk of failure to comply with the key financial figures agreed with banks, which may lead to a reduction or termination of lines of credit.

The risk of financial instability and supply bottlenecks on the international financial markets were counteracted in part by extending a syndicated loan agreement. The positive operating cash flow and the associated significant reduction of net liabilities to banks in the last financial year makes an additional contribution to improved stability and independence.

As in the previous year, the risk in the area of financial stability and liquidity is classified as a low risk.

Currency risks and interest rate risks

Where possible and available, we counter financing risks related to currency by financing our international subsidiaries in the respective local currency. We minimize transaction risks (foreign currency risks from current cash flow) in all business divisions using suitable hedging instruments.

The interest rate risk of the BAUER Group is based on financial liabilities with primarily floating interest rates (short and long-term credit lines). We have interest hedge agreements for exchanging floating interest rates for fixed interest rates in place to exclude the risk of increasing market interest rates. We classify the remaining currency risks, which are primarily translation risks, as well as the interest rate uncertainty, as medium risks (previous year: medium risks) for our operational business.

POLITICAL AND LEGAL RISKS

Compliance

For the BAUER Group, acting responsibly and in keeping with the law is a fundamental principle underpinning our commercial success, the quality of our products and services and our sustainable ongoing development. We place the utmost value in upholding social conventions and in complying with applicable laws and business standards, so as to minimize the risk of penalty fines or damage to our reputation as a result of non-compliance. For us, compliance means observing all applicable laws, rules and regulations as well as behaving in an ethically sound way. Legally compliant, ethical and socially sustainable action is the cornerstone of our values management system. Our employees are made aware of our fundamental values as soon as they are hired. Special training sessions are held to deepen this knowledge. A software program ensures that we do not do business with any customers cited on EU or US sanctions lists. In order to keep better pace with the constantly increasing requirements, a dedicated department for Compliance was created in the year under review.

In summary, we are of the opinion that our existing values management system and the new department provide us with an efficient and effective means of assessing our compliance risk as a medium (previous year: medium) risk.

Political and legal environment

The wars in Ukraine and the Middle East, customs disputes and trade restrictions, for example between the USA and the EU, along with the simmering conflict between China and Taiwan and the political situation within the USA itself, negatively impact the global readiness to invest and could have extensive consequences on the global economy and result in changes to the political and legal environment. The macroeconomic risks due to increased inflation, a weaker global economic growth, higher raw material costs and financial market instability are increasing. In some countries, there is also a risk that the government will intervene more heavily in company affairs. This can, in turn, be costly and time-consuming. Political changes, such as a change of government, can lead to either recovery or weakening of the local construction markets. The wars in the Middle East and in Ukraine give rise to additional uncertainty and harbor the risk that the political and legal circumstances in Europe and the world will change and the resulting general business risks will increase. We continue to assess these risks as significant (previous year: significant).

Contract risks

Our Geotechnical Solutions and Resources segments primarily provide construction, drilling and environmental services. The underlying projects are almost always prototypes executed in each case on the basis of customized contracts. Where possible, we use standardized international conventions from the construction sector (e. g. FIDIC), for contract design in order to counteract negative effects from contractually agreed rights and obligations. The resultant risks are subject to stringent management procedures and an approval process, and can therefore be rated as low, as in the previous year.

Current legal cases

Litigation arises almost exclusively from our provision of services, especially in the project business. Legal disputes occur with clients, suppliers and business partners and are generally related to compensation, alleged deficiencies in services performed or delays in the completion of projects. By their very nature, it is impossible to predict for certain how the court or arbitration proceedings the BAUER Group is involved in will turn out. The variety and complexity of ongoing proceedings leads to the commitment of personnel and financial resources as well as expenses for legal proceedings, which can burden operational management in the affected areas. Considering the provisions formed and the valuation allowances carried out, we assume that adequate provision has been made in the balance sheet for all current legal disputes. With regard to the abovementioned commitments of resources and expenses for legal proceedings, we classify this risk as a medium (previous year: low) risk due to the complexity of the ongoing proceedings.

VALUE CREATION RISKS

Research and development risks

As a company with a strong technological position, particularly in the Equipment segment, we counteract the risks from research and development by engaging continually in R&D activities. The increasing growth of the Asian markets and the resulting pressure to innovate due to new competitors are heightening the requirements for further development of our technologies. In order to safeguard our competitiveness, continual technological developments are therefore necessary.

Moreover, there is a risk of incurring additional costs in this context due to development and design mistakes necessitating modifications. This risk is minimized by a structured, multi-stage product creation process.

Thanks to our great innovative strength, which has already proven itself in the past, and transparent product creation process, we rate the risks in relation to research and development as being low (previous year: low).

Acquisition, sales and contract negotiations as well as costing

The risks of miscalculating quotations and of guaranteeing technical characteristics that cannot be fulfilled are minimized by the strict application of the dual-control principle and established costing standards (see project risks) and can be regarded as medium (previous year: medium).

Materials management and procurement

Due to geopolitical tensions and conflicts, particularly in our Equipment segment there is still a risk on a short-term basis that production materials to be procured will not be provided in the right quantity or at the right time. Delivery bottlenecks can increase the costs in the segment. The challenges in procurement markets are counteracted with continuous monitoring of key figures and active control measures. The war in the Middle East will exacerbate the risk of supply chains being disrupted considerably, with the described impacts on materials availability and production. There is also a risk of added costs in procurement due to higher transport costs as a result of increased energy prices and potential transport detours. The risk is still assessed as a medium risk (previous year: medium).

Production and order fulfillment

In the course of our project implementation, various influencing factors may result in delays.

Technical failures arising from design errors or miscalculations of statics can result in significant construction project delays. The risks resulting from this represent an inherent component of our Group's project business. That is why general and structural designs are predominantly produced by experienced employees in our own engineering offices.

A further risk in order fulfillment is entailed by the selection and application of drilling methods. Misjudging ground conditions can likewise result in increased risk costs. Disturbances to the project timetable must be identified and communicated at an early stage by the project manager in charge. The management is aware of these risks and relies on experienced project and production managers in all segments. In spite of all the precautions taken when carrying out projects, there is still a risk of management errors, which can drive up costs, especially in major projects. All the listed risks are subjected to an opportunity and risk analysis at project level in the Geotechnical Solutions and Resources segments (see project risks).

Project risks are essentially the principal performance risks in the Geotechnical Solutions and Resources segments, especially as each project has its own individual characteristics. Although we work on the assumption that our projects are costed with due diligence, the possibility cannot be definitively ruled out that, on finally billing the customer, lower billed sales and accordingly lower earnings will ultimately need to be accepted. As a result of the trend for projects of increasing size and complexity, the resulting risks must be assessed as medium (previous year: medium).

RISKS OF SUPPORTING PROCESSES

Debtor management

An efficient management of receivables counteracts the risk of default. In addition, the creditworthiness of new customers is checked as a key criterion in the review process for our business partners. Our receivables are partially covered by insurance. We classify default risks as low (previous year: low).

Information technology and data protection

Confidentiality, integrity and availability of information, data and systems are still highly endangered by increasing cybercrime, which can lead to considerable added costs and production downtimes. For this reason, we are continually expanding our preventive information security measures more than ever to protect against unintentional loss of data, data theft and all forms of cybercrime. In addition, we hold training sessions for employees to raise awareness regarding highly disciplined and careful handling of systems, as well as ensuring the necessary confidentiality when handling personal data. We classify the risk of data loss and cybercrime as significant (previous year: significant).

OVERALL RISK

As in the previous year, the management does not currently see any individual or aggregate risks that threaten the existence of the BAUER Group. As a whole, the management sees an unchanged overall risk situation, also in view of future business prospects among other factors. The identified risks are classified as manageable. Apart from the outlined risks, unforeseeable events may naturally occur that can have a negative impact on the earnings, financial and net asset position, particularly due to the uncertain geopolitical situation and its impact on the markets.

OPPORTUNITY REPORT

The opportunities arising are classified parallel to the detailing of risks. Unless otherwise specified, the opportunities described in the following relate to all our segments, including BAUER AG indirectly.

STRATEGIC OPPORTUNITIES

Over the years, the BAUER Group has built up expertise through handling projects in areas associated with its core business and has derived new business divisions which shape the Resources segment. These include the area of environmental services that deals with treating contaminated ground and groundwater and has taken on an increasingly international character. In the water well construction sector, we develop equally high-quality equipment and products for expanding wells and for close-to-the-surface geothermal heat applications. In the Resources segment, we are thus addressing some of the most important issues of the 21st century. Moreover, the Resources segment is less dependent on the economic cycles of the construction sector.

Further independence from the construction market should be achieved on the long term by expanding the business area of mining and mining services.

In order to bring about the internationalization of the Resources segment, we are also utilizing the experience of our long-standing organizational units in the other two segments as well as the international reputation of the BAUER brand. The worldwide network harbors strategic opportunities and synergy effects.

MARKET OPPORTUNITIES

The ever-increasing trend of urbanization and the rising demand for infrastructure result in increasingly large construction projects, which create many interesting opportunities for the construction sector. The construction sector particularly benefits

from an enormous need to catch up with backlogs in emerging economies such as India, but also in the established industrial nations. That is not only true for traffic infrastructure, but also for residential complexes, public buildings, dams or flood protection facilities. Moreover, construction work is performed in increasingly confined urban spaces. This will require increasingly tall buildings, necessitating extensive foundation work. In addition, stationary and flowing traffic must be increasingly transferred below ground, which also leads to growth in specialist foundation engineering. This also impacts the corresponding demand in the Equipment segment.

Regardless of this, the ongoing dynamism of individual markets is continuously presenting new potential for short-term market opportunities. The challenges for German and European construction equipment manufacturers will continue to grow over the coming years. The disadvantages of bureaucratic hurdles, high energy and raw material costs along with high wage and salary costs make it difficult to persist in Asian markets against competitors who predominantly come from China. It is foreseeable that this issue will also extend to Western regions such as Europe and the Americas.

The strict environmental standards for oil production offer excellent market opportunities for our products and services in the Resources segment, such as constructed wetlands. In addition to this, brownfield remediation in oil-producing countries is also gaining importance.

Due to the still ongoing energy crisis in Europe and the need to explore alternatives to fossil fuels, demand has risen in the area of geothermal heat. The Resources segment offers several options for exploiting the geothermal potential. These include the production of energy piles for the cooling and heating supply of buildings, thermal activation of concrete construction components for heat storage, or classic geothermal probe drilling.

FINANCIAL MARKET OPPORTUNITIES

The net debt, and thus the interest burden as well, has been significantly reduced over the last few years. This has increased the financial stability, resulting in greater capacity for investment and activities as well as improved resilience for handling crises. With a stable and long-term shareholder structure, we have the ideal prerequisites to lead our company into the future securely and successfully on the long term.

VALUE CREATION OPPORTUNITIES

Development and innovation

As always, our goal is not only to endure as a market player in the long term, but also to set standards as a technology leader. Digitalization is therefore one area that the Group will focus on intensively in the coming years. An important driving force for digitalization in construction is Building Information Modeling (BIM). This trend will also continue to grow in the Equipment segment and influence many of the business processes. Digitalization will become an opportunity for BAUER with the help of an overarching strategy that encompasses all segments of the BAUER Group, along with the accompanying efficiency enhancements, quality improvements and competitive advantages.

Project opportunities

Regardless of national and global market cycles, projects often arise in otherwise weak markets that we as the BAUER Group are suitably equipped to handle thanks to the mix of our products and services portfolio. Examples of this are methods for the retrofitting of core seals in earthwork dams or for the development and expansion of mining operations.

The resultant projects in some cases entail very large lot units. When contracted, we are able to manage them successfully by converging our global resources and using our many years of experience in handling large-scale projects.

Supplements and claims management

The assertion of requirements and supplements also offers the opportunity to achieve better earnings than originally specified based on changes to the ordered construction services or supplemental work ordered by the client. On projects involving high potential for changes, this can result in a substantial improvement in earnings. We attempt to always exploit such opportunities by professional management of supplemental requirements during execution of the construction project.

OVERALL OPPORTUNITIES

We are seeing stable opportunities on global markets as strategic investments in new innovative products and services are being developed in all three segments. With a newly improved balance sheet structure, we will achieve a stable financial and net asset position for the BAUER Group. In summary, we see a good starting position for the global business for the BAUER Group in 2026.

VI. FORECAST REPORT

Issuing forecasts and estimates for the economic performance in 2026 remains difficult due to the political and economic framework conditions. Due to the current armed conflicts with an uncertain temporal and geographical extent, this situation has rather intensified. Independently of this, with a view to the world as a whole we are assuming that the construction and equipment markets will continue moderate growth. However, this is heavily dependent on the political and geopolitical developments and can therefore differ significantly on a regional basis. The most crucial influencing factors certainly include the political trend-setting decisions in the USA, the timescale of the war in Iran, packages of economic measures in Germany and Europe, as well as the performance of China's economy. From today's perspective, the further political and economic consequences of these factors cannot be definitively assessed for the ongoing year either.

In the Geotechnical Solutions segment, infrastructure projects based on state investments regularly offer interesting opportunities for individual large projects. The persistent good order backlog in the Geotechnical Solutions segment fundamentally indicates a positive course of business. A sustained positive market development in the Middle East, a stable performance of the US market and changes in global trade relationships could be decisive factors for future market developments. We also anticipate the development of the equipment markets in line with the construction markets.

In the markets of our Resources segment for water well construction, environmental services and energy, mining, infrastructure and constructed wetlands, we anticipate a stable performance for 2026 despite the abovementioned risk factors as these also proved robust and stable in the past year. The market in Germany remains influenced by the subdued development in regular construction and falling prices for drilling in the geothermal heat area, although we anticipate good performance in the area of infrastructure projects and mining.

In principle, further growth of the global economy overall can be expected again in the next years – particularly driven by countries like India, the USA or Saudi Arabia. The geopolitical risk factors remain high in view of the numerous current and ongoing challenges, such as the wars in Iran and in Ukraine, Germany's persistent weakness and further simmering trade conflicts. From today's perspective, it is hardly possible to forecast an overall development with so many conceivable scenarios, but we assume that the most important world markets will record growth nevertheless.

Regardless of the short-term impact factors, however, we see fundamental trends from which we can benefit. Continuing urbanization and population growth continue to create demand for new infrastructure as well as the maintenance and expansion of existing infrastructure. The current projects related to these topics reflect this assessment. Climate change is a further driver for our markets. Alternative energy sources also require appropriate infrastructure. Increasing digitalization and the focus on sustainability offer opportunities for new business models and the continued development of our own processes and services. Greater independence and autonomy for Europe can provide additional positive momentum for the European markets.

We consider ourselves to be well-positioned for the current year and beyond, thanks to our good order backlog, our consistently pursued measures for sustainable improvement of earnings, investments in the development and enhancement of our technologies as well as our considerable efforts in the area of digitalization. With new technologies, products and methods, we consider ourselves to be well-positioned for the future in the Geotechnical Solutions and Equipment segments. Our Equipment segment also benefits from the possibilities of predictive maintenance and automation. The Resources segment is well-positioned for the future with technologies for the area of mining in a world with raw materials that are becoming scarcer. The innovations in the areas of environmental services, water treatment and rehabilitation address the trend of sustainability as well as climate and environmental protection. With new products and solutions in the area of geothermal heat or CO₂ reduction, we are focusing on future markets.

We are also working on the improvement of our cost structures and the expansion of synergies within the BAUER Group. Improvement of the working capital and cost base is being further supported with a long-term program of measures. In

particular, this is true for the production of our equipment and the development of new products as well as for the more flexible adjustment of our capacities to fluctuations on the global markets.

We have assessed all known risks and opportunities in our plans and anticipated both positive and negative scenarios as thoroughly as possible and adopted the most conservative approaches. However, in specialist foundation engineering and our other business, the composition of the construction soil or ground is essentially always an element that can give rise to unforeseen factors despite extensive preliminary surveys. These factors can impede construction works and in some cases also cause financial losses. Our enhanced risk management system should make potential risks even more manageable.

We remain convinced of the basic strategic objective of the BAUER Group. The strategic structure comprising the Geotechnical Solutions, Equipment and Resources segments will continue to dictate the direction of the BAUER Group over the coming years.

FORECAST FOR THE SEGMENTS AND BAUER AG

Geotechnical Solutions segment

Overall, we anticipate growth for the construction markets worldwide. The very high demand for infrastructure around the world will continue to shape the construction sector.

For Germany, we expect a still competitive market environment with significant price pressure. In the area of infrastructure construction, investments and utilization of special funds are still very delayed and reticent. For real estate development in Germany, we are currently assuming that the market will remain difficult. Nevertheless, the figures are satisfactory especially in Germany, but also in Europe. The prospects for Europe are challenging, yet we consider ourselves to be well positioned to manage them. The Middle East already experienced growth again last year. We expect that this will continue. Nevertheless, there is risk due to the ongoing war in Iran. Based on our order situation and the market environment in the USA, we are confident of a positive financial year. In the countries of Asia, we have significantly reduced our structures over the last years and will make further adjustments here if necessary. Overall, the Asian markets are developing slowly with the exception of India, which will likely continue in the current year.

For 2026, due to the persistently solid demand in the area of infrastructure, we are assuming growth in most construction markets of the world. The good order backlog and good demand situation are the basis for the targets we have set.

For the Geotechnical Solutions segment, we anticipate correspondingly slightly increased total Group revenues due to the predominantly positive market outlook. We expect to see a slight increase both in EBIT and in earnings after tax compared with the previous year.

Equipment segment

We also anticipate the development of the equipment markets in line with the construction markets. Encouragingly, our order intakes in the first quarter of 2026 were above the target values and give reason to hope for a more positive course of business. Unfortunately, it is not yet possible to predict whether this trend will last on the long term. In China, sales activities continued to be very difficult, as the sale of construction equipment recorded a significant downturn. For the current year, we expect that China will not experience recovery, and the market will remain difficult.

Our focus remains on innovations in the Equipment segment, optimization of our manufacturing costs and investments in a modern and future-oriented production network. For 2026, we do not anticipate a general growth in the markets. The uncertainties arising from the current geopolitical situation in the world pose a major challenge for sales. This market environment makes it more difficult for customers to make larger investment decisions and may also negatively impact our business as a result. The future development of the market in China, as one of the largest construction equipment markets in the world, contributes additional uncertainty here. However, we anticipate a stable revenue performance in total at last year's level and a significantly improved earnings performance.

Given these assumptions, we expect for the Equipment segment that the total Group revenues will remain roughly at the previous year's level. We expect the 2026 EBIT to be slightly better than in the previous year, in part due to risk provisions adopted in the financial year gone by as well as initial positive influences from our efficiency program. For the 2026 financial year, we also assume positive earnings after tax once again.

Resources segment

The operative business performance in the Resources segment was once again very positive in the financial year gone by.

For the division of water well construction, we anticipate another difficult financial year for 2026 overall, as the market situation in Germany and Europe is still challenging and no significant improvement can be observed. There is scarcely any growth on the market, the market for geothermal heat and small wells is at rock bottom, and competitive pressure is still very high.

The prospects for the environmental business are still not yet good owing to the persistently restrained market environment. On the medium and long term, however, good demand is expected again, particularly due to political initiatives. As we anticipate a recovery for real estate development in Germany in 2026, we assume that our business could experience a slightly positive influence in the area of brownfield remediation as a result. Independently of this, we anticipate positive performance for the other areas such as disposal or technology. Nevertheless, the area of geothermal heat and energy still has to contend with decreasing drilling prices, falling demand and heavy competition.

In the area of mining and infrastructure, we continue to anticipate a positive market development. Here there is a stable to increasing demand for the areas of steel bridge construction, plant engineering and mining. Our joint venture in Kazakhstan obtained a major order which will ensure capacity utilization for the upcoming years.

For our constructed wetlands, we anticipate a similarly stable performance as in the previous years.

For 2026, we expect for the Resources segment that the total Group revenues, EBIT and earnings after tax will remain roughly at the previous year's level, as we do not anticipate any significant change in the framework conditions overall.

BAUER AG

In 2026, BAUER AG expects a slight increase in sales revenues. This is predominantly attributable to the planned cost allocation of internal services which is regularly adjusted due to higher licensing costs.

TOTAL GROUP FORECAST

The BAUER Group forecast is derived primarily from the overall consideration and aggregation of the expectations described in the previous section for the individual business segments.

The largest uncertainty factors for the Group are the persistent geopolitical challenges and conflicts in the world. In our view, all these issues will continue to be potential major influencing factors throughout the entire year, which may negatively influence our own business and our customers. As all these topics could have a very considerable influence that is scarcely possible to estimate, we are proceeding with caution in our expectations for the current business year, even though the good order backlog is a positive basis for the business development in 2026.

These assessments as well as the aggregation of the expectations for the individual segments form the basis of our scenarios for the current financial year and we have attempted to take these into account as well as possible for the Group forecast.

Based on knowledge current at the time of completion of this management report and taking account of the influencing factors mentioned, we are expecting a slight increase in **total Group revenues**, **EBIT** and **earnings after tax** for the 2026 financial year for the BAUER Group.

Comparison: Actual 2025 / Forecast 2026

in EUR million	Actual 2025	Forecast 2026
Total Group revenues	1,725	slight increase
EBIT	103	slight increase
Earnings after tax	12	slight increase

VII. LEGAL DISCLOSURES

DECLARATION ON CORPORATE GOVERNANCE

The Declaration on Corporate Governance is presented below with the determinations, justifications and disclosures in accordance with Section 289f(2) no. 4 (4) of the HGB.

DETERMINATION OF THE FEMALE QUOTA IN THE SUPERVISORY BOARD

The Supervisory Board has decided on a target quota to be achieved by June 22, 2027 of at least two women out of the six shareholder representative members and at least two women out of the six employee representative members. This target is not achieved with the present appointments. At the end of the 2025 year under review, the Supervisory Board of BAUER AG comprised two women and four men on the employee representative side of the Supervisory Board members, along with one woman and five men on the shareholder representative side of the Supervisory Board members.

DETERMINATION OF THE FEMALE QUOTA IN THE EXECUTIVE BOARD AND EXECUTIVE LEVELS

The Supervisory Board determined a female target quota of at least one woman in the Executive Board by June 22, 2027. Insofar as contract extensions for acting members of the Executive Board are beneficial, however, no application process must be conducted with applicants. If an application process is conducted, both men and women may apply for the position of Executive Board member, and the most suitable person is chosen as a rule. If the target of at least one woman in the Executive Board has not yet been reached, in the event of equal suitability the female candidate will be preferred when filling the Executive Board position.

The objective of the Supervisory Board is justified by the fact that there should be equal opportunities for men and women when filling positions on the Executive Board. For this reason, appointment as a member of the Executive Board should be decided primarily based on the candidate's suitability for the office, regardless of gender. In the case of equal suitability, the preference of female candidates to fulfill the diversity target of one woman and thereby support equal opportunities of men and women in the organization is considered to be justified. Currently, the Executive Board of BAUER AG only consists of two members. Particularly for small boards at the top management level in a commercial company, the candidate's suitability for the position is the decisive factor. In this context, gender cannot be the decisive factor for filling the position, because gender alone does not demonstrate the capacity to serve as a member of the Executive Board. In order to not forego the collected experience and expertise of acting members of the Executive Board, it must be possible to reappoint active members of the Executive Board without being subject to the pressure to achieve a female quota.

The Executive Board target of at least one female member was temporarily achieved in the financial year gone by with the appointment of Ms. Lena Effinger as member of the Executive Board with effect as at June 1, 2025 until the termination of her appointment on January 16, 2026.

The Executive Board specified a female target quota of at least 21.43% in the first executive level beneath the Executive Board by June 30, 2027 and 29.16% by June 30, 2027 for the second executive level beneath the Executive Board. At the end of the year under review, these targets were not reached at the first level of management below the Executive Board, where the female quota was 20.00%, but they were reached at the second management level, where the quota was 42.86% (rounded). The background for not achieving this target at the first management level is that the positions are, as a rule, appointed based on the suitability of the persons being considered, and gender is not the deciding factor for filling the management position in the event of better suitability. Regardless of the legal requirement to set target quotas, the Group is committed to supporting women and men who want to become executives and, as a technology-driven company, is especially interested in inspiring women to pursue technical professions.

DEPENDENCY REPORT

FINAL STATEMENT REGARDING THE REPORT ON RELATIONSHIPS WITH RELATED COMPANIES

The Executive Board declares in accordance with Section 312 (3) sentence 3 of the AktG that for the legal transactions and measures outlined in the report on relationships with related companies, based on the circumstances known to the company at the time the legal transaction was carried out or the measure was implemented or not implemented, the company received adequate consideration for each legal transaction and was not disadvantaged by the fact that the measure was implemented or not implemented.

Schrobenhausen, May 20, 2026

BAUER Aktiengesellschaft

Dr.-Ing. Martin Thormann

Dirk Pfortner

Report of the Supervisory Board 2025

BAUER AG, with its shareholdings subdivided into the Geotechnical Solutions, Equipment and Resources segments, performed well in the financial year gone by. The consolidation work in the Geotechnical Solutions segment continues to show positive effects. There was intensive work on the challenges faced by the Equipment segment in a competitive market environment, in particular by introducing a price connection and consistently addressing structural challenges. The work of the Supervisory Board in the 2025 financial year was characterized above all by significant personnel changes in the Executive Board and supervision of the strategic realignment in the Equipment segment. The Supervisory Board has intensively monitored the work of the company's Executive Board and assisted the Executive Board in its work.

CHANGES TO THE EXECUTIVE BOARD

The 2025 financial year was characterized by significant personnel changes in the Executive Board of BAUER Aktiengesellschaft. We would like to extend our particular thanks to Dipl.-Betriebswirt (FH) Hartmut Beutler for his many years of dedication to the company. He left the Executive Board with effect from the end of May 31, 2025 by way of withdrawal from office. As his successor, Ms. Lena Effinger was appointed from June 1, 2025 as member of the Executive Board of BAUER Aktiengesellschaft for a term of three years. Ms. Effinger took on responsibility focused in the commercial areas as well as Corporate Services.

The appointment of Mr. Peter Hingott as member of the Executive Board was revoked in June 2025 for good cause with immediate effect, and the Executive Board employment contract was terminated without notice. Dipl.-Ing. Klaus Pöllath, member of the Supervisory Board, declared his willingness to act as substitute for the absent member of the Executive Board for a period until January 31, 2026, and was appointed accordingly by the Supervisory Board in accordance with Section 105 (2) AktG with effect as at June 7, 2025.

Dr.-Ing. Detlef Heck, residing in Graz, was appointed member of the Executive Board of BAUER Aktiengesellschaft with effect as at August 15, 2025 for a term until December 31, 2028. Prof. Dr. Heck primarily took on responsibility for the Geotechnical Solutions division. Dipl.-Ing. Klaus Pöllath's position as substitute Executive Board member ended when the new appointment of Prof. Dr. Heck took effect, and Mr. Pöllath returned to the Supervisory Board. The Supervisory Board would like to expressly thank Mr. Pöllath for his exemplary willingness to adopt an interim Executive Board position in a difficult situation for the company, and for his outstanding personal dedication.

Dr.-Ing. Martin Thormann was appointed member of the Executive Board of BAUER Aktiengesellschaft with effect as at September 15, 2025 for a term until December 31, 2028. Prof. Dr.-Ing. Thormann was primarily responsible for the Equipment division in the year under review.

After the end of the reporting year, the Supervisory Board addressed issues of misconduct within the Executive Board and, on January 16, 2026, resolved to revoke the appointments of Executive Board members Ms. Lena Effinger and Prof. Dr.-Ing. Detlef Heck, in each case for good cause. By resolution of the Supervisory Board dated February 18, 2026, Mr. Dirk Pfortner was appointed as a member of the Executive Board.

COLLABORATION OF SUPERVISORY BOARD AND EXECUTIVE BOARD

Furthermore, the Supervisory Board regularly monitored the work of the Executive Board during the 2025 financial year on the basis of the detailed reports provided by the Executive Board in written and verbal form and provided support in the form of advice. The Executive Board generally fulfilled its duties to provide the Supervisory Board with information about the questions of strategy, planning, company development, risk development and compliance that are relevant to the company and the Group. However, in the course of its supervisory activities, the Supervisory Board also identified misconduct on the part of individual members of the Executive Board, which led to the personnel changes described under "Changes to the Executive

Board.” Between the meetings, the Executive Board generally submitted monthly written reports on all important business transactions and financial indicators of the Group and the company. The Chairman of the Supervisory Board was also in regular contact with the Executive Board, gathered information as appropriate relating to the course of business and key transactions and discussed strategic topics as well as risk situations.

Due to a conflict of interest as managing partner of the law firm TOPJUS Rechtsanwälte Kupferschmid & Partner mbB, Prof. Fuchs did not take part in the consulting process and resolutions regarding the conclusion of a legal consultation contract between the company and this law firm. Apart from this, there were no indications in the financial year of conflicts of interest among members of the Executive Board or Supervisory Board requiring immediate notification of the Supervisory Board and disclosure to the General Meeting.

MAIN FOCUS OF CONSULTATIONS IN SUPERVISORY BOARD MEETINGS

In the year under review, there were eight regular plenary sessions. Multiple written resolutions were also passed. Current business and earnings performance, order backlog development and developments in the markets in the business segments were discussed at all quarterly Supervisory Board meetings.

In April and May of the financial year, the meeting focused on the report regarding the ongoing business, personnel matters and handling of legal changes. The Executive Board employment contract with Mr. Peter Hingott was extended and Ms. Lena Effinger was appointed as member of the Executive Board. The convocation and agenda of the 2025 Annual General Meeting was addressed. At the annual financial review meeting relating to the annual and consolidated financial statements for the 2024 financial year, also attended and informed by the auditor, a detailed review was undertaken of the respective financial statements along with the combined management report and the dependency report, respectively. The annual planning for 2025 was approved.

At two meetings in June and July 2025, the appointment of Mr. Peter Hingott as member of the Executive Board was revoked for good cause with immediate effect, and the Executive Board employment contract was terminated without notice. The review of potential damage claims against the Executive Board was ordered and the legal representation was determined. Mr. Klaus Pöllath was appointed as substitute for the absent member of the Executive Board in accordance with Section 105 (2) AktG. Ms. Effinger was assigned the tasks of labor director in accordance with Section 33 MitbestG. Furthermore, the Executive Board employment contract with Ms. Effinger was concluded. Due to Mr. Pöllath’s shift from the Supervisory Board to the Executive Board, the Supervisory Board filled vacant positions on the Supervisory Board committees.

In August, Dr.-Ing. Detlef Heck and Dr.-Ing. Martin Thormann were appointed as members of the Executive Board and Executive Board employment contracts were discussed; Mr’s Pöllath’s term as Executive Board member ended. In September, the Supervisory Board approved personnel changes in the management BAUER Spezialtiefbau GmbH and BAUER Resources GmbH.

In November, the Supervisory Board meeting focused on addressing the design status for the Aresing plant expansion and on the development of the Equipment segment. A planned intra-Group restructuring was addressed and reports on internal auditing and compliance were accepted. The 2026 annual planning was approved and the implementing regulation for the remuneration system of the Executive Board was passed.

In December of the year under review, the Supervisory Board approved the investment in the expansion of the equipment manufacturing plant with the construction of a new hall and establishment of a training center at the Aresing location, and project development was discussed.

WORK CARRIED OUT BY THE COMMITTEES

There are three committees in the Supervisory Board, though the Mediation Committee was not required to convene and the Nomination Committee did not need to meet. The committee chairperson submitted regular reports on the main content of the committee meetings to the plenary Supervisory Board meetings.

The Presidial and Personnel Committee prepared the Supervisory Board meetings. In particular, the remuneration system for members of the Executive Board was addressed and preparations were made for decisions of the Supervisory Board relating to determination of salaries and variable remuneration for members of the Executive Board. The committee also addressed the composition of the Executive Board and succession to the office of Executive Board members.

COMPOSITION AND ATTENDANCE

As in previous years, in the 2025 financial year there was once again a consistently high participation rate in the Supervisory Board meetings as well as in its committees. The Mediation Committee and Nomination Committee did not meet. The meetings of the Supervisory Board and its committees are all conducted in hybrid form as a rule, with an in-person and video and/or phone conference, in order to facilitate the participation of all members of the Supervisory Board and achieve high participation rates. Mr. Pöllath was appointed from June 7, 2025 to August 14, 2025 as substitute for an absent member of the Executive Board according to Section 105 (2) AktG, which meant that the Supervisory Board operated with a reduced number of members while Mr. Pöllath's membership was dormant. In the year under review, there were otherwise no changes in the composition of the Supervisory Board.

	Supervisory Board meeting	Presidial and Personnel Committee
Number of sessions held	8	2
Rainer Burg	8	
Alfons Doblinger	8	
Sabine Doblinger	8	
Petra Ehrenfried	8	
Maria Engfer-Kersten	6	
Robert Feiger	5	
Prof. Dr.-jur. Bastian Fuchs	8	2
Reinhard Irrenhauser	8	2
Klaus Pöllath (until June 7, 2025 and from August 15, 2025)	6	2
Wolfgang Rauscher	8	
Sebastian Sennebogen	8	
Florian Freiherr Tucher von Simmelsdorf	7	

AUDITING OF THE 2025 ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS

The annual financial statements of BAUER AG as at December 31, 2025 and the consolidated financial statements of the Group prepared according to international accounting standards as well as the Combined Management Report, including the Group Accounting, were audited by the auditors elected by the General Meeting and duly appointed by the Supervisory Board, Rödl Audit Wirtschaftsprüfungsgesellschaft, Nuremberg. The accounts were certified by the auditors with an unqualified opinion. Regarding the dependency report, the auditor issued the following unqualified opinion in accordance with Section 313 (3) of the AktG:

“Following our audit and assessment in accordance with our duties, we confirm 1. that the facts stated in the report are correct, 2. that the consideration paid by the company in legal transactions listed in the report was not inappropriately high or that disadvantages were compensated for, and 3. that there are no grounds for a significantly different assessment of the measures outlined in the report than that of the Executive Board.”

The annual and consolidated financial statements along with the combined management report, the dependency report and the auditor's reports were provided in good time to all members of the Supervisory Board, who reviewed these documents. The auditor attended the annual financial review meeting of the Supervisory Board regarding these submissions. The Supervisory Board duly noted and concurred with the findings of the auditor's review of the documents. On conclusion of the Supervisory Board's review, no objections were raised. No objections were raised against the dependency report, particularly including objections against the final statement of the Executive Board regarding the dependency report. The Supervisory Board also reviewed the income tax information report pursuant to Section 342c of the HGB. After review by the Supervisory Board, there are no objections.

The annual financial statements of BAUER AG and the consolidated financial statements of the Group as well as the final statement of the Executive Board regarding the dependency report were reviewed and approved by the Supervisory Board in a meeting on May 20, 2026. The annual financial statements of BAUER AG were thus adopted. The Supervisory Board concurred with the proposal of the Executive Board regarding the appropriation of retained earnings. Given the lack of retained earnings for BAUER AG, no proposal can be made to the shareholders regarding the appropriation of retained earnings.

On behalf of the Supervisory Board, I would like to thank all the Group employees and the employee representatives within all Group companies for their great commitment throughout the past financial year.

Schrobenhausen, June 2026

The Supervisory Board

Prof. Dr. Peter Bömelburg
Chairman of the Supervisory Board



Replacement construction of the Kriegenbrunn lock near Erlangen: BAUER Spezialtiefbau GmbH, together with its joint venture partners Züblin Spezialtiefbau GmbH and Ed. Züblin AG, is responsible for the retaining structure of the excavation pit.

Consolidated Financial Statements in accordance with IFRS

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Consolidated Income Statement

in EUR thousand	Notes	12M/2024	12M/2025
Sales revenues	(7)	2,035,882	1,627,914
Changes in inventories		12,142	-29,422
Other own work capitalized	(8)	9,112	6,464
Other income	(9)	50,170	44,114
Consolidated revenues		2,107,306	1,649,070
Cost of materials	(10)	-1,145,483	-730,245
Personnel expenses	(11)	-480,129	-478,731
Other operating expenses	(12)	-249,417	-224,632
Impairment losses and reversals in accordance with IFRS 9	(13)	-20,596	906
Income from shares accounted for using the equity method	(14)	12,251	18,333
Earnings before interest, tax, depreciation and amortization (EBITDA)		223,932	234,701
Depreciation and amortization			
a) Depreciation of fixed assets	(15)	-117,008	-112,899
b) Write-downs of inventories due to use	(16)	-17,859	-18,833
Earnings before interest and tax (EBIT)		89,065	102,969
Financial income	(17)	47,000	42,605
Financial expenses	(18)	-85,601	-91,292
Earnings before tax (EBT)		50,464	54,282
Income tax expense	(19)	-40,763	-41,775
Earnings after tax		9,701	12,507
of which attributable to shareholders of BAUER AG		9,098	11,206
of which attributable to non-controlling interests		603	1,301

	12M/2024	12M/2025
Earnings after tax attributable to the shareholders of BAUER AG, in EUR thousand	9,098	11,206
Weighted average number of shares in circulation in financial year (basic)	43,037,478	43,037,478
Weighted average number of shares in circulation in financial year (diluted)	43,037,478	43,037,478
Basic earnings per share in EUR	0.21	0.26
Diluted earnings per share in EUR	0.21	0.26

Consolidated Statement of Comprehensive Income

in EUR thousand	12M/2024	12M/2025
Earnings after tax	9,701	12,507
Income and expenses which will not be subsequently reclassified to profit and loss		
Revaluation of obligations arising from employee benefits after termination of the employment relationship	1,046	9,314
Deferred taxes on that revaluation with no effect on profit and loss	-321	-3,302
Change in the fair value of other participations	12,909	-1,972
Deferred taxes on the valuation of participations with no effect on profit and loss	-197	42
Income and expenses which will be subsequently reclassified to profit and loss		
Change in the fair value of derivative financial instruments (hedging reserve for safeguarding payment flows)	-179	-194
Included in income and loss	-216	24
Change in the fair value of derivative financial instruments (reserve for hedging costs)	164	0
Included in income and loss	-164	-2
Deferred taxes on the valuation of derivative financial instruments with no effect on profit and loss	134	31
Exchange differences on translation of foreign subsidiaries	-2,976	-15,413
Other earnings after tax	10,200	-11,472
Total comprehensive income	19,901	1,035
of which attributable to shareholders of BAUER AG	24,916	1,366
of which attributable to non-controlling interests	-5,015	-331

Consolidated Statement of Cash Flows

in EUR thousand	12M/2024	12M/2025
Cash flows from operational activity:		
Earnings before tax (EBT)	50,464	54,282
Depreciation of property, plant and equipment and intangible assets	117,008	112,899
Write-downs of inventories due to use for impairment	17,859	18,833
Impairment losses and reversals in accordance with IFRS 9	20,596	-906
Financial income	-47,000	-42,605
Financial expenses	85,601	91,292
Result of deconsolidations	-3,331	555
Other non-cash transactions	9,940	74,274
Dividends received	4,965	4,830
Income from the disposal of property, plant and equipment and intangible assets	-5,759	-4,524
Income from shares accounted for using the equity method	-12,251	-18,333
Change in provisions	19,463	-18,751
Change in trade receivables	39,854	-47,045
Change in contract assets	12,733	3,307
Change in other assets and in prepayments and deferred charges	-25,474	-7,882
Change in inventories	-10,792	19,900
Change in trade payables	13,596	-78,476
Change in contract liabilities	-52,112	40,569
Change in other current and non-current liabilities	2,423	3,003
Cash and cash equivalents generated from day-to-day business operations	237,783	205,222
income tax paid	-43,560	-32,727
Net cash from operating activities	194,223	172,495
Cash flows from investment activity:		
Purchase of entities included in the consolidated financial statements less net cash	-5,815	0
Purchase of property, plant and equipment and intangible assets	-181,558	-118,752
Proceeds from the sale of property, plant and equipment and intangible assets	87,011	63,960
Proceeds from the sale of subsidiaries	5	2,736
Change in financial resources resulting from the basis of consolidation	-2,705	-144
Interest received	13,661	4,225
Net cash used in investment activities	-89,401	-47,975
Free cash flow	104,822	124,520
Cash flows from financing activity:		
Raising of loans and liabilities to banks	172,039	38,385
Repayment of loans and liabilities to banks	-205,097	-122,001
Repayment of liabilities from lease agreements	-33,475	-27,925
Dividends paid	-1,106	-1,039
Interest paid	-34,393	-28,055
Net cash used in financing activities	-102,032	-140,635
Changes in liquid funds affecting payments	2,790	-16,115
Influence of exchange rate movements on cash	1,405	-857
Total change in liquid funds	4,195	-16,972
Cash and cash equivalents at beginning of reporting period	68,749	72,944
Cash and cash equivalents at end of reporting period	72,944	55,972
Change in cash and cash equivalents	4,195	-16,972

Consolidated Balance Sheet as at December 31, 2025

ASSETS

in EUR thousand	Notes	Dec. 31, 2024	Dec. 31, 2025
Intangible assets	(21)	27,224	23,752
Property, plant and equipment	(21)	497,239	442,700
Investments accounted for using the equity method	(21)	70,107	77,180
Participations	(21)	3,172	1,036
Deferred tax assets	(22)	51,071	49,115
Trade receivables	(23)	23,980	20,620
Other non-current assets	(24)	10,606	8,566
Other non-current financial assets	(25)	32,002	37,884
Non-current assets		715,401	660,853
Inventories	(26)	507,021	441,920
Less advances received for inventories	(26)	-12,448	-24,946
Total inventories		494,573	416,974
Contract assets	(27)	68,138	56,545
Trade receivables	(27)	241,957	270,877
Receivables from enterprises in which the company has participating interests	(27)	1,093	2,838
Prepayments	(27)	7,966	10,259
Other current assets	(27)	58,711	47,212
Other current financial assets	(27)	6,905	8,749
Effective income tax refund claims		6,684	6,382
Cash and cash equivalents	(28)	72,944	55,972
Non-current assets held for sale	(29)	9,262	3,194
Current assets		968,233	879,002
		1,683,634	1,539,855

EQUITY AND LIABILITIES

in EUR thousand		Dec. 31, 2024	Dec. 31, 2025
Subscribed capital		183,398	183,398
Capital reserve		26,861	26,861
Other revenue reserves and retained earnings		283,663	285,029
Equity of BAUER AG shareholders		493,922	495,288
Non-controlling interests		8,060	6,690
Equity	(30)	501,982	501,978
Liabilities to banks	(31)	182,865	125,053
Liabilities from lease agreements	(31)	32,450	37,827
Provisions for pensions	(32)	111,701	102,178
Other non-current liabilities	(31)	8,606	6,923
Other non-current financial liabilities	(31)	11,737	9,420
Deferred tax liabilities	(22)	20,953	32,085
Non-current debt		368,312	313,486
Liabilities to banks	(33)	181,846	143,521
Liabilities from lease agreements	(33)	20,716	18,481
Contract liabilities	(33)	79,318	121,323
Trade payables	(33)	306,560	208,584
Liabilities to companies and participations accounted for using the equity method	(33)	37,528	47,273
Other current liabilities	(33)	82,574	72,412
Other current financial liabilities	(33)	18,593	15,013
Effective income tax obligations		28,387	28,990
Other provisions	(34)	53,781	64,613
Provisions for pensions	(32)	4,037	4,181
Current debt		813,340	724,391
		1,683,634	1,539,855

Consolidated Statement of Changes in Equity from January 1, 2024 to December 31, 2025

in EUR thousand

	Other revenue reserves and retained earnings									
	Subscribed capital	Capital reserve	Revenue reserves	of foreign subsidiaries	Derivative financial instruments (hedging reserve)	Derivative financial instruments (reserve for hedging costs)	Equity instruments	Shares held by shareholders of BAUER AG	Non-controlling interests	Total
Adjusted as at Jan. 1, 2024	183,398	42,331	257,349	-15,758	453	2	1,101	468,876	14,181	483,057
Earnings after tax	0	0	9,098	0	0	0	0	9,098	603	9,701
Exchange differences on translation of foreign subsidiaries	0	0	0	2,620	0	0	0	2,620	-5,596	-2,976
Revaluation of obligations arising from employee benefits after termination of the employment relationship	0	0	1,073	0	0	0	0	1,073	-27	1,046
Change in the fair value of other participations	0	0	0	0	0	0	12,909	12,909	0	12,909
Change in the fair value of derivative financial instruments	0	0	0	0	-395	0	0	-395	0	-395
Deferred taxes with no effect on profit and loss	0	0	-326	0	134	0	-197	-389	5	-384
Total comprehensive income	0	0	9,845	2,620	-261	0	12,712	24,916	-5,015	19,901
Changes in basis of consolidation	0	0	130	0	0	0	0	130	0	130
Dividend payments	0	0	0	0	0	0	0	0	-1,106	-1,106
Settlement of loss carried forward	0	-15,470	15,470	0	0	0	0	0	0	0
As at Dec. 31, 2024	183,398	26,861	282,794	-13,138	192	2	13,813	493,922	8,060	501,982

in EUR thousand

	Other revenue reserves and retained earnings									
	Subscribed capital	Capital reserve	Revenue reserves	of foreign subsidiaries	Derivative financial instruments (hedging reserve)	Derivative financial instruments (reserve for hedging costs)	Equity instruments	Shares held by shareholders of BAUER AG	Non-controlling interests	Total
As at Jan. 1, 2025	183,398	26,861	282,794	-13,138	192	2	13,813	493,922	8,060	501,982
Earnings after tax	0	0	11,206	0	0	0	0	11,206	1,301	12,507
Exchange differences on translation of foreign subsidiaries	0	0	0	-13,763	0	0	0	-13,763	-1,650	-15,413
Revaluation of obligations arising from employee benefits after termination of the employment relationship	0	0	9,291	0	0	0	0	9,291	23	9,314
Change in the fair value of other participations	0	0	0	0	0	0	-1,972	-1,972	0	-1,972
Change in the fair value of derivative financial instruments	0	0	0	0	-170	-2	0	-172	0	-172
Deferred taxes with no effect on profit and loss	0	0	-3,297	0	31	0	42	-3,224	-5	-3,229
Total comprehensive income	0	0	17,200	-13,763	-139	-2	-1,930	1,366	-331	1,035
Changes in basis of consolidation	0	0	0	0	0	0	0	0	0	0
Dividend payments	0	0	0	0	0	0	0	0	-1,039	-1,039
Settlement of loss carried forward	0	0	0	0	0	0	0	0	0	0
As at Dec. 31, 2025	183,398	26,861	299,994	-26,901	53	0	11,883	495,288	6,690	501,978

Notes to the Consolidated Financial Statements

GENERAL NOTES

GENERAL INFORMATION ABOUT THE GROUP

BAUER Aktiengesellschaft, Schrobenhausen, Germany (referred to in the following as BAUER AG) is a stock corporation under German law. Its registered office is at BAUER-Strasse 1 in Schrobenhausen and the company is entered in the Commercial Register of Ingolstadt (HRB 101375). BAUER Aktiengesellschaft is exclusively included in these consolidated financial statements. The consolidated financial statements of BAUER Aktiengesellschaft, prepared in accordance with the International Financial Reporting Standards (IFRS) as applicable in the EU, along with the supplementary regulations of German commercial law pursuant to Section 315e (3) and (1) of the HGB, are published in the German Federal Gazette ("Bundesanzeiger").

The BAUER Group is a provider of services, equipment and products dealing with ground and groundwater. The Group markets its products and services all over the world. The business activities of the Group are divided into three operating segments: Geotechnical Solutions, Equipment and Resources.

MAIN CHANGES IN THE CURRENT REPORTING PERIOD

In the current period, no significant changes were made.

1. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of BAUER AG were prepared in accordance with section 315e of the German Commercial Code (HGB) and International Financial Reporting Standards (IFRS), as adopted by the EU, and with the HGB. The consolidated financial statements were prepared on the basis of historical costs for procurement and manufacturing costs, limited by the fair value valuation of financial assets and liabilities (including derivative financial instruments) affecting net income. The previous year's figures have been determined according to the same principles.

The BAUER Group's financial year is the calendar year.

The consolidated financial statements were prepared in euros. Unless otherwise specified, all amounts are quoted in thousands of euros (in EUR thousand).

The income statement was prepared using the nature of expenses method and covers the period from January 1 to December 31 of the respective year.

The consolidated financial statements were prepared based on the assumption of a going concern. In the view of the management, there are no significant uncertainties which could cast material doubts on the company's ability to continue its business activities.

2. BASIS OF CONSOLIDATION

The basis of consolidation includes the ultimate parent company BAUER AG and all major subsidiaries as part of the full consolidation. Subsidiaries are all companies that are controlled indirectly or directly by BAUER AG. This is the case if BAUER AG is capable of influencing the returns on their investment by power of disposition, particularly through the financing and business policies of the company in question. This is routinely accompanied by a share of voting rights of over 50%. When assessing whether control is exerted, the existence and effect of potential voting rights currently exercisable or convertible are considered.

Subsidiaries are not consolidated and valued in the BAUER Group according to the requirements IFRS 9 if their business operations are dormant or minor and they are, individually and as a whole, of minor importance for conveying a picture of the true and fair view of the net assets, financial and earnings position as well as the cash flows of the BAUER Group. A fair value is regularly determined for these companies and the corresponding adjustment is carried out through Other Comprehensive Income without any effect on profit and loss (FVOCI option).

In 2025, 89 companies were consolidated into the consolidated financial statements (previous year: 94). In the financial year, no companies (previous year: 1) were included in the basis of consolidation for the first time. Since the beginning of 2025, the number of companies removed from the basis of consolidation was 5 (previous year: 15). Consortia were not included in the number of companies which form part of the consolidated financial statements due to the short-term nature of these projects.

The following overview shows the number of subsidiaries by segment (without construction joint ventures):

Main business	Place of business	Number of companies with 100% share		Number of companies with a share less than 100%		Number of associated companies		Number of joint ventures		Total		
		Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	
Geotechnical Solutions segment	Specialist foundation engineering	Global	22	22	2	1	1	1	1	1	26	25
Equipment segment	Sale and manufacture of equipment	Global	31	31	2	1	2	2	0	0	35	34
Resources segment	Water, environmental services and natural resources	Global	20	18	1	1	2	2	4	4	27	25
Corporate Services segment	Corporate services	Global	6	5	0	0	0	0	0	0	6	5
Total			79	76	5	3	5	5	5	5	94	89

If the quality assessment of a new subsidiary finds that the company is immaterial in terms of the operative segment or Group, it may not be included in the consolidated financial statements.

Consequently, the non-inclusion of any one company must not result in material changes to the Group net asset, financial and earnings position, nor must it disregard any other materially relevant trends.

In a small number of cases, companies are fully consolidated into the consolidated financial statements of BAUER AG even though that company holds less than 50% of their share of voting rights. This is the result of state restrictions which stipulate that foreign investors may not hold more than 50% of the voting rights in domestic companies. In such cases BAUER AG makes use of so-called agency constructions, whereby more than 50% of the voting rights are commercially held in the company concerned, thus allowing for control.

Subsidiaries are included in the consolidated financial statements (fully consolidated) from the point at which control or the possibility of control is transferred to the Group. They are deconsolidated at the point when control ends. Shares in companies for which BAUER AG is able, directly or indirectly, to exercise a significant influence on the said companies' financial and operating policy decisions (associated companies) are evaluated according to the equity method. As at December 31, 2025, this related to 5 companies (previous year: 5). The shares in joint ventures were likewise evaluated according to the equity method.

In a few cases, the BAUER Group holds a share of more than 50% in companies which are considered to be joint ventures or associated companies. This assessment is based on contract design, which is individual to the company and which excludes control from the perspective of the BAUER Group.

The disclosures in accordance with section 313 (2) of the HGB are grouped in a separate list of holdings and included in the Notes to the Consolidated Financial Statements.

Subsidiaries with differing balance sheet dates compile interim financial statements as per the Group date for the consolidated financial statements. Due to local statutory regulations, BAUER Corporate Services Private Limited, BAUER Equipment India Private Limited, BAUER Engineering India Private Limited and BAUER Specialized Foundation Contractor India Private Limited prepare their annual financial statements for March 31.

Application of section 264 (3) of the HGB

Section 264 (3) of the HGB has been exercised for the following companies:

BAUER Maschinen GmbH
 BAUER Resources GmbH
 BAUER Spezialtiefbau GmbH
 BAUER Verwaltungs und Beteiligungs GmbH
 EURODRILL GmbH
 EURODRILL Grundstücks GmbH
 GWE GmbH
 KLEMM Bohrtechnik GmbH
 rig.plus GmbH
 Sadurski Erdwärme GmbH
 SCHACHTBAU NORDHAUSEN GmbH
 SPESA Spezialbau und Sanierung GmbH

Application of section 291 (1) of the HGB

BAUER Maschinen GmbH, BAUER Spezialtiefbau GmbH and BAUER Resources GmbH have utilized the exemption option under section 291 (1) of the HGB and have not prepared consolidated financial statements or a management report.

Changes at subsidiaries**Geotechnical Solutions segment**

With effect from May 19, 2025, 100% of the shares in BAUER SPEZIALTIEFBAU Ges.m.b.H, Vienna were sold to Züblin Spezialtiefbau Ges.m.b.H at a selling price of EUR 1,925 thousand. The company was therefore deconsolidated and has withdrawn from the basis of consolidation. The deconsolidation resulted in a loss in the amount of EUR 1,096 thousand, which is listed under other operating expenses. The net effect from the sale amounts to EUR -596 thousand in total.

With effect from September 30, 2025, 5% of the shares in BAUER Services Singapore Pte. Ltd. were sold and transferred internally within the Group, to BAUER Spezialtiefbau GmbH with 4.76% and to WW Beteiligung GmbH with 0.24%. The transfer had no effect on the assets, financial and earnings position of the Geotechnical Solutions segment.

Equipment segment

By way of conversion through a spin-off and acquisition agreement on January 27, 2025, BAUER Maschinen GmbH as the transferring company transferred its property in Moscow as well as the shares in OOO BAUER Maschinen Russland along with accompanying contractual relationships onto BMR Beteiligung GmbH as the acquiring company upon entry in the commercial register on January 29, 2025. On June 3, 2025, the branch office of BMR Beteiligung GmbH was registered in Russia.

With effect as of October 24, 2025, BMR Beteiligung GmbH was merged into BAUER Maschinen GmbH. The transfer of the shares and the merger did not have any impact on the assets, financial situation and earnings position in the Equipment segment.

With effect as of July 1, 2025, RTG Rammtechnik GmbH was merged into BAUER Maschinen GmbH. The merger did not have any impact on the assets, financial situation and earnings position in the Equipment segment.

Resources segment

In the 2025 financial year, BAUER Resources South Africa (PTY) LTD, BAUER Resources Bahrain W.L.L. and BAUER (Shanghai) Resources Environmental were deconsolidated due to cessation of business operations or liquidation and therefore have been removed from the basis of consolidation. The deconsolidation did not have a significant impact on the net assets, financial situation and earnings position in the Resources segment.

Corporate Services segment

In April 2025, the ownership under civil law of 50% of the shares in BAUER Offshore Technologies GmbH were sold to DEME Offshore Holding NV. For the remaining 50% of the shares, DEME has a purchase option over the next 5 years. If this option is not exercised, the shares will be transferred automatically after 5 years at the latest. Due to the transfer of 100% of the economic ownership as of the reporting date and due to loss of control, the company was deconsolidated and was therefore removed from the basis of consolidation. The transaction had no impact on the net asset, financial and earnings position.

3. CONSOLIDATION POLICIES

The assets and liabilities of the German and foreign companies included in the consolidated financial statements are stated according to the uniform accounting policies applicable throughout the BAUER Group. Mutual receivables and liabilities as well as expenses and income between consolidated companies are eliminated. Group inventories and fixed assets are adjusted by existing interim results. Consolidation affecting net income is subject to deferral of taxes, with deferred tax assets and liabilities being offset against each other provided the payment period and tax creditor are the same. With respect to subsidiaries consolidated for the first time, the identifiable assets, liabilities and contingent liabilities of the acquired companies were recorded at their applicable fair values at the time of purchase. Goodwill occurring on initial consolidation is capitalized and subjected to a yearly impairment test; an excess of the net fair value of the acquired net assets over cost is recognized in the income statement immediately at the time of initial consolidation in accordance with IFRS 3. Evaluation according to the equity method is subject to the same principles. If the pro-rata loss in an associated company is greater than the carrying amount of the participating interest, no further losses are recognized, unless a consolidated Group company has entered into obligations or made payments on behalf of the associated company.

Non-controlling interests are a part of earnings and net assets which is not allocable to the Group. Earnings pertaining to these interests are therefore recognized separately from the share in earnings allocable to the shareholders of the parent company in the income statement. In the balance sheet, these earnings are recognized in equity, separately from the equity allocable to the shareholders of the parent company. The purchase of non-controlling interests and changes to the investment quota of the parent company in a subsidiary which do not lead to a loss of control are reported as equity transactions in the balance sheet.

4. DISCRETIONARY DECISIONS, CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

When preparing the consolidated financial statements, assumptions and estimates must be made by management that influence the approach, recognition and amounts of assets and liabilities, income and expenses recorded, as well as contingent liabilities. In the process, all information available at the time of the estimates and judgments is applied. The discretionary decisions, estimates and judgments are routinely subject to increased uncertainty. For this reason, the actual amounts may differ from the assessments and estimates made by management and this may have material impacts on the BAUER Group.

Discretionary decisions by management as a basis for the practice of corresponding accounting policies are primarily required in the following circumstances:

- **Sales revenues from contractual obligations that are fulfilled over a specific time period**

In the Geotechnical Solutions and Resources segments, a large share of the reported sales revenues is realized in the context of construction contracts using the cost-to-cost method based on period of time. The sales revenues based on period of time that are recorded in the reporting period are particularly dependent on the degree of completion and the expected total revenues. The degree of completion is in turn dependent on the estimate of total costs incurred during the project. Changes to the estimates and judgments can lead to an increase or decrease in sales revenues based over time. For further clarification of construction contracts and sales revenues based over time, we refer to the section "Construction contracts" under 5.2 "Accounting policies" and to section 7 "Sales revenues."

- **Impairment due to expected credit losses**

To determine the impairment due to expected credit losses, it is necessary to estimate the probability of default for trade receivables, contract assets and other financial assets. Determining the probability of default is associated with uncertainty and may differ from actually occurring credit defaults. For further clarification of impairment due to expected credit losses, we refer to the section "Financial instruments" under 5.2 "Accounting policies" and to the section "Risk of default" under 39 "Financial instruments."

- **Other impairments of assets and cash-generating units**

When determining a need for impairment of assets and cash-generating units, the current carrying amount is compared with the higher value of the value in use and the fair value less any costs to sell. The expected cash flows for determining the value in use or costs to sell are routinely associated with uncertainty. Developments and events can cause the expected cash flows to differ from the actual cash flows. Further uncertainties in this context exist with the determination of the discount rate to apply (WACC) and the expected growth rates. For further clarification concerning impairments of assets and cash-generating units, we refer to the section of the same name under 5.2 "Accounting policies" as well as the section for the individual categories of assets.

- **Leasing**

In the evaluation of leasing liabilities and rights of use, various estimates and judgments must be made. Leasing relationships may include termination or extension options as well as residual value guarantees and options to purchase. An option that will be exercised or not exercised with sufficient security has an impact on the estimated contract term and consequently on the amount of the leasing liability and right of use. Primarily for the BAUER Group, this concerns various office and warehouse buildings. The possibility of using extension and termination options ensures the necessary flexibility to react to changed market conditions. To determine the duration of the leasing relationship, the BAUER Group takes into account all facts and circumstances that present a significant economic incentive for exercising an extension option, or for not exercising a termination option. For further clarification of leasing in the BAUER Group, we refer to the section of the same name under 5.2 "Accounting policies" and to section 21 "Fixed assets."

- **Provisions for pensions**

Provisions for pensions contain critical accounting estimates and judgments. These include, for example, future salary and pension developments or life expectancies. Changes to the estimates and judgments can impact in particular the amount of the reserve and other earnings. For further clarification of provisions for pensions, we refer to the section of the same name under 5.2 "Accounting policies" and to section 32 "Provisions for pensions."

- **Other provisions**

The evaluation of other provisions includes numerous estimates and judgments that can impact the approach and evaluation of the provisions. In this context, estimates concerning the probability of occurrence or settlement amount are subject to uncertainties. Here it is possible that the actual outflow of cash and cash equivalents will differ from the original provision amount. For further clarification of other provisions, we refer to the section of the same name under 5.2 "Accounting policies" and to section 34 "Other provisions."

- **Deferred tax assets**

The evaluation of deferred tax assets requires estimates and judgments as to whether enough taxable income will be available in the future for corresponding use. These estimates and judgments are made as part of an internal forecast calculation and contain uncertainties with regard to actual future developments. For further clarification of deferred taxes, we refer to the section of the same name under 5.2 “Accounting policies” and to section 22 “Deferred taxes.”

All assumptions and estimates are based on the applicable conditions and assessments as at the reporting date. With respect to the expected future business development, the assumptions and estimates concerning the future as at the balance sheet date are determined taking into account the applicable conditions on the date of preparation of the consolidated financial statements as well as a realistic assumption of the future development of the global environment and the specific sectors. Developments in the context of discretionary decisions, assumptions and estimates are regularly accounted for and updated on the basis of economic or country-specific developments. Uncertainty in discretionary decisions, estimates and judgments was heightened in the financial year, particularly by the Ukraine crisis.

5. GENERAL ACCOUNTING POLICIES

5.1. Changes in accounting policies

The significant accounting policies applied in the previous year continue to be used, with the following exceptions:

Changes to IAS 21: Lack of exchangeability

The changes extend IAS 21 to include regulations that apply when a currency is not exchangeable into another currency.

First an assessment is made as to whether a currency is exchangeable into a different currency for a specific purpose on the measurement date. This is considered to be the case if a company is able to obtain the other currency within a normal administrative time frame and through a market or an exchange mechanism in which a transaction gives rise to enforceable rights and obligations.

If a currency is not exchangeable it is necessary to estimate the spot exchange rate at the measurement date. The objective is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

Moreover, new disclosure requirements have been introduced: information must be disclosed regarding the nature and financial effects of the currency not being exchangeable, the spot exchange rate(s) used, the estimation process, and the risks to which the company is exposed because of the currency not being exchangeable into the other currency.

The directive on adoption of the amendments by the EU (endorsement) was published in the Official Journal of the EU on November 13, 2024.

For the BAUER Group, no material effects resulted from the change to IAS 21 in the 2025 financial year.

Moreover, the IASB and the IFRIC have adopted further standards, interpretations, improvements and amendments, as listed below, some of which will only become binding from the financial year 2026 or have not yet been recognized by the EU:

Standard / Interpretation / Improvement / Amendment	To be applied as of financial year	Endorsement takes place
annual improvements to IFRS: IFRS 1:		
<ul style="list-style-type: none"> • Hedge accounting by a first-time adopter • IFRS 7: Income or loss on derecognition, information on risk of default as well as disclosure of the deferred difference between the fair value and transaction price • IFRS 9: Derecognition of leasing liabilities for lessor and transaction price • IFRS 10: Designation of a “de facto agent” • IAS 7: Acquisition costs method 	from 2026 on	Yes
Changes to IFRS 9 and IFRS 7:		
<ul style="list-style-type: none"> • Classification and evaluation of financial instruments • Contracts referencing nature-dependent electricity 	from 2026 on	Yes
IFRS 18: Presentation and disclosures in financial statements	from 2027 on	No
IFRS 19 “Subsidiaries without public accountability: Disclosures”	from 2027 on	No
Changes to IAS 21: Translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency	from 2027 on	No

The BAUER Group had not implemented early application of these standards, improvements or amendments by December 31, 2025. We plan to adopt these standards as soon as they are recognized and adopted by the EU.

With the introduction of IFRS 18, there will be a newly defined structure for the income statement, which is subdivided in the categories of operating, investing and financing.

The operating category will encompass the following:

- All expenses and income that resulting from a company's operating business, independently of whether these are one-time extraordinary effects or other unusual effects on results.
- Results from the other activities of the company which cannot be classified into the other categories.

The investing category will include expenses and income associated with the following assets:

- Participations in associated companies, joint ventures, as well as non-consolidated subsidiaries
- Cash and cash equivalents
- Other assets that generate returns autonomously and for the most part independently of the company's other resources

The financing category encompasses expenses and income associated with liabilities for the purpose of financing, as well as other liabilities (e.g. trade payables, leasing liabilities and pension commitments). Moreover, specific regulations exist for derivatives, hedging instruments and hybrid liabilities. In this category, the following expenses and income need to be recorded in particular:

- Expenses and income from the first-time and subsequent evaluation of liabilities as well as from the disposal of individual liabilities.
- Incremental expenses that are directly connected with the emission or repayment of liabilities
- Interest income and expenses
- Expenses and income from changes to the interest rate

Furthermore, IFRS 18 requires extended disclosure obligations in the notes, particularly with regard to alternative performance figures.

The BAUER Group analyzed the effects of IFRS 18 more in depth during the 2025 financial year. This analysis particularly examined the mapping of existing accounts onto the new categories, as well as identification and delimitation of alternative performance figures (Management Performance Measures, MPM). In this context, the key figures of EBIT and EBITDA used in the Group were analyzed in particular.

The analysis has not yet been fully concluded as of the date of preparation for the annual and consolidated financial statements. The assumption is still that displacements will occur in the course of applying IFRS 18 due to classification into the new categories.

Beyond this, the future application of the other standards, improvements and amendments is not expected to have a significant impact on the net assets, financial situation and earnings position of the BAUER Group.

The agenda decisions of the IFRS Interpretations Committee published in the year under review did not lead to any significant changes in the accounting policies of the BAUER Group.

5.2. Significant accounting policies

Foreign currency translation

Foreign currency transactions are translated in the financial statements of BAUER AG and the consolidated subsidiaries at the rates applying on the dates of the transactions. Transactions in foreign currencies are recorded in the respective financial statements of the consolidated companies at the applicable exchange rate on the respective dates. Monetary assets and liabilities denominated in foreign currencies are converted at the applicable rate on the balance sheet date. Other assets and liabilities are converted using the applicable rate at the time of the transaction if they are recorded using the acquisition cost principle. If these assets and liabilities are recorded at fair value, the conversion will be carried out using the rate on the respective evaluation date. Foreign currency translation differences that result are recorded through profit and loss in the financial result. The financial statements of the foreign companies belonging to the BAUER Group are translated into euros according to the functional currency concept. Accordingly, assets and liabilities are translated at the rate applicable on the balance sheet date and the income statement items at the average rate. Equity, with the exception of income and expenses recorded directly in the equity, is recognized at historical rates. The resulting differences from the currency translation are recorded as other income and recognized cumulatively in the provision for currency translation losses stated under equity until the foreign operations are sold.

In the financial year, as in the previous year, Turkey was classified as a hyperinflationary economy according to the criteria of IAS 29 Accounting in hyperinflationary economies. Accordingly, the financial statements of the subsidiary based in Turkey were adjusted in line with IAS 29. The adjustment involved conversion of non-monetary items, equity as well as expenditure and earnings items based on a general price index in order to adequately illustrate the effects of hyperinflation. The effects of this revaluation were recorded in the financial result.

No hyperinflation valuation was carried out for Egypt, as the cumulative inflation rate for the relevant three-year period fell just below the threshold of 100% and thus the formal criteria for the application of IAS 29 were not met.

The following table shows the exchange rates applied for the currency conversion:

1 EUR corresponds to		Annual average		Balance sheet date value	
		2024	2025	2024	2025
Egypt	EGP	49.07258	55.63882	52.62190	55.94710
Argentina	ARS	990.60177	1,415.93081	1,067.48195	1,703.61610
Australia	AUD	1.63971	1.75176	1.67720	1.75810
Bulgaria	BGL	1.95580	1.95580	1.95580	1.95580
Chile	CLP	1,020.96392	1,074.65471	1,031.51500	1,057.41500
China	CNY	7.78747	8.11850	7.58330	8.22620
Georgia	GEL	2.94166	3.09539	2.91690	3.16090
Ghana	GHS	15.67535	14.10986	15.21650	12.30220
Great Britain	GBP	0.84662	0.85679	0.82918	0.87260
Hong Kong	HKD	8.44536	8.81042	8.06860	9.14640
India	INR	90.55625	98.52391	88.93350	105.59650
Indonesia	IDR	17,157.67738	18,623.05835	16,820.88000	19,640.83000
Japan	JPY	163.85191	169.04345	163.06000	184.09000
Jordan	JOD	0.76691	0.80154	0.73385	0.83140
Canada	CAD	1.48211	1.57873	1.494800	1.60880
Qatar	QAR	3.94546	4.12080	3.77270	4.27720
Lebanon	LBP	85,972.70517	101,236.81035	92,688.68750	105,018.15625
Malaysia	MYR	4.95027	4.83386	4.64540	4.76820
Morocco	MAD	10.75288	10.55107	10.48900	10.70095
Mexico	MXP	19.83138	21.67048	21.55040	21.11800
New Zealand	NZD	1.78805	1.94217	1.85320	2.03800
Oman	OMR	0.41647	0.43522	0.39850	0.45155
Panama	PAB	1.08183	1.13042	1.03485	1.17315
Peru	PEN	4.05835	4.02829	3.88940	3.94485
Philippines	PHP	62.00715	64.97702	60.30100	69.26600
Poland	PLN	4.30580	4.23966	4.27500	4.22100
Romania	RON	4.97464	5.04239	4.97430	5.09680
Russia	RUB	100.40116	94.31068	115.68040	92.87150
Saudi Arabia	SAR	4.05955	4.24071	3.88760	4.39980
Sweden	SEK	11.43252	11.06631	11.45900	10.82150
Switzerland	CHF	0.95263	0.93703	0.94120	0.93140
Singapore	SGD	1.44581	1.47557	1.41640	1.51050
South Africa	ZAR	19.82973	20.17886	19.61880	19.44390
Taiwan	TWD	34.73847	35.18524	34.13740	36.87200
Thailand	THB	38.18108	37.11579	35.67600	37.21800
Turkey	TRY	35.57340	44.81614	36.73720	50.48380
Hungary	HUF	395.30387	397.76749	411.35000	385.15000
United Arab Emirates	AED	3.97353	4.15327	3.80345	4.31365
United States of America	USD	1.08238	1.12998	1.03890	1.17500
Vietnam	VND	27,105.44038	29,417.55939	26,375.50000	30,842.50000

Intangible assets

The following table provides an overview of the useful lives of intangible assets:

Asset	Economic useful life
Licenses, software and similar rights and values	3 to 10 years
Goodwill	Unlimited
Capitalized software costs	3 to 10 years
Capitalized development costs	3 to 6 years

The BAUER Group regularly reviews the methods and useful lives as at the balance sheet date, and adjusts them prospectively if required.

Assets which have an indefinite useful life, such as goodwill, are not subjected to scheduled amortization but are impairment tested each year, or when relevant indications arise. The goodwill is the amount by which the acquisition costs of the company acquisition exceed the fair value of the Group's shares in the net assets of the acquired entity at the date of acquisition. Goodwill created by company acquisition is recognized under "Intangible assets." Goodwill resulting from the purchase of an associated company or joint venture is included in the carrying amount of investments in associated companies or joint ventures and consequently is not impairment-tested separately, but within the overall carrying amount. The recognized goodwill undergoes an annual impairment test and is recognized at its original acquisition costs less accumulated write-downs. Write-ups are impermissible. Income and losses from the sale of a company comprise the carrying amount of goodwill allocated to the company to be disposed of.

Assets with a limited usage period are tested for impairment if any events or changes of circumstances indicate that the carrying amount may no longer be achievable.

An impairment loss is then recorded if the carrying amount of an asset exceeds the attainable amount. The attainable amount is the higher amount of the applicable fair value of the asset less selling costs and the value in use. For the impairment test, assets are grouped at the lowest level for which cash flows can be separately identified (cash-generating units). With the exception of goodwill, a test is performed on each balance sheet date in respect of non-cash assets for which in the past an impairment was recognized as to whether a value recovery adjustment is required.

Research and development costs are generally charged as expenditure in the financial year in which they occurred, in accordance with IAS 38. Exceptions to this are certain development costs which are capitalized where it is probable that a future economic benefit will be drawn from the development project and the costs incurred can be measured reliably. In addition, the following criteria in accordance with IAS 38.57 must be met:

- technical feasibility of completion of the intangible asset so that it will be available for use or sale,
- intention to complete the intangible asset and to use or sell it,
- ability to use or sell the intangible asset,
- evidence of how the intangible asset will generate probable future economic benefits,
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset,
- the ability to reliably measure the expenditure attributable to the intangible asset during its development.

The manufacturing costs include all costs directly attributable to the development process as well as appropriate portions of development-related overheads. The assets in development are subjected to an annual impairment test and valued at their original acquisition or manufacturing costs less cumulative impairment. Depreciation is undertaken according to the straight-line method as from start of production over the intended term of the developed models. The economic life is between 3 and

6 years and is regularly reviewed. Impairments on intangible assets are recognized to the higher amount out of the fair value less cost to sell or the value in use. If the prerequisites for an impairment no longer exist, reversals of impairment – except for goodwill – are undertaken.

Property, plant and equipment

According to IAS 16, property, plant and equipment is valued at the acquisition or manufacturing costs, less scheduled straight-line depreciation based on the pro-rata temporis method, unless in exceptional cases some other method of depreciation more effectively reflects the usage. In accordance with IFRS, initial valuation of property, plant and equipment is based on the acquisition or manufacturing costs. The acquisition costs include the price of acquisition plus any directly attributable incidental acquisition costs, such as site preparation costs, delivery costs, assembly costs, estimated costs for subsequent demolition and clearance of the asset or similar costs, minus any purchase price reductions such as rebates, bonuses, discounts or similar reductions. Production costs include direct material or manufacturing costs as well as a reasonable share of the production-related overheads. In the latter, social costs and administrative expenses are only to be included if they can be directly attributed to the production process or serve to put the asset in an operational condition for the planned application. Financing costs are capitalized as part of the acquisition or manufacturing costs if a considerable period of time is required to put the asset in a ready-to-use condition. The following table provides an overview of the useful lives:

Asset	Economic useful life
Land	Unlimited
Buildings and other structures	3 to 60 years
Technical equipment and machinery	3 to 21 years
Other equipment, factory and office equipment	2 to 21 years

Impairments on property, plant and equipment are recognized in accordance with IAS 36 where the carrying amount exceeds the recoverable amount. In this context, the recoverable amount is the higher of the two figures when considering the fair value less costs of sale and the value in use. If the reasons for an impairment recognized in previous years no longer exist, a corresponding reversal of impairment is applied.

Both impairments and scheduled depreciation are recognized under the “Depreciation of fixed assets” item. The level of impairments is explained in accordance with IAS 36 under “Non-current assets.” The BAUER Group regularly reviews the methods and useful lives as at the balance sheet date, and adjusts them prospectively if required.

Insofar as the rental of equipment is not merely considered a sales-promoting activity, but instead comprises a company's main purpose of business, the rented equipment is reported under “Property, plant and equipment.”

Impairment of assets or cash-generating units

The BAUER Group reviewed the carrying amounts of the intangible assets, property, plant and equipment and investments accounted for using the equity method to determine whether there was any indication of impairment of assets or cash-generating units as at December 31, 2025. The level of the carrying amounts reviewed as well as effects from any impairments can be found in the following table:

Financial year 2024:

in EUR thousand	Carrying amount before impairment	Impairments for financial year	Current carrying amount according to the Consolidated Balance Sheet
Intangible assets	27,951	727	27,224
Property, plant and equipment	497,529	290	497,239
Investments accounted for using the equity method	70,107	0	70,107

Financial year 2025:

in EUR thousand	Carrying amount before impairment	Impairments for financial year	Current carrying amount according to the Consolidated Balance Sheet
Intangible assets	26,197	2,445	23,752
Property, plant and equipment	467,201	24,501	442,700
Investments accounted for using the equity method	77,180	0	77,180

In the fundamental impairment analyses of cash-generating units, the BAUER Group determines the recoverable amount as the higher value of the value in use and the fair value less any costs to sell, and compares this with the corresponding carrying amounts. The cash-generating units correspond to the individual companies in the BAUER Group. The value in use is determined by discounting the expected future cash flows from continuation of the cash-generating unit using a risk-adjusted interest rate (WACC). The future cash flows are determined on the basis of the business plan that has been approved by management and is applicable at the point in time that the impairment test is carried out. The forecast calculation generally covers a period of five years. It is based on the expected future economic development of the respective segment markets as well as the profitability of the products offered.

When deriving the value in use, a risk assessment is also carried out. For example, project risks and individual company risks as well as risks associated with the interest rate development are represented in the calculation through the payment flows. On the other hand, country risks are accounted for in the interest rate as cross-company effects. The assumptions used for the forecast calculation are checked for plausibility against both historical developments and external information sources.

As at December 31, 2025, the risk-adjusted interest rate (WACC – Weighted Average Cost of Capital) of the entire Group, which is determined specifically for the respective cash-generating unit, was 8.38% (previous year: 8.14%) after tax less the country risk premium. The WACC before taxes as at December 31, 2025 was 8.68% (previous year: 8.47%). In order to enable a more precise presentation of the Group's risk and capital structure, a separate WACC was calculated additionally for each individual segment in 2025. This was 8.38% in the Corporate Services segment, 8.36% in the Geotechnical Solutions segment, 8.47% in the Equipment segment and 8.36% in the Resources segment. This was determined on the basis of the Capital Asset Pricing Model (CAPM) taking into consideration the current market expectations. Calculation of the interest rate uses specific peer group information for beta factors, capital structure data and the borrowing costs. Payment flows for the individual companies were determined using the respective tax rates of the companies, from 27.13% to 32.95% in Germany (previous year: 29.13% to 32.14%) and from 0% to 31% internationally (previous year: 0% to 32%). For the periods after the

detailed planning phase, the cash flows of the previous planning period are extrapolated under consideration of the growth rates based on long-term inflation expectations. The growth rates used for the calculation are generally 1% in the Geotechnical Solutions segment (previous year: 1%), and between 0% and 2% in the Resources segment (previous year: 0% to 2%). For the Equipment segment, the growth rates are between 3.25% and 5% (previous year: 3% to 5%). Corporate planning is based on past experience and also takes current forecasts into account. In the Geotechnical Solutions and Resources segments, planning is based on projects already in the order backlog as well as client enquiries. In the Equipment segment, key planning assumptions for sales planning are industry forecasts for the global construction machinery market, specific customer commitments for individual projects as well as company-specific adjustments that also include planned product innovations and cost savings. For 2026, further growth is anticipated in most regions. Nevertheless, the ongoing crises such as Russia's war with Ukraine, as well as the currently volatile raw material markets due to the military interventions of the USA and Israel in Iran, will remain factors of uncertainty for the ongoing year. Another factor of uncertainty continues to be the development of the market in China, as one of the largest construction equipment markets in the world. This was accounted for in the planning of the relevant companies. As a result of increased uncertainties, in 2025 scenarios were carried out with a WACC corresponding to the specific segment after taxes. The sensitivity analysis indicates that with an increase of the WACC by 50 base points, an additional need to write down would be generated amounting to EUR -3,828 thousand in the Equipment segment and EUR -186 thousand in the Resources segment. With a decrease of the WACC by 50 base points, a need for appreciation would be generated amounting to EUR 4,529 thousand in the Equipment segment and EUR 207 thousand in the Resources segment.

Leasing

The BAUER Group acts as both a lessee and a lessor.

a) Accounting for lessee transactions

A leasing agreement is a contract which transfers the right to control the use of an identified asset for a defined period of time in return for the payment of a fee.

In principle, a lessee must capitalize a right of use and recognize a leasing liability for all leasing relationships.

During the initial application, the leasing liability is recorded in the amount of the present value of the leasing payments not yet made at the point in time of provision and which will become due during the term of the leasing relationship.

The leasing liability includes the present value of the following leasing payments:

- Fixed payments (including de facto fixed payments, less any leasing incentives which are due,
- Variable leasing payments which are tied to an index or interest rate, initially evaluated with the index or interest rate to the provision date,
- Expected Group payments from the use of residual value guarantees,
- The exercise price of a purchase option, of which the exercise by the BAUER Group is reasonably certain,
- Fines in connection with the termination of a leasing relationship insofar as the term provides for the respective termination option being exercised by the BAUER Group,
- Furthermore, in the evaluation of the leasing liabilities, leasing payments are also taken into consideration on the basis of the reasonably certain use of extension options.

The discounting took place using the incremental borrowing rate. The average incremental borrowing rate was 6.36% (previous year: 8.24%).

However, in the event that an implied interest rate is identifiable, the leasing payments are discounted by the interest rate upon which the leasing relationship is based.

The lease installments are divided into principal and interest payments. The interest part is recognized in the income statement throughout the term of the leasing relationship so that a constant periodic interest rate on the remaining amount of the liability results for each period.

Rights of use are evaluated at acquisition costs, which are comprised as follows:

- the amount of the initial valuation of the leasing liability,
- all leasing payments made at or before the provision, less any leasing incentives which have been received,
- all initial direct costs incurred by the lessee and estimated costs which are incurred by the lessee in the event of the demolition or removal of the underlying asset, in the event of the reconstruction of the location at which the asset is based or in the event of the transition of the underlying asset to the condition required under the leasing agreement.

In the subsequent measurement, the right of use will be recorded less cumulative depreciation and, if relevant, taking into consideration impairments adjusted by each new evaluation of the leasing liability set out in IFRS 16.36 (c).

The rights of use set on the balance sheet are highlighted in those balance sheet positions in which the assets that form the basis of the leasing contract would have been if they were the property of the BAUER Group. Therefore, the rights of use are primarily designated to property, plant and equipment on the cutoff date under the item of non-current assets.

Rights of use are amortized using the straight-line method over the shorter of both periods of time out of the usage period and the term of the leasing contract. If the exercise of a purchase option is reasonably certain from the perspective of the BAUER Group, the depreciation takes place over the usage period of the underlying asset.

On the balance sheet date, the necessary adjustments to the right of use and liabilities are also to be checked within the framework of the subsequent evaluations. Adjustments resulting from reassessment of the assumptions which have been made or a change in the contract are necessary, and may also lead to changes to the contract.

The reassessment of the assumptions which have been made relates to adjustments to payment expectations, the discounting rate to be applied relating to the remaining term if the changes are based on a change to the term or the assessment of the probability of a purchase option being exercised, as well as the changed expectation relating to the exercise of an extension or termination option.

However, the original interest which was applied is retained if, for example, expected payments are changed.

The leasing liability is reassessed with the changed parameters and accounted for on the balance sheet with this amount. The adjustment amount on the leasing liability incurred in this manner is recognized in full against the right of use. This means that, in principle, this is purely a balance sheet recording with no effect on profit and loss. The assessment of the adjustment with an effect on profit and loss only takes place for the first time in subsequent years via reduced or increased depreciations on the value in use.

Application simplifications exist for short-term and low value leasing relationships in accordance with IFRS 16.60. These are used by the BAUER Group and there is therefore no application of a right of use or liability for such leasing relationships. The lease payments in this regard are recorded as expenditure on the income statement without any changes. Leasing contracts with a term of up to 12 months are deemed short-term leasing relationships. Low-value assets include, for example, IT equipment and small items of office furniture, where the price for the new item is less than EUR 5 thousand.

The BAUER Group rents various office and warehouse buildings, as well as technical equipment and vehicles. Contracts may include both leasing and non-leasing components.

With the exception of property leasing relationships, the BAUER Group exercises its voting rights to collate leasing and non-leasing relationships and record these in a uniform manner on the balance sheet as leasing relationships. Furthermore, the accounting provisions set out in IFRS 16 are not applied to leasing relationships which relate to intangible assets. In principle, IAS 38 is still applied to leasing relationships for intangible assets. The sale-and-lease-back transactions are primarily of a short-term nature and are not of key importance for the BAUER Group.

b) Accounting for lessor transactions

A lease is an agreement whereby the lessor assigns to the lessee the right to use an asset for a specific period of time against a payment or series of payments.

These leasing relationships are either accounted for as financing leasing relationships or as operating leasing relationships. If the terms of the leasing relationship essentially transfer all the risks and opportunities associated with the ownership to the lessee, the contract is classified as a financing leasing contract. If this is not the case, it is classified as an operating leasing relationship. Sales revenues arising from operating leasing relationships are recorded using the straight-line method over the term of the leasing relationship. In the BAUER Group, these leasing relationships are generally very short term in nature and involve a period of just a few months. These are recognized under sales revenues based over time.

Government grants

Government grants for assets including non-monetary benefits at fair value are recognized on the balance sheet as accruals on the Equity and Liabilities side (Investment allowance).

Business combinations

Accounting for acquisitions of subsidiaries is carried out in accordance with IFRS 3 based on the acquisition method. The acquisition costs of the purchase correspond to the fair value of the assets contributed, the equity instruments issued and the liabilities created and/or transferred at the transaction date. Assets, liabilities and contingent liabilities identifiable in the course of a business combination are measured on initial consolidation at their fair values at the date of acquisition. The amount by which the acquisition costs of the purchase exceed the Group's share of the net assets measured at their fair value is stated as goodwill. The non-controlling interests are valued either at the acquisition costs (Partial Goodwill method) or at fair value (Full Goodwill method). The available option can be exercised on a case-by-case basis. BAUER Group policy is to apply the Partial Goodwill method. If the acquisition costs are less than the net assets of the acquired subsidiary measured at their fair value, the difference is recognized directly in the income statement. Transaction costs directly linked to a business combination are recognized in the income statement. In the event of successive company acquisitions, the differences between the carrying amount and the applicable fair value of the shares previously held are recognized as affecting net income at the date of acquisition. Existing contracts with the acquired entity at the date of acquisition, except those falling under the scope of IFRS 16, are analyzed and reclassified where appropriate.

Borrowing costs

Borrowing costs linked directly to the purchase, construction or production of qualifying assets in accordance with IAS 23 are included in the acquisition or manufacturing costs of the asset in question for the period until commissioning of the asset. No borrowing costs were capitalized in the financial and previous year. Testing as to whether an asset is a qualifying asset is carried out according to internally stipulated materiality limits for projects and equipment. If the said materiality limits are exceeded, borrowing costs for qualified assets are capitalized. Other financing costs are recognized as ongoing expenditure under "Financial expenses."

Investments accounted for using the equity method

Associated companies

According to IAS 28, an associated company is any entity over which the Group has significant influence, though not control. This routinely means a share of voting rights of between 20% and 50%.

Participations in associated companies are valued at-equity and recognized initially at their acquisition costs. The Group's shares in associated companies include the goodwill created by the purchase (less cumulative impairment).

The Group's share in the profits and losses of associated companies is reported in the income statement as from the time of purchase. The shares in the other comprehensive income of the associated company are also reported proportionally in the Group's other income, broken down by amounts reclassified to the income statement in a later period and amounts that are not reclassified. Cumulative changes after purchase are set off against the carrying amount of the investment. If the Group's share in the losses of an associated company is equal to or more than the Group's shareholding in the said associate, including other unsecured receivables, the Group recognizes no additional losses, unless it has entered into obligations or made payments on behalf of the associated company.

Non-realized income from transactions between Group companies and associated companies are eliminated according to the Group share in the associated company. Non-realized losses are likewise eliminated, unless the transaction implies an impairment of the transferred asset.

In the event of indicators that would suggest a potential impairment, an impairment test in accordance with IAS 36 is carried out on the total equity carrying amount. If the achievable amount drops below the carrying amount of a financial asset accounted for using the equity method, an impairment in the amount of the difference is carried out. Subsequent revaluations are recognized in the income statement.

Joint ventures

Joint ventures are joint arrangements in which the parties exercise joint control and have claims to the net assets of the arrangement. The contractually agreed joint control of the arrangement jointly manages the venture. This is only the case if decisions regarding the material activities require the unanimous approval of the parties involved in the joint control. Joint arrangements recognized using the equity method include joint ventures as well as the Arbeitsgemeinschaften ("ARGE") consortia specific to Germany, in the form of provision consortia.

Assets are provided for and invoiced to provision consortia in the form of personnel, material or equipment. The earnings generated by the consortia are recorded using the equity method, in accordance with IAS 28. They are recognized in the balance sheet as investments accounted for using the equity method and as income from shares accounted for using the equity method in the income statement.

Ongoing settlements from and to consortia are recognized in trade receivables and trade payables.

Joint operations

Joint operations are joint arrangements in which the parties assume joint control and hold rights in the assets as well as obligations with regard to the liabilities of the arrangement. The contractually agreed joint control of the arrangement jointly manages the venture. This is only the case if decisions regarding the material activities require the unanimous approval of the parties involved in the joint control.

Any operations performed by the BAUER Group as part of a joint operation relating to its share in the joint operation are recognized in the following items:

- its assets, including its share in jointly held assets,
- its liabilities, including its share in jointly incurred liabilities,
- its income from the sale of its share in the products or revenue from the joint operation,
- its share in income from the sale of products or revenue from the joint operation, and
- its expenses, including its share in any jointly incurred expenses.

For transactions such as the acquisition of assets by a Group company, income and losses are recognized in the amount of the Group share of other joint operations only once the assets are sold to third parties.

Financial instruments

Financial instruments are contracts resulting in a financial asset for one company and a financial liability (or equity instrument) for another.

Under IFRS 9, financial assets are classified and measured as debt instruments, equity instruments in the sense of IAS 32, and derivatives.

a) Primary financial instruments

In the BAUER Group, primary financial instruments are assigned as financial assets to the following categories:

- “Evaluated at continued acquisition costs” or Amortized cost (AC)
- Fair value through profit or loss (FVTPL)
- Debt instruments measured at fair value through other comprehensive income (FVOCI), whereby the cumulative gains and losses are reclassified to the income statement when the financial asset is disposed of (so-called recycling)
- Equity instruments measured at fair value through other comprehensive income (FVOCI), whereby gains and losses remain in other comprehensive income (without recycling).

As a general rule, the first accounting of financial assets and liabilities takes place when the BAUER Group becomes a contractual party. When accounting for regular sales or purchases of financial assets for the first time, the settlement date is relevant, i.e. the date on which the asset or liability is transferred to or by the BAUER Group. Financial assets and liabilities are initially recognized at fair value. The subsequent measurement of financial assets depends on the classification on the categories in accordance with the requirements of the IFRS 9 and takes place either under amortized acquisition costs or at the fair value. Financial liabilities, with the exception of derivatives, generally fall into the category of amortized costs.

Financial assets representing debt instruments within the meaning of IAS 32 are classified into the measurement categories of amortized cost (AC), fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI) (with recycling) based on the underlying business model and the cash flow conditions of the financial asset being assessed.

Financial assets are measured at amortized cost if they are held to collect contractual cash flows and these contractual cash flows are only the payments of interest and principal on the outstanding capital amount. Debt instruments that meet the cash flow conditions but are held within a business model that provides for both the collection of contractual payment flows and the disposal of financial assets are measured at fair value through other comprehensive income.

Financial assets and financial liabilities measured at amortized cost are initially recognized at fair value, including transaction costs directly attributable to the purchase of the financial asset or issue of the financial liability, and subsequently measured at continued acquisition costs using the effective interest method. The continued acquisition costs of a financial asset or liability is calculated, applying the effective interest rate method, from the historical cost less the repayments made, plus or less the

cumulative amortization of any difference between the original amount and the amount repayable at the final due date, and also less impairment or plus value recovery adjustment.

For financial assets classified as “fair value through other comprehensive income,” (with recycling) the transaction costs directly attributable to the purchase are also recognized. However, changes in the carrying amount are recognized in other comprehensive income, with the exception of impairment gains or expenses recognized in profit or loss. The cumulative gains and losses previously recognized in equity are not reclassified at fair value in the income statement until the financial assets are disposed of. No financial assets measured at FVOCI, which are also debt instruments, were recognized in the past financial year.

Financial assets (debt instruments) that do not meet the criteria of amortized cost or fair value through other comprehensive income are classified as fair value through profit or loss. Income or losses on a debt instrument subsequently measured at FVTPL are recognized in profit or loss in the period in which they arise. The FVTPL option was not applied for financial assets or for financial liabilities.

Cash and cash equivalents include bank balances and cash in hand and are measured at amortized cost because they are held with the aim of collecting the contractual cash flows and these contractual cash flows are only the payments of interest and principal. Cash and cash equivalents are also subject to the impairment provisions of IFRS 9. However, for reasons of immateriality, no valuation allowances are recorded.

At initial recognition, trade receivables are recorded at the transaction price. If they contain significant financing components, they are recognized at fair value. The BAUER Group holds trade receivables in order to collect contractual cash flows exclusively comprising payments of interest and principal on the outstanding capital amount, and subsequently measures them at amortized cost less valuation allowances. For receivables designated for a sale, the criteria for the business model “Sale” are present due to the factoring agreements and these are therefore to be assigned to the measurement category FVTPL. No impairments are to be recorded for these receivables as per IFRS 9.

As a general rule, financial assets representing equity instruments as per IAS 32 are generally to be classified as fair value through profit or loss and recognized in net income. At the same time, when equity instruments held are initially categorized, there is an irrevocable option to recognize changes to the fair value in other income with no effect on profit or loss. The BAUER Group exercises this option for participations affected by this because the recognition of income and losses from fair value changes in the income statement has no significance in terms of the development of the participations. Once the participation is derecognized, the amounts recognized in other comprehensive income are not subsequently reclassified in the income statement. Dividends continue to be recognized in profit or loss unless the dividend is clearly a repayment of part of the cost of the equity instrument. This valuation rule is also applied in the BAUER Group for shares in company divisions that are not consolidated for reasons of immateriality.

Impairments are recognized based on losses incurred as well as estimates of expected credit losses (expected loss model). Here, in line with IFRS 9, impairments for expected credit losses are recorded for all financial assets valued at amortized cost and for debt instruments valued at fair value through other comprehensive income. In order to determine the scope of the risk provision strategy, a three-stage model is envisaged as a general rule. Risk provision is either formed on the basis of expected 12-month credit losses (stage 1) or on the basis of credit losses expected over the contract period if the credit risk has worsened considerably since the initial statement (stage 2) or if impaired creditworthiness is established (stage 3). For trade receivables and for contract assets recorded as per IFRS 15, the simplified approach is used, which accounts for credit losses expected over the contract period as impairment.

To determine the expected credit losses and individual valuation allowances for financial assets with impaired credit-worthiness, the BAUER Group uses internal credit assessments and external ratings. In the event of relevant circumstances specific to a certain case, individual and macroeconomic factors are also considered when determining the extent of the valuation allowances. A significant credit risk deterioration of the counterparty is assumed when its rating has fallen by a set number of grades. Credit ratings are derived from an active system of claims management with reference to the relevant credit history and from continuous monitoring of the creditworthiness of customers. Application of the arrears assumption of 30 days therefore has no bearing for the assessment of individual valuation allowances in the industry due to, among other things, limitations in acknowledgment of performance.

The expected credit losses in relation to trade receivables and contract assets are measured using a "Provision Matrix," which is based on historic defaults and future estimates. In light of the fact that the BAUER Group's business activities are categorized into three different segments, Geotechnical Solutions, Equipment and Resources, and the customer structure is therefore so diverse, the default risks for trade receivables are determined per segment and the expected credit losses are calculated per company.

An individual valuation allowance for financial assets with impaired creditworthiness is recognized when there are objective signs, such as missed payments or insolvencies. Default of a financial asset is determined based on an individual assessment according to which it cannot be reasonably assumed that the receivable is realizable in full or in part. If repayment cannot be reasonably expected, the financial asset is depreciated. With the depreciation of financial assets, the BAUER Group continues to take enforcement measures in an attempt to recover the overdue receivables.

Financial assets are derecognized if the rights to payments from the financial assets have expired or been transferred, and the Group has essentially transferred all risks and opportunities associated with ownership, or the essential opportunities and risks have neither been transferred nor retained, but right of disposal has been transferred. A financial liability is removed from the balance sheet when it is extinguished, that is, when the obligation stipulated in the contract has been fulfilled or cancelled or lapsed.

Financial assets and liabilities are not offset unless the amounts can be legally settled at the current point in time and there is an intention to actually offset the assets.

b) Derivative financial instruments

A derivative is a financial instrument or contract within the area of applicability of IFRS 9, which cumulatively meets the following criteria:

- which varies in value based on changes in a specific interest rate, price of a financial instrument, raw material price, exchange rate, price or interest rate index, credit rating or credit index, or some similar variable, provided in the case of a non-financial variable the variable is not specific to one party to the contract,
- which requires no payment in return for acquisition, or one which, compared to other forms of contract expected to react similarly to changes in market conditions, is lower,
- which is settled at a later date.

In the BAUER Group, derivative financial instruments are entered into solely to hedge against interest rate and currency risks. No deals are made without an underlying transaction.

In the BAUER Group, free-standing derivative financial assets and free-standing derivative financial liabilities are assigned to the following category:

Fair value through profit or loss (FVTPL). In the case of financial assets or liabilities recognized at fair value through profit or loss, the initial fair-value valuation excludes the transaction costs, which must be recognized as expenditure in the income statement immediately. The first accounting takes place on the trading date. Value changes of derivatives that are not part of a cash flow hedge are considered with no impact on profit or loss under financial expense or earnings.

The free-standing derivative financial instruments in the “fair value through profit or loss” category include interest rate swaps, foreign exchange forward contracts, foreign exchange swaps and foreign exchange options. The derivative financial instruments are stated at their market values as assets or liabilities.

In the case of derivatives which are designated as hedging instruments in hedge accounting, when hedging the risk of fluctuations in future cash flows (cash flow hedges) the effective portion of the gain or loss from a hedging instrument is initially recognized in the equity, taking into account deferred taxes, and is only recognized in the income statement when the underlying hedged transaction is realized. With regard to foreign exchange risk hedging, the BAUER Group designates only the cash component of the change of the fair value of the hedging transaction as a component of the cash flow hedge. The changes to the fair value occurring on the forward component and cross-currency basis spread (CCBS) component are included under other income in the reserve for hedging costs. The ineffective portion of the hedging transaction is recognized in the income statement immediately. In the 2025 financial year, hedge accounting was used for cash flow hedges. In addition to foreign currency hedges, in the financial year there were a total of two (previous year: two) interest hedging relationships to safeguard variable payments from interest rate swaps and promissory notes.

The market values of the derivatives are calculated on the basis of the conditions prevailing at the balance sheet date, such as interest or exchange rates, and applying recognized models, such as discount cash flow or option price models. The market values of the foreign exchange forward contracts are defined on the basis of future anticipated payment flows taking into account current reference rates and forward premiums and discounts. The market values of the interest rate swaps are determined on the basis of discounted future payment flows, applying the market interest rates applicable to the respective residual terms of the derivatives.

Inventories and advances received

Inventories of finished goods and work in progress as well as stock for trade and raw materials and supplies, are measured at acquisition costs or manufacturing costs or at the lower net realizable value on the balance sheet date, in accordance with IAS 2. Down payments received for orders that do not represent construction contracts are listed as assets and openly deducted from inventories, provided manufacturing costs have already been incurred for the corresponding contract. All other down payments received are listed under Equity and Liabilities. The net realizable value is the estimated achievable selling price in the ordinary course of business less the estimated costs through to completion and the estimated necessary selling costs. Raw materials and supplies are valued mainly at floating average cost. Where the machinery and accessories classified as finished goods and stock for trade and primarily held for sale, are rented out for a short period as a secondary sales promotion measure, the following factors are considered in determining their net realizable values:

- Rental period
- Useful life of the machines
- Damage and inoperability

Where the net realizable value of previously written-down inventories has increased, corresponding value recovery adjustments are made. The manufacturing costs include all direct costs of the manufacturing process. The level of impairment on inventories is explained in accordance with IAS 2 under “Inventories.”

Construction contracts

Customer-specific construction contracts are recognized according to the percentage of completion. The work performed, including the pro-rata share of income, is mainly shown under revenue on a period-by-period basis and according to the percentage of completion. The method that most reliably measures the services provided is used to determine the progress of a project. Both input- and output-based methods can be consistently applied to similar contractual obligations and similar circumstances. The BAUER Group mainly uses input-based methods (for example, cost-to-cost method of profit recognition according to the stage of completion), in particular for the determination of revenues from construction contracts. Revenues and contract modifications (contract amendments and change orders) are recognized in accordance with IFRS 15 if it is highly probable that these contract modifications will not result in a material cancellation. Tender costs are capitalized if it is probable that they can be settled and they would not have been incurred if the order had not been received. Contract performance costs that are incurred before the start of the contract are capitalized if a settlement is expected and amortized over the contract term. BAUER AG has no contracts for which the period until transfer of the work owed to the customer constitutes a financing component. Accordingly, no transaction price will be adjusted by the fair value of the money. The contracts are reported under contract assets or contract liabilities. Construction contracts are recognized as assets under contract assets if the cumulative work performed (order costs and contract profit/loss) exceeds the advance payments in certain cases. If the total anticipated costs for the fulfillment of the contract obligation exceed the total anticipated sales revenues, provisions for impending losses are formed. In general, building contracts and service contracts include warranty periods and periods for the notification of defects following the completion of the project. These obligations are not considered as separate service obligations and are therefore included as estimates in the total contract costs. Where necessary, amounts are recorded under provisions in accordance with IAS 37.

These sales revenues can also include out-of-period sales resulting from final invoice agreements and sales corrections in the Geotechnical Solutions and Resources segments.

Cash and cash equivalents

Cash and cash equivalents comprise cash and sight deposits with an original term of no more than three months.

Deferred taxes

In accordance with IAS 12, deferred taxes are taken into account in respect of deviations between the valuations of assets and liabilities according to IFRS and their corresponding tax bases in the amount of the projected future tax charge or refund. In addition, deferred tax assets are recognized for future advantages arising from tax losses carried forward, provided it is probable that they will be realized.

Deferred taxes arising from temporary differences in connection with participations in subsidiaries and associated companies are recognized, unless the date of reversal of the temporary differences can be determined by the Group and it is likely that the temporary differences will not be reversed again in the foreseeable future because of this effect.

According to IAS 12.74, deferred tax assets and liabilities are to be offset if a legally enforceable right to set off current tax assets against current tax liabilities exists. Offsetting should also be carried out if the deferred tax assets and liabilities relate to income taxes levied by the same tax authority in respect of:

- either the same taxable entity or
- different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the obligations simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

The tax expenditure for the period comprises current and deferred taxes. Taxes are reported in the income statement, unless they relate to items recognized directly in the equity or in the other comprehensive income. In this case, the taxes are likewise recognized in the equity or in the other comprehensive income.

In Germany, income taxes and deferred taxes are stated on the basis of corporation tax, the “solidarity surcharge” and trade tax, in a range of 27.13% to 32.95% (previous year: 29.13% and 32.95%). Outside Germany, income tax rates of between 0.00% and 31.00% are applied (previous year: 0.00% and 32.00%).

Deferred tax assets and liabilities are evaluated in Germany and internationally at the tax rates which are expected to apply at the time of realizing the asset or fulfilling the liability. The gradual reduction in corporation tax resolved on July 11, 2025 for Germany under the “Law for an immediate tax investment program to strengthen German as a business location,” amounting to one percent annually for the financial years from 2028 to 2032, was taken into account.

When reporting any uncertainties concerning income tax in the balance sheet, the individual income tax treatment is generally applied. Insofar as it is not probable that an income tax treatment will be accepted by the local tax authorities, the BAUER Group uses the amount with the highest probability when determining the taxable profits as well as the tax base. The tax returns of the companies in the BAUER Group are regularly audited by German and foreign tax authorities. Taking into account a variety of factors, including the interpretation, commentaries and case-law concerning the respective tax legislation, as well as the experiences from the past, provisions are formed for potential future tax obligations to the appropriate extent, insofar as this is apparent and probable.

In the financial year, the BAUER Group continued to intensively address the potential effects due to the introduction of global minimum tax (Pillar Two). During the initial investigation, impact analysis was carried out based on existing financial data for all jurisdictions in which BAUER is active. Many data points that are relevant for Pillar Two were not yet available at the time of evaluation, which is why estimates were made. Taking into account existing and estimated data points and the analysis building on that, we anticipate that the effects of Pillar Two on the BAUER Group will be of minor significance particularly in the first years of its application. Particularly the simplification rules existing at the start (“safe harbor”) give rise to the expectation of a low additional tax burden. Effects due to the plan for the safe harbor rules to weaken or be removed over the course of time cannot yet be estimated at the moment, as further legal changes are expected here.

The obligatory exemption due to the change in IAS 12 regarding the accounting of deferred taxes in connection with Pillar Two was applied in the financial year.

Provisions

a) Provisions for pensions

The BAUER Group operates a number of provisions for pensions in Germany and internationally.

Typically, such plans define an amount of pension payments which employees will receive on retirement and which is normally dependent on one or more factors (such as age, years of service and salary).

The provisions for pensions on the balance sheet corresponds to the present value of the defined benefit obligation (DBO) at the balance sheet date, less the fair value of the plan assets. The DBO is calculated annually by an independent actuary applying the projected unit credit method. The present value of the DBO is calculated by discounting the expected future inflow of funds at the interest rate of industrial bonds of the highest credit rating. The industrial bonds are denominated in the currency of the disbursements, and have terms corresponding to the pension commitments. In countries where the market in such bonds is insufficiently developed, government bonds are applied.

Actuarial gains and losses based on experience-related adjustments to actuarial assumptions are recognized in the “Other comprehensive income” in the equity in the period in which they occur. Post-employment expenditure is recognized in personnel expenses and the interest portion of the addition to provisions in financial expenses.

Under the contribution-based provisions for pensions, the entity concerned makes payments to pension institutions that are stated in the personnel expenses.

b) Tax provisions

Tax provisions include obligations from current income taxes. Income tax provisions are balanced against corresponding tax refund claims, provided they arise in the same tax territory and are identical in nature and in terms of due date.

c) Other provisions

The other provisions are created in accordance with IAS 37 where a present obligation arises from a past event, a relevant claim is more likely than unlikely, and the amount of the claim can be reliably estimated. The provisions are stated at their expected performance amount, and are not netted against profit contributions. Long-term provisions are recognized at present value. Provisions are created only for legal or constructive obligations to third parties. The evaluation is based on best estimates and takes into account expected future cost increases.

Sales revenues

Sales revenues from contracts with customers are realized after deducting value-added tax and other taxes, reduced by anticipated losses in income. Sales revenues are recorded as soon as control of the asset has been transferred to the customer. In the BAUER Group, sales revenues can be based on a point in time or based on a period of time. Revenues based on a period of time are realized when one of the following prerequisites is met:

- The customer receives the benefits of the service and makes use of the service at the same time that it is being performed,
- an asset is created and control of the asset passes over to the customer while the asset is still being created or
- an asset is created that has no other possible use for the BAUER Group.

In addition, the progress of performance must be measurable.

For clarification on the accounting of sales revenues from construction contracts, we refer to the section of the same name. Sales revenues from the rental of used machines relate to operating lease relationships with customers. The accounting of rental revenues is clarified in the "Leasing" section under "Accounting for lessor transactions."

If none of the above prerequisites applies, the BAUER Group records its sales revenues based on the point in time. This routinely includes sales revenues from the sale of machines and equipment, as well as corresponding accessories.

The transaction price corresponds to the consideration that we expect to obtain for the transfer of promised goods or services. Variable considerations are components of the transaction price that were not yet fixed at the time the contract was concluded. For example, these include discounts, reductions, credits or penalty payments. Variable components are estimated at the expected value or the most probable amount if this is considered to be highly probable.

Specific payment conditions may apply for individual countries concerning the time of measuring the transaction price. These are usually 30 days in Germany. Warranty provisions are formed for anticipated warranty obligations. In the BAUER Group there are no significant repurchase, reimbursement or other obligations that impact revenue recognition.

Other income and expenses

Dividend income is recognized at the date on which the right to receipt of payment is created. Dividends received from companies over which we do not exercise control, and where neither joint control nor decisive influence are involved, are recognized as income from operating participations under "Financial income."

Operating expenses, operating income, financial income and expenses are recognized as affecting net income when the supply or service is claimed or at the time they are caused, as appropriate.

6. GROUP SEGMENT REPORTING

The internal organizational and management structure and the internal system of reporting to the Executive Board and Supervisory Board form the basis for the segmentation employed by the BAUER Group.

The BAUER Group comprises the Geotechnical Solutions, Equipment, Resources and Corporate Services segments. Transactions between the segments are conducted at market prices.

SCHACHTBAU NORDHAUSEN GmbH operates in both the Equipment and Resources segments. The assets and liabilities and income statement items of SCHACHTBAU NORDHAUSEN GmbH were assigned to the relevant segments.

Geotechnical Solutions

The **Geotechnical Solutions** segment applies all the established methods and techniques of specialist foundation engineering all over the world. These include executing complex excavation pits and foundations for large-scale infrastructure projects and buildings, as well as cut-off walls and soil improvements.

On the one hand, the construction markets are handled by local subsidiaries that support one another in networks, and on the other hand, large projects in countries without a local company are carried out by pooling capacities from all over the world. From Germany, support services are provided by means of central service functions and standards are set for the subsidiaries of each segment.

Equipment

In the **Equipment segment**, BAUER is a provider for a full range of equipment for specialist foundation engineering as well as for the exploration, mining and extraction of natural resources. In addition to its headquarters in Schrobenhausen, the Equipment segment operates a worldwide distribution network and production facilities in Germany, China, Malaysia, Russia, India, Italy, Turkey and the USA.

Resources

The **Resources segment** focuses on the development, production and execution of innovative products and services and acts as a service provider with several business divisions and subsidiaries in the areas of drilling services and water wells, environmental services, constructed wetlands, mining and rehabilitation. The areas of expertise include water extraction and drilling technologies, brownfield remediation and waste management along with water treatment and building rehabilitation.

Corporate Services

The **Corporate Services segment** encompasses services (accounting, personnel, IT, etc.) provided by BAUER AG for the Group companies. This also comprises the other units not assignable to the separately listed segments, which provide services such as in-house and external education and training as well as centralized research and development or work in the offshore area. In the 2025 financial year, EUR 9,900 thousand (previous year: 328) were included in this segment for distribution payments by Group subsidiaries to the parent company.

Consolidation

The intersegmental consolidation effects are grouped here under **Consolidation**. This includes offsetting of intra-group sales between the segments as well as income and expenses and interim results. The intersegmental consolidation effects are adjusted within the respective business area. The distribution payments stated in the Corporate Services segment are included in the offsetting of the interim results.

The segment earnings after tax reflect the financial income and expenses as well as the income tax expense. The assets and liabilities of the segment incorporate all the assets and liabilities of the Group. The non-current assets stated in the segment report by region comprise intangible assets and property, plant and equipment.

Total Group revenues, consolidated revenues and sales revenues with third parties

The consolidated revenues reflect the performance of all the companies included in the basis of consolidation. The total Group revenues represent the revenues of all the companies forming part of our Group. The difference between the consolidated revenues and the total Group revenues is derived from the revenues of the associated companies and joint ventures, from our subcontractor shares in consortia and from the revenues of non-consolidated companies.

The sales revenues with third parties are allocated to the business segments according to the customer's location.

No single customer accounts for more than 10% of total sales.

No breakdown of sales revenues by product and service, or by groups of comparable products and services, was available as per the balance sheet date.

Group segment reporting

SEGMENT REPORT BY BUSINESS SEGMENT

in EUR thousand	Geotechnical Solutions		Equipment		Resources	
	2024	2025	2024	2025	2024	2025
Total Group revenues	1,191,376	753,258	789,372	728,569	270,808	292,776
Sales revenues with third parties	1,121,669	693,028	680,000	687,739	233,382	244,475
Sales revenues between the segments	6,423	10,638	60,249	41,925	2,963	4,794
Changes in inventories	0	0	13,288	-32,064	-1,146	2,642
Other own work capitalized	206	333	5,091	3,582	304	504
Other income	32,674	19,822	14,869	11,767	3,381	8,110
Consolidated revenues	1,160,972	723,821	773,497	712,949	238,884	260,525
Impairment losses on investments accounted for using the equity method	0	0	0	0	0	0
Income from investments accounted for using the equity method	3,434	5,362	1,141	363	7,676	12,608
Earnings before interest, tax, depreciation and amortization (EBITDA)	102,150	123,570	106,682	79,247	22,026	37,775
Depreciation of fixed assets	-64,830	-45,394	-40,038	-50,982	-9,584	-13,627
Write-downs of inventories due to use	0	0	-17,859	-18,833	0	0
Earnings before interest and tax (EBIT)	37,320	78,176	48,785	9,432	12,442	24,148
Financial income	31,771	23,024	13,684	17,346	1,998	2,075
Financial expenses	-37,306	-43,801	-40,526	-40,888	-5,049	-3,840
Income tax expense	-26,710	-28,460	-10,630	-9,514	-1,424	-3,758
Earnings after tax	5,075	28,939	11,313	-23,624	7,967	18,625
ADDITIONAL INFORMATION ON THE INCOME STATEMENT						
Sales revenues with third parties based at a point in time	0	0	680,000	687,739	66,229	59,452
Sales revenues with third parties based over time	1,121,669	693,028	0	0	167,153	185,023
Impairment of fixed assets	-290	-894	-225	-21,433	-502	-4,619
Major non-cash segment items						
Impairment of financial assets	0	0	0	0	0	-25
Impairment of inventories	-499	0	-12,939	-18,149	-132	-243
Allocation of impairment for receivables	-25,851	-25,573	-3,234	-4,621	-1,858	-2,891
Reversal of impairment for receivables	3,655	14,415	2,198	2,217	1,518	1,518
ADDITIONAL INFORMATION ON THE BALANCE SHEET						
SEGMENT ASSETS DECEMBER 31	666,902	620,922	912,768	813,359	219,033	249,911
of which shares in associated companies recognized in the balance sheet using the equity method	5,941	10,520	12,811	9,854	51,355	56,806
of which capital investments in fixed assets	117,583	81,113	57,802	40,541	21,497	9,805
SEGMENT LIABILITIES DECEMBER 31	519,981	442,312	574,784	520,247	127,820	144,352

Corporate Services		Total of the segments		Consolidation		Group	
2024	2025	2024	2025	2024	2025	2024	2025
56,858	78,398	2,308,414	1,853,001	-125,007	-127,767	2,183,407	1,725,234
831	2,672	2,035,882	1,627,914	0	0	2,035,882	1,627,914
55,945	60,729	125,580	118,086	-125,580	-118,086	0	0
0	0	12,142	-29,422	0	0	12,142	-29,422
0	0	5,601	4,419	3,511	2,045	9,112	6,464
81	14,997	51,005	54,696	-835	-10,582	50,170	44,114
56,857	78,398	2,230,210	1,775,693	-122,904	-126,623	2,107,306	1,649,070
0	0	0	0	0	0	0	0
0	0	12,251	18,333	0	0	12,251	18,333
-4,502	5,432	226,356	246,024	-2,424	-11,323	223,932	234,701
-4,341	-4,775	-118,793	-114,778	1,785	1,879	-117,008	-112,899
0	0	-17,859	-18,833	0	0	-17,859	-18,833
-8,843	657	89,704	112,413	-639	-9,444	89,065	102,969
19,827	13,159	67,280	55,604	-20,280	-12,999	47,000	42,605
-23,220	-15,762	-106,101	-104,291	20,500	12,999	-85,601	-91,292
-2,201	-214	-40,965	-41,946	202	171	-40,763	-41,775
-14,437	-2,160	9,918	21,780	-217	-9,273	9,701	12,507
831	2,672	747,060	749,863	0	0	747,060	749,863
0	0	1,288,822	878,051	0	0	1,288,822	878,051
0	0	-1,017	-26,946	0	0	-1,017	-26,946
0	0	0	-25	0	0	0	-25
0	0	-13,570	-18,392	0	0	-13,570	-18,392
-10	-28	-30,953	-33,113	4	0	-30,949	-33,113
0	7	7,371	18,157	0	0	7,371	18,157
499,191	493,744	2,297,894	2,177,936	-614,260	-638,081	1,683,634	1,539,855
0	0	70,107	77,180	0	0	70,107	77,180
5,517	10,478	202,399	141,937	-2,557	-1,271	199,842	140,666
280,162	276,619	1,502,747	1,383,530	-321,095	-345,653	1,181,652	1,037,877

SEGMENT REPORT BY REGION

in EUR thousand	Germany		Europe		Middle East	
	2024	2025	2024	2025	2024	2025
Total Group revenues	445,592	458,960	732,995	319,119	280,584	238,217
Sales revenues with third parties	383,300	423,488	713,093	306,908	283,440	224,659
Intangible assets, property, plant and equipment, December 31	253,614	236,573	44,227	35,507	46,565	43,789

Asia-Pacific		Americas		Africa		Group	
2024	2025	2024	2025	2024	2025	2024	2025
333,506	296,580	360,770	353,352	29,960	59,006	2,183,407	1,725,234
264,406	264,166	356,660	349,988	34,983	58,705	2,035,882	1,627,914
95,877	71,248	77,918	72,344	6,262	6,991	524,463	466,452

EXPLANATORY NOTES TO THE CONSOLIDATED INCOME STATEMENT

7. SALES REVENUES

The sales revenues generated in the amount of EUR 1,627,914 thousand (previous year: 2,035,882) include revenues based over time, goods and services delivered to consortia as well as sales revenues from the sale and rental of equipment and accessories.

Sales revenue from leased equipment and accessories amounted to EUR 38,774 thousand in the financial year (previous year: 32,768).

Sales revenues provide only an incomplete picture of the performance in the financial year. Figures are therefore transferred to total Group revenues in the following sections:

in EUR thousand	2024	2025
Sales revenues	2,035,882	1,627,914
Changes in inventories	12,142	-29,422
Other own work capitalized	9,112	6,464
Other income	50,170	44,114
Consolidated revenues	2,107,306	1,649,070
Subcontractor share in consortia	15,206	17,382
Revenues of associated companies and joint ventures	43,548	43,111
Revenues of non-consolidated companies	28,419	35,233
Intra-group revenues	-11,072	-19,562
Total Group revenues	2,183,407	1,725,234

Sales revenues were made up of the sales revenues based on point in time in the amount of EUR 711,296 thousand (previous year: 747,060) and sales revenues based on period of time in the amount of EUR 897,928 thousand (previous year: 1,288,822). Sales revenues included EUR 5,077 thousand in net out-of-period sales (previous year: 4,120) resulting from final invoice agreements and sales corrections in the Geotechnical Solutions segment. The revenue correction in the previous year involved variable transaction components that were recognized in the past. A potential reversal of sales was not assumed as part of project management. The matter concerned a change in the transaction price in accordance with IFRS 15.88. In the Geotechnical Solutions segment, final invoices, for example, may include supplementary items that have not yet been finally negotiated with the client and ordered. These may prove uncertain. A revenue correction is applied to these amounts. Should the uncertain amount turn out to be recoverable, the corresponding sales revenue will be realized.

The following table shows current contractual obligations that have been initiated but not yet fully met as well as the expected revenue to be realized:

in EUR thousand	2024	2025
Unfulfilled contractual obligations	766,548	731,808
Expected realization within 1 year	515,699	515,063
Expected realization in 1 to 5 years	250,849	216,745
Expected realization after 5 years	0	0

8. OTHER OWN WORK CAPITALIZED

in EUR thousand	2024	2025
Income from other own work capitalized	9,112	6,464

9. OTHER INCOME

in EUR thousand	2024	2025
Income from disposal of property, plant and equipment	8,752	11,008
Income from insurance refunds	5,699	13,088
Other income from rentals	3,472	1,032
Earnings from non-consolidated subsidiaries	319	2,172
Effects from de-consolidation and transitional consolidations	13,486	557
Other operating income	18,442	16,257
Total	50,170	44,114

Additionally, the other operating income mainly comprises income from other reimbursements of expenditure as well as other income spread across the companies in the basis of consolidation which is of minor importance in the individual instances.

10. COST OF MATERIALS

in EUR thousand	2024	2025
Expenses for raw materials and supplies and purchased goods	837,980	449,389
Expenses for purchased services	307,503	280,856
Total	1,145,483	730,245

The expenses for purchased services included short-term external device rentals in the amount of EUR 33,043 thousand (previous year: 51,274). This relates to large devices for short-term building site activities with a term of 3 to 6 months.

11. PERSONNEL EXPENSES

The expenses for retirement benefits include the expenditure on benefits as well as the allocations to provisions for pensions excluding the interest portion, which is stated under "Interest and similar expenses." Allocations to anniversary provisions are also reported without the interest portion under Wages and salaries.

in EUR thousand	2024	2025
Wages and salaries	401,926	399,603
Social security contributions	69,589	71,253
Expenses for retirement benefits	8,614	7,760
Other personnel expenses	0	115
Total	480,129	478,731

The employer's pension contributions in the financial year totaled EUR 26,575 thousand (previous year: 25,485). These are contribution-based schemes, as explained under 5.2 "Significant accounting policies in the Group." Of that total, EUR 22,361 thousand (previous year: 20,796) relate to Germany and EUR 4,214 thousand (previous year: 4,689) relate to other countries. The wages and salaries include exceptional expenses for personnel measures in the amount of EUR 8,641 thousand (previous year: 5,105). Of that total, EUR 8,078 thousand (previous year: 0) relate to additions to provisions for personnel.

12. OTHER OPERATING EXPENSES

in EUR thousand	2024	2025
Losses from disposal of property, plant and equipment	2,993	6,484
Leasing expenses	16,302	16,922
Energy, heating, water	4,387	3,884
Vehicle costs	4,015	4,119
Property, motor vehicle and transport insurance	17,212	20,749
Other operating expenses	16,897	13,720
Administrative expenses	53,195	50,890
Distribution costs	53,891	49,474
Other employee-related expenses	25,395	18,951
Result from uncollectable receivables	2,982	15,863
Bank charges	3,778	1,618
Duties	2,248	4,587
Accrued expenses	901	918
Other taxes	5,609	4,441
Effects from de-consolidation and transitional consolidations	10,155	1,112
Additional other operating expenses	29,457	9,994
Total	249,417	223,726

The "Additional other operating expenses" mainly comprise allocations to and reversal of provisions affecting net income as well as additional other operating expenses spread across the companies in the basis of consolidation which are of minor importance in the individual instances. The other employee-related expenses include education and training costs, grants and gifts, travel and relocation expenses, and other project-specific personnel costs. Other operating expenses include income of EUR 20,375 thousand (previous year: 13,600) resulting from the reversal of provisions and written off receivables. We refer to section 39 for further disclosures regarding the valuation allowances.

The leasing expenses include the expenses arising from short-term leasing relationships in the amount of EUR 15,459 thousand (previous year: 14,798) and low-value leasing expenses in the amount of EUR 1,463 thousand (previous year: 1,504). This does not include variable leasing payments that are not contained in the evaluation of the leasing liability.

13. IMPAIRMENT LOSSES AND REVERSALS IN ACCORDANCE WITH IFRS 9

The recorded impairment reversals in the amount of EUR 906 thousand (previous year: impairment losses -20,596) represent the credit losses expected in accordance with IFRS 9 and relate to trade receivables and contract assets. This includes income from the reversal of valuation allowances on receivables in the amount of EUR 17,096 thousand (previous year: 7,297). We refer to section 39 for further disclosures.

14. INCOME FROM SHARES ACCOUNTED FOR USING THE EQUITY METHOD

The income from shares accounted for using the equity method in the fiscal year is EUR 18,333 thousand (previous year: 12,251) and includes the income and loss shares of associated companies and joint ventures that were evaluated in accordance with the equity method.

in EUR thousand	2024	2025
Income from equity participations	7,070	8,388
Loss from equity participations	-559	-103
Income from consortia	6,152	10,381
Losses from consortia	-412	-333
Total	12,251	18,333

15. DEPRECIATION AND AMORTIZATION

Depreciation is as follows:

in EUR thousand	2024	2025
Depreciation of intangible assets	12,784	8,139
Depreciation of property, plant and equipment	104,224	104,760
Total	117,008	112,899

Impairments of fixed assets are explained under item 21.2, "Property, plant and equipment."

16. WRITE-DOWNS OF INVENTORIES DUE TO USE

Write-downs of inventories due to use in the financial year totaled EUR 18,833 thousand (previous year: 17,859). This related to depreciation of used machinery temporarily rented out to customers as sales promotion measures. Use-related depreciation of used machinery disposed of in the 2025 financial year is included in these figures.

FINANCIAL RESULT

17. FINANCIAL INCOME

The financial income including interest income which is determined according to the effective interest method is broken down as follows:

in EUR thousand	2024	2025
Income from operating participations	6,075	163
Other interest and similar income	7,610	4,097
Income from changes in the fair value of interest rate swaps	85	4,756
Income from foreign currency translation from financing activities	33,230	33,589
Total	47,000	42,605

18. FINANCIAL EXPENSES

The financial expenses are broken down as follows:

in EUR thousand	2024	2025
Interest and similar expenses	38,577	33,136
Losses from changes in the fair value of interest rate swaps	7,003	34
Interest portions of allocations to provisions for pensions and similar obligations	4,010	4,062
Losses from foreign currency translation from financing activities	36,011	54,060
Total	85,601	91,292

The interest from lease transactions included under “Interest and similar expenses” in the financial year totaled EUR 3,029 thousand (previous year: 3,433). The financial result includes interest income from financial assets in an amount of EUR 4,060 thousand (previous year: 7,586) and interest expenses from financial liabilities in an amount of EUR 25,869 thousand (previous year: 30,511) which were not measured at fair value affecting profit and loss. The interests and similar expenses include evaluation effects due to hyperinflation at a company in Turkey in the amount of EUR 399 thousand (previous year: 178).

19. INCOME TAX EXPENSE

The income tax expense is broken down as follows:

in EUR thousand	2024	2025
Actual taxes	31,837	33,640
Deferred taxes	8,926	8,135
Total	40,763	41,775

The theoretical tax rate is 29.13% (previous year: 29.13%). The actual taxes include recorded adjustments for out-of-period actual income tax in the amount of EUR -1,135 thousand (previous year: -1,889).

Reconciliation from expected to actual income tax expense

The expected tax expenditure is below the recorded tax expenditure. The reasons for the difference between the expected and recorded tax expenditure are as follows:

in EUR thousand	2024	2025
Earnings before tax (EBT)	50,464	54,282
Theoretical tax expenditure 29.13% (previous year: 29.13%)	14,700	15,812
Reconciliation		
Differences in tax rate	-4,308	-7,824
Taxation effects of non-deductible expenses and tax-free income	20,809	17,995
Effects of deviations in the tax calculation base	6,812	5,364
Valuation of associated companies using the equity accounting method	-3,569	-4,974
Out-of-period current and deferred tax effects	-266	1,816
Effects of deferred taxes in respect of losses carried forward and temporary differences	6,625	12,977
Other	-40	609
Taxes on income and profit	40,763	41,775

The tax effects of the non-deductible expenses and tax-free earnings contain effects from transitional consolidations and deconsolidations to the amount of EUR 151 thousand (previous year: 970) as well as effects from provisions for impending losses in the amount of EUR 0 thousand (previous year: 4,806). Internal disbursements result in taxation effects after December 31, 2025 totaling EUR 78 thousand (previous year: 3).

20. EARNINGS PER SHARE

The earnings per share are calculated by dividing the earnings after tax attributable to the shareholders of BAUER AG by the weighted average number of ordinary shares outstanding. Earnings per share amount to the following values:

	12M/2024	12M/2025
Earnings after tax attributable to the shareholders of BAUER AG, in EUR thousand	9,098	11,206
Weighted average number of shares in circulation in financial year (basic)	43,037,478	43,037,478
Weighted average number of shares in circulation in financial year (diluted)	43,037,478	43,037,478
Basic earnings per share in EUR	0.21	0.26
Diluted earnings per share in EUR	0.21	0.26

EXPLANATORY NOTES TO THE CONSOLIDATED BALANCE SHEET

The breakdown of the fixed asset items summarized on the balance sheet and their development is presented in the fixed asset movement schedule on the following pages.

NON-CURRENT ASSETS

21. FIXED ASSETS

21.1. Intangible assets

in EUR thousand		Internally generated intangible assets			
Acquisition and/or manufacturing costs	Licenses, software and similar rights and values	Goodwill	Capitalized software costs	Capitalized development costs	Total
January 1, 2024	49,129	378	0	54,644	104,151
Change in basis of consolidation	-144	0	0	0	-144
Additions	2,690	0	410	4,610	7,710
Disposals	1,397	0	0	757	2,154
Transfers	2,404	2,074	7	0	4,485
Currency adjustment	176	0	0	0	176
December 31, 2024	52,858	2,452	417	58,497	114,224

in EUR thousand		Internally generated intangible assets			
Accumulated depreciation	Licenses, software and similar rights and values	Goodwill	Capitalized software costs	Capitalized development costs	Total
January 1, 2024	38,111	378	0	37,755	76,244
Change in basis of consolidation	-144	0	0	0	-144
Additions	3,191	0	1	8,865	12,057
Disposals	1,397	0	0	663	2,060
Impairment expenses	225	502	0	0	727
Transfers	0	0	0	0	0
Currency adjustment	176	0	0	0	176
December 31, 2024	40,162	880	1	45,957	87,000
Carrying amount December 31, 2024	12,696	1,572	416	12,540	27,224

in EUR thousand					
Acquisition and/or manufacturing costs	Licenses, software and similar rights and values	Goodwill	Internally generated intangible assets		Total
			Capitalized software costs	Capitalized development costs	
January 1, 2025	52,858	2,452	417	58,497	114,224
Change in basis of consolidation	-351	0	0	-228	-579
Additions	1,807	0	0	3,702	5,509
Disposals and reclassifications pursuant to IFRS 5	382	0	44	2,168	2,594
Transfers	541	0	-358	0	183
Currency adjustment	-479	0	0	0	-479
December 31, 2025	53,994	2,452	15	59,803	116,264

in EUR thousand					
Accumulated depreciation	Licenses, software and similar rights and values	Goodwill	Internally generated intangible assets		Total
			Capitalized software costs	Capitalized development costs	
January 1, 2025	40,162	880	1	45,957	87,000
Change in basis of consolidation	-84	0	0	-2	-86
Additions	2,845	0	3	2,846	5,694
Disposals and reclassifications pursuant to IFRS 5	354	0	0	1,713	2,067
Impairment expenses	205	1,572	0	668	2,445
Transfers	0	0	0	0	0
Currency adjustment	-474	0	0	0	-474
December 31, 2025	42,300	2,452	4	47,756	92,512
Carrying amount December 31, 2025	11,694	0	11	12,047	23,752

Of the total research and development costs and patent costs incurred in 2025, EUR 4,138 thousand (previous year: 5,020) met the capitalization criteria in accordance with IFRS. The following amounts were recognized in net income:

in EUR thousand		
	2024	2025
Research costs and non-capitalized development costs	30,524	31,873
Depreciation of development costs and patents	9,616	3,962
Research and development costs recognized in net income	40,140	35,835

21.2. Property, plant and equipment

in EUR thousand

Acquisition and/or manufacturing costs	Land and buildings	Real estate held as a financial investment	Technical equipment and machinery	Other equipment, factory and office equipment	Payments on account and assets under construction	Total
January 1, 2024	405,806	0	644,047	104,496	23,472	1,177,821
Change in basis of consolidation	-5,735	0	-2,232	-2,608	4,474	-6,101
Additions	12,614	0	89,633	19,819	70,066	192,132
Disposals	3,963	0	99,601	7,678	36,531	147,773
Transfers	168	0	7,886	1,798	-14,337	-4,485
Currency adjustment	6,525	0	8,435	657	118	15,735
December 31, 2024	415,415	0	648,168	116,484	47,262	1,227,329

in EUR thousand

Accumulated depreciation	Land and buildings	Real estate held as a financial investment	Technical equipment and machinery	Other equipment, factory and office equipment	Payments on account and assets under construction	Total
January 1, 2024	190,324	0	426,769	75,179	797	693,069
Change in basis of consolidation	-5,163	0	-1,701	-2,638	0	-9,502
Additions	18,841	0	72,594	12,499	0	103,934
Disposals	2,778	0	56,730	7,109	0	66,617
Impairment expenses	200	0	90	0	0	290
Transfers	0	0	0	0	0	0
Currency adjustment	2,395	0	5,876	630	15	8,916
December 31, 2024	203,819	0	446,898	78,561	812	730,090
Carrying amount December 31, 2024	211,596	0	201,270	37,923	46,450	497,239
of which carrying amount of the rights of use as of December 31, 2024	14,307	0	34,123	9,797	0	58,227

The additions of right of use for the financial year 2025 amount to EUR 34,210 thousand (previous year: 23,963). The depreciations from rights of use in the financial year amounted to EUR 4,117 thousand for land and buildings (previous year: 5,417), for technical equipment and machinery, it amounted to EUR 15,250 thousand (previous year: 14,610) and for other equipment, factory and office equipment it amounted to EUR 4,411 thousand (previous year: 3,580).

in EUR thousand

Acquisition and/or manufacturing costs	Land and buildings	Real estate held as a financial investment	Technical equipment and machinery	Other equipment, factory and office equipment	Payments on account and assets under construction	Total
January 1, 2025	415,415	0	648,168	116,484	47,262	1,227,329
Change in basis of consolidation	0	0	-6,064	-1,060	0	-7,124
Additions	13,466	450	80,019	15,607	25,616	135,158
Disposals and reclassifications pursuant to IFRS 5	9,126	0	85,783	11,894	19,621	126,424
Transfers	25,427	2,305	14,408	-106	-42,217	-183
Currency adjustment	-14,629	0	-40,852	-3,721	-880	-60,082
December 31, 2025	430,553	2,755	609,896	115,310	10,160	1,168,674

in EUR thousand

Accumulated depreciation	Land and buildings	Real estate held as a financial investment	Technical equipment and machinery	Other equipment, factory and office equipment	Payments on account and assets under construction	Total
January 1, 2025	203,819	0	446,898	78,561	812	730,090
Change in basis of consolidation	0	0	-3,551	-764	0	-4,315
Additions	15,012	23	51,497	13,727	0	80,259
Disposals and reclassifications pursuant to IFRS 5	7,121	0	50,612	9,781	0	67,514
Impairment expenses	17,816	1,094	5,236	355	0	24,501
Transfers	-41	41	0	0	0	0
Currency adjustment	-5,041	15	-29,272	-2,716	-33	-37,047
December 31, 2025	224,444	1,173	420,196	79,382	779	725,974
Carrying amount						
December 31, 2025	206,109	1,582	189,700	35,928	9,381	442,700
of which carrying amount of the rights of use as of						
December 31, 2025	11,975	0	34,113	7,798	0	53,886

The item "Technical equipment and machinery" includes machines for which the primary purpose is rental to customers. In the financial year, the carrying amount of these machines totaled EUR 27,310 thousand (previous year: 24,063).

Future payment obligations from orders that were not yet recognized on the balance sheet (purchase commitments) were EUR 4,524 thousand (previous year: 11,769) as at December 31, 2025. This value primarily resulted from various open orders for the area of technical equipment and machinery for the companies SCHACHTBAU NORDHAUSEN GmbH (EUR 1,026 thousand), BAUER Resources GmbH (EUR 442 thousand) and GWE GmbH (EUR 440 thousand) as well as BAUER Aktiengesellschaft (EUR 2,021 thousand).

The changes to the basis of consolidation in the area of the fixed assets primarily resulted in the current financial year from the deconsolidation of the companies listed under section 2. Basis of consolidation.

Items of property, plant and equipment have a carrying amount of EUR 68,083 thousand (previous year: 81,183) and are subject to encumbrances such as mortgages and chattel mortgages.

There are also standard restraints on disposal of leased assets, which are attributable to the Group in accordance with IFRS 16 and amount to EUR 53,886 thousand (previous year: 58,227).

No borrowing costs were capitalized in the financial year (previous year: kEUR 0).

Fixed assets were impaired by a total of EUR 26,946 thousand in the financial year (previous year: 1,017). These amounts also include write-ups. These allocations and depreciations are attributable in the amount of EUR 894 thousand (previous year: 290) to the Geotechnical Solutions segment, in the amount of EUR 21,433 thousand (previous year: 225) to the Equipment segment and in the amount of EUR 4,619 thousand (previous year: 502) to the Resources segment. The impairment pertains to intangible assets in the amount of EUR 2,445 thousand (previous year: 727) and to property, plant and equipment in the amount of EUR 24,501 thousand (previous year: 290). The impairment of intangible assets is distributed as follows: Concessions, industrial property rights and similar rights EUR 100 thousand, capitalized patent costs EUR 105 thousand, goodwill EUR 1,572 thousand as well as capitalized development costs EUR 668 thousand. The impairment of property, plant and equipment relate to developed land and buildings in the amount of EUR 17,816 thousand (previous year: 200), investments held as financial assets in the amount of EUR 1,094 thousand (previous year: 0), and technical equipment and machinery in the amount of EUR 5,236 thousand (previous year: 90) and other equipment, operating and office equipment in the amount of EUR 355 thousand (previous year: 0). The impairments are distributed among the following balance sheet items and companies:

- Concessions, industrial property rights and similar rights and values: KLEMM Bohrtechnik GmbH, EUR 100 thousand (recoverable amount: EUR 391 thousand)
- Capitalized patent costs: BAUER Maschinen GmbH, EUR 105 thousand (recoverable amount: EUR 0 thousand)
- Goodwill: Need for impairment of cash-generating unit Sadurski Erdwärme GmbH, EUR 1,572 thousand (recoverable amount: EUR 3,410 thousand due to changes in company planning)
- Capitalized development costs: BAUER Maschinen GmbH, EUR 344 thousand (recoverable amount: EUR 335 thousand), KLEMM Bohrtechnik GmbH, EUR 296 thousand (recoverable amount: EUR 286 thousand), and EURODRILL GmbH EUR 28 thousand (recoverable amount: EUR 61 thousand)
- Developed land and buildings: GWE GmbH EUR 2,212 thousand (recoverable amount: EUR 6,514 thousand; reason: fire in a hall), BAUER Maschinen GmbH EUR 1,460 thousand (recoverable amount: EUR 323 thousand; reason: Devaluation of building WA West due to non-use) and SCHACHTBAU NORDHAUSEN GmbH EUR 3,540 thousand (recoverable amount: EUR 2,315 thousand; reason: Devaluation of various buildings and halls due to restricted use as a result of relocating production)
- Developed land and buildings: Need for impairment of cash-generating units GWE Budafilter Kft. EUR 779 thousand (recoverable amount: EUR 2,029 thousand due to changes in company planning), BAUER Tianjin Technologies Co. Ltd. EUR 8,898 thousand (recoverable amount: EUR 30,083 thousand due to changes in company planning) as well as BAUER Equipment (Malaysia) Sdn. Bhd. EUR 1,127 thousand (recoverable amount: EUR 10,943 thousand due to changes in company planning)
- Developed land and buildings, leasing: BAUER Spezialtiefbau Schweiz AG, EUR 200 thousand (reason: write-up of the devaluation that was made in the last financial year)
- Real estate held as a financial investment, BAUER (MALAYSIA) SDN. BHD., EUR 1,094 thousand, (recoverable amount: EUR 1,134 thousand; reason: devaluation on the assessment value)

- Technical equipment and machinery: SCHACHTBAU NORDHAUSEN GmbH EUR 2,934 thousand (recoverable amount EUR 3,877 thousand; reason: restricted use or non-use due to relocation of production) and BAUER Emirates Environment Technologies & Services LLC, EUR 55 thousand (recoverable amount: EUR 0 thousand; reason: devaluation due to planned sale of the company and the equipment no longer required as a result)
- Technical equipment and machinery: Need for impairment of cash-generating units BAUER Macchine Italia Srl. EUR 1,708 thousand (recoverable amount: EUR 20,332 thousand due to changes in company planning) and BAUER Maszyny Polska Sp.z.o.o. EUR 539 thousand (recoverable amount: EUR 6,309 thousand due to changes in company planning)
- Other equipment, operating and office equipment: SCHACHTBAU NORDHAUSEN GmbH EUR 355 thousand (recoverable amount: EUR 295 thousand; reason: restricted use or non-use due to relocation of production)

The impairments on the cash-generating units were applied on the basis of the recoverable amount. The recoverable amount is determined based on the segment-specific average capital costs (WACC). For cash-generating units with an increased risk, country-specific risk premiums are also applied. Where necessary, inflation differentials are taken into account to ensure consistency between the underlying cash flows and the discounting interest rate. The applied discounting rates fell in a range between 8.36% and 12.15%. Effects on other non-financial assets were of minor importance in the financial year.

For the first time, the item "Real estate held as a financial investment" in the financial year included real estate which is not intended for own use or for sale in the course of normal business activities, but instead which is held for generating rental income or increasing value. On the balance sheet date, the carrying amount of this real estate was EUR 1,582 thousand (previous year: 0). The evaluation is based on the acquisition costs model pursuant to IAS 40, which means that real estate is recognized at the amortized acquisition or manufacturing costs, less cumulative depreciations and any impairments. On the balance sheet date, the fair value of the real estate held as a financial investment amounted to EUR 3,163 thousand (previous year: 0) and is therefore above the recognized carrying amount. The real estate is allocated to the Geotechnical Solutions segment. On the balance sheet date, there are no restrictions with regard to the salability of the real estate. In the year under review, no rental income was recorded from this real estate, as the reclassification into the balance sheet item "Real estate held as a financial investment" was only effected at the end of the year.

21.3. Investments recognized using the equity method

The balance sheet approaches of the joint ventures and associated companies developed as follows:

in EUR thousand	2024	2025
Shares in joint ventures accounted for using the equity method	31,144	41,415
Shares in associated companies accounted for using the equity method	38,963	35,765
Total	70,107	77,180

The following table provides an overview of the changes in investments accounted for using the equity method:

in EUR thousand	Associated companies		Joint ventures	
	2024	2025	2024	2025
Acquisition and/or manufacturing costs				
January 1	67,638	68,302	27,424	31,144
Additions	0	0	0	0
Disposals	0	0	2,874	3,221
Profit/loss attributable	5,629	4,952	6,594	13,492
Dividend payments	-4,965	-8,150	0	0
Changes in basis of consolidation	0	0	0	0
Currency adjustment	0	0	0	0
December 31	68,302	65,104	31,144	41,415

in EUR thousand	Associated companies		Joint ventures	
	2024	2025	2024	2025
Accumulated depreciation				
January 1	29,339	29,339	0	0
Additions	0	0	0	0
Disposals	0	0	0	0
Changes in basis of consolidation	0	0	0	0
Currency adjustment	0	0	0	0
December 31	29,339	29,339	0	0
Carrying amount December 31	38,963	35,765	31,144	41,415

The amounts listed under the item "Change in basis of consolidation" only include values up until the date of full consolidation.

a) Joint ventures

The amounts stated in the financial information for joint ventures are recognized in the annual financial statements prepared in accordance with local financial reporting standards, corrected by any adjustments to IFRS. The reporting is 100.00% in each case.

These are the material joint ventures:

Financial year 2024:

Name	Company's activities	Capital share	Accounting policies
VE 30 Tunnel Hauptbahnhof joint venture	Construction consortium	10.00%	Equity method
"ETS" Shaft Konrad joint venture	Construction consortium	50.00%	Equity method
VE10 above-ground eastern section joint venture	Construction consortium	10.00%	Equity method
Backfill work A143 Halle BL 3.4.3 joint venture	Construction consortium	100.00%	Equity method
Kriegenbrunn Lock joint venture	Construction consortium	20.00%	Equity method

Financial year 2025:

Name	Company's activities	Capital share	Accounting policies
VE 30 Tunnel Hauptbahnhof joint venture	Construction consortium	10.00%	Equity method
"ETS" Shaft Konrad joint venture	Construction consortium	50.00%	Equity method
VE10 above-ground eastern section joint venture	Construction consortium	10.00%	Equity method
Backfill work A143 Halle BL 3.4.3 joint venture	Construction consortium	100.00%	Equity method
Kriegenbrunn Lock joint venture	Construction consortium	20.00%	Equity method

Summarized financial information on the material joint ventures (before consolidation):

in EUR thousand	2024					
	Sales revenues	Non-current assets	Current assets	of which liquid funds	Non-current debt	Current debt
VE 30 Tunnel Hauptbahnhof joint venture	55,240	16,916	300,220	42,340	0	292,835
“ETS” Shaft Konrad joint venture	20,737	534	67,765	20,959	0	35,874
VE10 above-ground eastern section joint venture	26,283	698	23,577	23,577	0	1,589
Backfill work A143 Halle BL 3.4.3 joint venture	6,925	0	7,660	29	0	7,612
Kriegenbrunn Lock joint venture	15,979	516	23,825	15,413	0	23,500

in EUR thousand	2025					
	Sales revenues	Non-current assets	Current assets	of which liquid funds	Non-current debt	Current debt
VE 30 Tunnel Hauptbahnhof joint venture	61,403	20,486	409,937	102,852	0	400,088
“ETS” Shaft Konrad joint venture	13,161	303	68,242	26,176	0	27,477
VE10 above-ground eastern section joint venture	25,405	216	53,851	51,336	0	20,626
Backfill work A143 Halle BL 3.4.3 joint venture	13,988	0	21,762	88	0	19,792
Kriegenbrunn Lock joint venture	55,162	6,419	5,229	21,830	0	6,862

In the 2025 financial year, the item “Share of the profit or loss from participations accounted for using the equity method” includes earnings from the aforementioned consortia under “Share of profit or loss from companies accounted for using the equity method” in the amount of EUR 8,712 thousand (previous year: 3,331).

Summarized financial information on the immaterial joint ventures (before consolidation):

BALANCE SHEET

in EUR thousand	Immaterial joint ventures	
	Dec. 31, 2024	Dec. 31, 2025
Non-current assets	5,853	6,949
Current assets	41,659	54,980
(of which cash and cash equivalents)	4,878	1,990
Total assets	47,512	61,929
Non-current debt	534	495
(of which non-current financial liabilities)	534	495
Current debt	33,835	41,456
(of which current financial liabilities)	2,827	5,811
Total debt	34,369	41,951

Non-current and current financial liabilities do not contain any trade payables and provisions.

INCOME STATEMENT

in EUR thousand	Immaterial joint ventures	
	Dec. 31, 2024	Dec. 31, 2025
Sales revenues	51,744	53,941
Scheduled depreciation and amortization	-3,027	-1,777
Earnings before interest and tax	12,007	11,293
Interest income	770	1,129
Interest expense	-4,394	-1,175
Income tax expense	-1,844	-1,661
Earnings after tax	6,539	9,586
Other comprehensive income	0	0
Total comprehensive income	6,539	9,586
Dividends distributed to the BAUER Group	0	0

Reconciliation to the summarized financial information on joint ventures

The proportional carrying amount of the joint ventures can be offset and reconciled as follows:

Financial year 2024:

in EUR thousand	Material joint ventures	Immaterial joint ventures
Net assets of joint ventures	80,301	13,142
Share in joint ventures according to investment quota	21,128	6,439
Goodwill and other adjustments	0	3,577
Carrying amount reported in the balance sheet	21,128	10,016

Financial year 2025:

in EUR thousand	Material joint ventures	Immaterial joint ventures
Net assets of joint ventures	111,601	19,978
Share in joint ventures according to investment quota	29,838	9,843
Goodwill and other adjustments	0	1,734
Carrying amount reported in the balance sheet	29,838	11,577

b) Associated companies

The amounts stated in the financial information for associated companies are recognized in the annual financial statements prepared in accordance with local financial reporting standards, corrected by any adjustments to IFRS. The reporting is 100.00% in each case.

These are the material associated companies:

Financial year 2024:

Name	Company's activities	Place of business	Capital share	Accounting policies
BAUER Nimr LLC	Water treatment and environmental services	Muscat, Al Mina, Sultanate of Oman	52.50%	Equity method
SPANTEC Spann- & Ankertechnik GmbH	Production	Schrobenhausen, Germany	40.00%	Equity method

Financial year 2025:

Name	Company's activities	Place of business	Capital share	Accounting policies
BAUER Nimr LLC	Water treatment and environmental services	Muscat, Al Mina, Sultanate of Oman	52.50%	Equity method
SPANTEC Spann- & Ankertechnik GmbH	Production	Schrobenhausen, Germany	40.00%	Equity method

BAUER Nimr LLC is classified as an associated company despite a majority of voting rights because no control can be asserted over business and financial policy under the partnership agreement.

Summarized financial information for BAUER Nimr LLC as well as SPANTEC Spann- & Ankertechnik GmbH is provided in the tables below. The amounts in the following table are presented before consolidation.

BALANCE SHEET

in EUR thousand	BAUER Nimr LLC		SPANTEC Spann- & Ankertechnik GmbH	
	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025
Non-current assets	61,095	49,337	6,614	1,593
Current assets	13,695	11,921	15,481	15,538
(of which cash and cash equivalents)	3,584	2,929	95	668
Total assets	74,790	61,258	22,095	17,131
Non-current debt	14,770	9,091	508	529
(of which non-current financial liabilities)	14,190	8,380	0	0
Current debt	8,760	7,365	4,413	4,849
(of which current financial liabilities)	5,023	4,357	0	0
Total debt	23,530	16,456	4,921	5,378

INCOME STATEMENT

in EUR thousand	BAUER Nimr LLC		SPANTEC Spann- & Ankertechnik GmbH	
	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025
Sales revenues	13,066	13,553	33,533	28,323
Scheduled depreciation and amortization	-593	-583	-369	-350
Earnings before interest and tax	6,794	7,122	3,791	3,845
Interest income	4,782	4,226	224	278
Interest expense	-1,467	-1,080	-106	-106
Income tax expense	-1,561	-1,530	-1,082	-1,113
Earnings after tax	8,548	8,738	2,827	2,904
Other comprehensive income	0	0	0	0
Total comprehensive income	8,548	8,738	2,827	2,904
Dividends distributed to the BAUER Group	4,965	4,830	0	3,320

Summarized financial information for associated companies, which are immaterial on their own (amounts before consolidation):

BALANCE SHEET

in EUR thousand	Immaterial associated companies	
	Dec. 31, 2024	Dec. 31, 2025
Non-current assets	949	31
Current assets	8,856	331
(of which cash and cash equivalents)	14	9
Total assets	9,805	362
Non-current debt	29	0
(of which non-current financial liabilities)	0	0
Current debt	3,753	141
(of which current financial liabilities)	0	0
Total debt	3,782	141

INCOME STATEMENT

in EUR thousand	Immaterial associated companies	
	Dec. 31, 2024	Dec. 31, 2025
Sales revenues	1,055	950
Scheduled depreciation and amortization	17	15
Earnings before interest and tax	12	-2
Interest income	1	1
Interest expense	4	4
Income tax expense	16	3
Earnings after tax	34	6
Other comprehensive income	0	0
Total comprehensive income	34	6
Dividends distributed to the BAUER Group	0	0

Reconciliation to the summarized financial information on associated companies

The proportional carrying amount of the associated companies can be offset and reconciled as follows:

Financial year 2024:

in EUR thousand	BAUER Nimr LLC	SPANTEC Spann- & Ankertechnik GmbH	Immaterial associated companies
Net assets of joint ventures	51,260	17,174	6,023
Share in joint ventures according to investment quota	26,912	6,870	1,807
Goodwill and other adjustments	-759	5,881	-1,747
Present value of concession arrangement	0	0	0
Carrying amount reported in the balance sheet	26,153	12,751	60

Financial year 2025:

in EUR thousand	BAUER Nimr LLC	SPANTEC Spann- & Ankertechnik GmbH	Immaterial associated companies
Net assets of joint ventures	44,802	11,753	221
Share in joint ventures according to investment quota	23,521	4,701	66
Goodwill and other adjustments	2,389	5,092	-4
Present value of concession arrangement	0	0	0
Carrying amount reported in the balance sheet	25,910	9,793	62

The other adjustments mainly include currency adjustments. There were no obligations and material restrictions or risks with regard to the shares in associated companies on the balance sheet date.

21.4. Participations**Additional financial information for participations****Financial year 2024:**

in EUR thousand	Deusa International GmbH	Immaterial participations
Fair value	2,996	176
Dividends recorded during the period for derecognized participations	0	0
Dividends recorded during the period for still held participations	164	0

Financial year 2025:

in EUR thousand	Deusa International GmbH	Immaterial participations
Fair value	864	172
Dividends recorded during the period for derecognized participations	0	0
Dividends recorded during the period for still held participations	72	0

22. DEFERRED TAXES

Deferred tax assets and liabilities pertained to the following balance sheet items:

in EUR thousand	Deferred tax assets		Deferred tax liabilities	
	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025
Intangible assets	8,124	6,447	7,282	6,600
Property, plant and equipment	4,116	7,508	4,937	9,840
Rights of use	1,045	62	4,020	3,843
Inventories	6,277	6,800	272	135
Contract assets	699	250	7,008	9,495
Other receivables and other assets	2,463	4,742	10,854	15,335
Provisions for pensions	13,731	10,369	0	0
Liabilities from lease agreements	3,362	4,243	24	50
Contract liabilities	381	495	166	0
Other provisions	7,323	6,667	1,256	14
Other liabilities	4,457	5,803	1,166	726
Losses carried forward	93,002	73,950	0	0
Valuation allowance on deferred tax assets	-79,171	-69,559	0	0
Consolidation	14,461	19,321	13,173	14,030
Offsetting	-29,203	-27,983	-29,203	-27,983
Net amount	51,071	49,115	20,953	32,085

In the table above, deferred tax assets to the amount of EUR 22 thousand (previous year: 60) and deferred tax liabilities in the amount of EUR 0 thousand (previous year: 7) are included in other liabilities, which is part of hedge accounting. In addition, in the provisions for pensions position, deferred tax assets in the amount of EUR 7,944 thousand (previous year: 11,241) and deferred tax liabilities in the amount of EUR 0 thousand (previous year: 0) are included for the actuarial income and losses recognized in equity. The deferred tax assets and deferred tax liabilities, which were generated as a result of hedge reserves and actuarial income and losses, were recognized under equity.

The share of current deferred tax assets without losses carried forward amounts to EUR 13,308 thousand (previous year: 13,630) and the share of deferred tax liabilities to EUR 12,293 thousand (previous year: 9,414).

With the announcement of the “Law for an immediate tax investment program to strengthen German as a business location” published July 18, 2025 in the Federal Law Gazette, regulatory measures were introduced in Section 23 (1) of the KStG including the gradual reduction of the corporation tax by 1% each year starting from the investment period of 2028 up to and including the investment period of 2032, from 15% to 10%. The expected date of conversion was forecast for the specific costs and the reduction in corporation tax rates was factored in during this process.

Deferred tax assets were capitalized for companies in the reporting period in the amount of EUR 11,740 thousand (previous year: 28,827), which can be realized in the future on the basis of the tax forecast calculation. Deferred tax assets are included in the amount of EUR 3,445 thousand (previous year: 7,295) from companies that recorded losses in the previous period or the current period.

The tax losses carried forward at the end of the year are as follows:

in EUR thousand	Dec. 31, 2024	Dec. 31, 2025
Domestic losses carried forward	86,779	87,395
Foreign losses	247,209	180,928
Total	333,988	268,323
Of which losses carried forward deductible for limited periods	111,996	96,893

No deferred taxes were recognized for unusable losses carried forward in the amount of EUR 216,066 thousand (previous year: 270,195) due to the medium-term income tax target. The statement regarding losses carried forward relates to temporary tax projections as of the reporting date. The definitively ascertained losses carried forward were recorded subsequently.

The share of current deferred tax assets in respect of losses carried forward amounted to EUR 3,769 thousand (previous year: 5,054).

Deferred tax liabilities arising from temporary differences in connection with participations in subsidiaries, shares in joint arrangements and associated companies are only recognized if the date of reversal of the temporary differences can be determined by the Group and it is likely that the temporary differences will not be reversed again in the foreseeable future because of this effect. This is not presently the case.

In connection with shares in subsidiaries, deferred taxes in the amount of EUR 7,675 thousand (previous year: 6,104) were not recognized for temporary differences.

23. NON-CURRENT TRADE RECEIVABLES

in EUR thousand	Dec. 31, 2024	Dec. 31, 2025
Non-current trade receivables	23,980	20,620

The non-current trade receivables primarily include non-current retentions from production orders. In the financial year, these amounted to EUR 19,761 thousand (previous year: 19,792).

The non-current trade receivables include cumulative valuation allowances totaling EUR 0 thousand (previous year: 0).

24. OTHER NON-CURRENT ASSETS

The other non-current assets comprise the following items:

in EUR thousand	Dec. 31, 2024	Dec. 31, 2025
Claims from backup insurance	6,712	6,260
Sundry other non-current assets	3,894	2,306
Total	10,606	8,566

The additional other non-current assets did not incur any interest in the financial and previous year.

25. OTHER NON-CURRENT FINANCIAL ASSETS

The other non-current financial assets comprise the following in the financial year:

in EUR thousand	Dec. 31, 2024	Dec. 31, 2025
Sundry other non-current financial assets	867	415
Receivables from derivatives	10,452	15,290
Shares in non-consolidated subsidiaries	20,683	22,179
Total	32,002	37,884

The additional other non-current assets contain receivables from derivatives and other non-current financial assets. The derivatives are presented in item 39 under "Other disclosures." Non-consolidated subsidiaries do include non-listed companies for which there is no active market. We refer to section 39 "Financial instruments" for the development of fair values of shares in non-consolidated subsidiaries.

ADDITIONAL FINANCIAL INFORMATION FOR SHARES IN NON-CONSOLIDATED SUBSIDIARIES

Financial year 2024:

in EUR thousand	BAUER Parts HUB (Singapore) Pte. Ltd.	BAUER Maschinen PARS LLC	BAUER EQUIPAMIENTOS DE PANAMA, S.A.	Immaterial shares in non-consolidated subsidiaries
Fair value	4,519	2,082	2,638	11,443
Dividends recorded during the period	0	0	0	5,910

Financial year 2025:

in EUR thousand	BAUER Parts HUB (Singapore) Pte. Ltd.	BAUER Foundations QLD Pty. Ltd.	BAUER Maschinen PARS LLC	Immaterial shares in non-consolidated subsidiaries
Fair value	2,833	1,828	1,782	15,736
Dividends recorded during the period	0	0	0	3,483

The fair values presented in the table were allocated to the evaluation hierarchy pursuant to IFRS 13, stage 3 and determined using the discounted cash flow method based on non-observable input factors.

CURRENT ASSETS

26. INVENTORIES

The inventories comprise the following items:

in EUR thousand	Dec. 31, 2024	Dec. 31, 2025
Raw materials and supplies	163,959	144,591
Finished goods and work in progress and stock for trade	269,286	229,696
Rental equipment	73,776	67,633
	507,021	441,920
Less advances received for inventories	-12,448	-24,946
Total	494,573	416,974

Of the inventories, EUR 139,762 thousand (previous year: 139,007) is stated at net realizable value. The total impairment losses on inventories against the net realizable value affecting net expenditure in the financial year totaled EUR 43,019 thousand (previous year: 39,634).

They are broken down as follows:

in EUR thousand	Dec. 31, 2024	Dec. 31, 2025
Write-downs of inventories due to use	17,859	18,833
Unscheduled depreciations for impairment on inventories	13,570	18,391
Planned depreciations for impairment on inventories	8,205	5,795
Total	39,634	43,019

The impairments listed above are balanced by reversals in the amount of EUR 6,382 thousand (previous year: 7,850).

Depreciation of used machinery due to use is at EUR 18,833 thousand roughly on the same level as the previous year (17,859).

The impairments on inventories include both impairments on new and used machinery (stated under "Changes in inventories") and on warehouse inventories (stated under "Cost of materials"). Most of the impairments relate to the machinery which was not rented out, and are attributable to the Equipment segment. The impairments were applied on the basis of the recoverable amount from procurement or manufacturing costs and net realizable value. This regularly corresponded to the fair value less cost to sell. This method is part of levels 2 and 3 of the fair value hierarchy stated in IFRS 13.

Finished goods and stock for trade include machinery and accessories produced internally by the Equipment segment and intended primarily for sale. Equipment is rented out as part of sales-promoting activities. These proceeds are recorded as revenue from rentals.

The BAUER Group differentiates essentially between two forms of equipment and accessories (hereinafter: "Equipment"):

New machines

These are machines manufactured in the financial year or in earlier years which are available for sale but have not yet been hired out. These machines are valued at manufacturing costs or at the lower net realizable value on the balance sheet date.

Used machines

Used machines are machines which are primarily up for sale and which have been temporarily rented out as a secondary sales promotion measure during the financial year or in earlier years. New machines automatically become used machines the first time they are rented out.

When equipment is rented out, the net realizable value is determined from the manufacturing cost less depreciation due to use and impairment losses on inventories.

In the case of a new machine, or a used machine which has not been hired out, the impairment is also factored into the calculation of the net sale value.

The sale and rental of machinery relates solely to the Equipment segment.

The following chart sets out the carrying amount before impairment of the used machinery and accessories along with the rate of hire status on the balance sheet date:

in EUR thousand	Dec. 31, 2024	Dec. 31, 2025
Carrying amount of used machines	73,776	67,633
of which rented out	35,779	28,784
of which not rented out	37,997	38,849

Inventories were not listed as loan securities this year or last year.

27. RECEIVABLES AND OTHER ASSETS

Contract assets and contract liabilities

Contract assets and contract liabilities developed as follows:

in EUR thousand	Dec. 31, 2024	Dec. 31, 2025
Order costs incurred (plus income, less losses) for projects not yet completed	1,396,424	1,840,284
less down-payments	1,440,349	1,932,589
Balance	-43,925	-92,305
of which: Contract assets	68,138	56,545
of which: Contract liabilities	79,318	121,323
of which: Provisions for impending losses for construction contracts	32,745	27,527

In the financial year, EUR 1,369 thousand (previous year: 1,928) in total contract assets were impaired. These valuation allowances were applied to take expected credit losses into account.

Revenue from contracts with customers

The following table shows the share of revenue from contract liabilities recognized in the reporting period in the previous year and revenue from contractual obligations that were met in previous years:

in EUR thousand	Dec. 31, 2024	Dec. 31, 2025
Revenue from contractual obligations included in contract liabilities at the beginning of the period	115,929	48,123
Revenue from contractual obligations that were fulfilled in previous periods	4,120	5,077

Development of receivables and other assets

The receivables and other assets comprise the following:

in EUR thousand	Dec. 31, 2024	Dec. 31, 2025
Contract assets	68,138	56,545
Trade receivables	241,957	270,877
Receivables from enterprises in which the company has participating interests	1,093	2,838
Prepayments	7,966	10,259
Other current assets	58,711	47,212
Other current financial assets	6,905	8,749
Total	384,770	396,480

The trade receivables also include receivables from joint ventures.

Other current assets mainly comprise miscellaneous tax refund claims and receivables from employees and against welfare benefit funds, as well as other prepayments and deferred charges. Apart from this, an asset value for receivables assignments totaling EUR 385 thousand (previous year: EUR 278 thousand) is stated under "Other current assets." This concerns an ongoing commitment for an export and interest claims in the amount of EUR 435 thousand vis-à-vis a customer in Guatemala, EUR 1,029 thousand vis-à-vis a customer in the Netherlands and EUR 1,159 thousand vis-à-vis a customer in Dubai. The claims vis-à-vis the customers in Guatemala and the Netherlands were settled in seven successive instalments each, while the claim vis-à-vis the customer from Dubai was repaid in four successive instalments. All claims were sold as a part of a claims sale. According to the assignment contract, in the event of political or economical damages, a self-payment risk of 10% remains in the BAUER Group. The carrying amount of the liability associated with the ongoing commitment is EUR 433 thousand in total (previous year: EUR 318 thousand) and is stated under "Other current debt."

For changes in valuation allowances in the financial year and in the previous year as stipulated in IFRS 9, please refer to section 39 "Financial instruments."

The valuation allowances to reflect expected credit losses from trade receivables amounting to EUR 60,300 thousand (previous year: 64,488) were calculated taking individual risks into account and on the basis of historic payment defaults. Here, receivables were impaired individually (in the event of objective indications) and based on expected credit losses. The determination of valuation allowances for receivables is primarily based on estimates and evaluations of individual claims, incorporating considerations of the creditworthiness and late-payment record of the customer concerned as well as current economic trends and historical experience in relation to default. The already included share of valuation allowances on non-current trade receivables was EUR 0 thousand (previous year: 0).

In the financial year, other financial assets were impaired as a result of expected credit losses totaling EUR 311 thousand (previous year: 250). As in the previous year, they were not overdue in the year under review.

In total in the financial year, EUR 0 thousand (previous year: 0) in monetary assets were deposited as collateral for potential future warranties for construction services. The current portion of the receivables from foreign exchange contracts included in the current financial assets in the financial year totaled EUR 1,683 thousand (previous year: 407).

28. CASH AND CASH EQUIVALENTS

The cash and cash equivalents totaling EUR 55,972 thousand (previous year: 72,944) include credit balances at banks and petty cash stocks. There were restraints on disposal of cash or cash equivalents in the financial year amounting to EUR 330 thousand (previous year: 0).

29. NON-CURRENT ASSETS HELD FOR SALE

In the financial year, EUR 3,194 thousand (previous year: 9,262) of non-current assets held for sale were recorded. This relates on the one hand to drilling rigs on sale that are no longer needed for the Paks project in the amount of EUR 892 thousand (previous year: 9,262) that were previously recorded under property, plant and equipment. In addition, a resolution was passed in the financial year to sell the 50% participation in Carbo-FORCE GmbH, Kassel. The participation was previously recognized according to the equity method pursuant to IAS 28. The sale was finalized in February 2026. Due to the high probability of sale, the participation was classified as an asset held for sale as at December 31, 2025 pursuant to IFRS 5. At the time of reclassification, the participation was recognized at its carrying amount of EUR 2,302 thousand, as this was below the fair value less cost of sale.

30. EQUITY

Composition of subscribed capital

The subscribed capital (share capital) of BAUER AG is divided into 43,037,478 no-nominal-value bearer shares, representing a pro rata amount of approximately EUR 4.26 per share of the total share capital. As at December 31, 2025, the subscribed capital of BAUER Aktiengesellschaft accordingly amounts to EUR 183,398,343.74. The shares have no nominal value. Each share entails equal rights and entitles the holder to one vote at the General Meeting, with the exception of share categories precluded from voting by law pursuant to section 136 of the AktG.

With the resolution in the General Meeting on September 19, 2024, the 2021 authorized capital was canceled and replaced by a new 2024 authorized capital. Section 4 (4) of the company's Articles of Association authorizes the Executive Board accordingly, with the consent of the Supervisory Board, to increase the share capital once or more than once up to September 18, 2029 by up to a total of EUR 91,699,171.87 million by the issue of no-nominal-value bearer shares and/or registered shares against cash and/or non-cash contributions (2024 Authorized Capital). To that end, the Executive Board is authorized, with the consent of the Supervisory Board, to exclude the legal subscription rights of shareholders in the particular cases.

BAUER Aktiengesellschaft does not hold any inventory of own shares, and own shares were neither acquired nor sold in the financial year.

The remaining equity of the BAUER Group developed as follows:

in EUR thousand	Dec. 31, 2024	Dec. 31, 2025
I. Capital reserve	26,861	26,861
II. Other revenue reserves and retained earnings	283,663	285,029
	310,524	311,890
III. Non-controlling interests	8,060	6,690
Total	318,584	318,580

In the financial year as well as the previous year, no dividends were paid to the shareholders.

Capital reserve

The capital reserve essentially comprises amounts that exceeded the book value of the nominal value when shares were issued, as well as expenses for the issue of shares.

Other revenue reserves and retained earnings

Other revenue reserves and retained earnings include past earnings of the companies included in the consolidated financial statements, insofar as they were not distributed.

The revenue reserves include revaluation of obligations arising from employee benefits after termination of the employment relationship as well as related taxes with no effect on profit and loss. In the financial year, the gross cumulative revaluation amounts to EUR -29,230 thousand (previous year: -38,521). Deferred taxes were recognized in the amount of EUR 7,944 thousand (previous year: 11,241). In addition, the IFRS settlement item is included here, which contains the cumulative effects from the initial date of application of the IFRS. On the reporting date, the cumulative earnings amounted to EUR 10,387 thousand (previous year: 10,387).

Currency differences from the conversion of a controlled foreign business are recorded in the other income and accumulated in a separate reserve in equity. The cumulative amount is reclassified into the income or loss as soon as the net investment is sold. The cumulative difference from the currency conversions amounts to EUR -26,901 thousand (previous year: -13,138).

This also includes the reserve for financial assets valued at fair value with no effect on profit and loss. These changes are aggregated in the "Fair value through OCI" reserve in equity. The cumulative effect amounts to EUR 12,137 thousand (previous year: 14,109) and is transferred from this reserve into the revenue reserves when the corresponding equity instruments are derecognized. The deferred taxes for this amount to EUR -254 thousand (previous year: -296).

The hedging reserve and reserve for hedging costs include the cash flow hedge reserve and the costs of the hedge reserve. The cash flow hedge reserve is used to record the effective portion of the income or loss from derivatives that are designated as cash flow hedges. The amounts are subsequently reclassified into the income or loss. The cumulative earnings amount to EUR 0 thousand (previous year: 2). The hedging reserve before taxes amounts to EUR 75 thousand (previous year: 245).

30.1. Non-controlling interests

Details on not wholly owned subsidiaries in which material non-controlling interests are held

These are the material non-controlling interests of BAUER Group:

in EUR thousand	Non-controlling interests	December 31, 2024			December 31, 2025		
		Share in the capital in %	Share in the capital in EUR thousand	Profit/loss attributable in EUR thousand	Share in the capital in %	Share in the capital in EUR thousand	Profit/loss attributable in EUR thousand
BAUER EGYPT S.A.E., Cairo, Egypt	Various natural persons	43.73%	10,603	1,743	43.29%	10,460	1,675
BAUER Casings Makina Sanayi ve Ticaret Limited Sirketi, Ankara, Turkey	Emiroglu Makina	40.00%	1,603	482	40.00%	1,800	868
Thai BAUER Co. Ltd., Bangkok, Thailand		25.81%	-6,918	-2,285	25.81%	-8,247	-1,537
Individual immaterial subsidiaries with non-controlling interests			2,772	663		2,677	295
Total			8,060	603		6,690	1,301

Below is the summarized financial information for each Group company with material non-controlling interests corresponding to the amounts before Group-internal elimination:

BALANCE SHEET

in EUR thousand	BAUER Casings		BAUER EGYPT S.A.E		Thai BAUER Co. Ltd.	
	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025
Non-current assets	1,255	803	8,971	9,380	18,250	8,448
Current assets	3,277	4,009	22,053	25,573	9,383	3,697
Non-current debt	89	64	48	97	1,200	0
Current debt	984	948	7,605	10,959	45,282	36,152

INCOME STATEMENT

in kEUR	BAUER Casings		BAUER EGYPT S.A.E		Thai BAUER Co. Ltd.	
	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025
Sales revenues	6,832	10,445	23,381	27,395	13,951	2,439
Earnings before interest and tax	802	1,694	4,016	4,495	-7,878	-4,300
Earnings before tax	759	1,915	5,325	5,151	-8,340	-6,574
Earnings after tax	908	1,504	3,985	3,869	-8,784	-5,955
Profit/loss attributable to non-controlling interests	482	868	1,743	1,675	-2,285	-1,537
Profit/loss attributable to shareholders of BAUER AG	426	636	2,242	2,194	-6,499	-4,418
Dividends distributed to non-controlling interests	-151	-27	-897	-843	0	0

STATEMENT OF CASH FLOWS

in kEUR	BAUER Casings		BAUER EGYPT S.A.E		Thai BAUER Co. Ltd.	
	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025
Cash flow from operating activities	1,167	541	9,538	3,370	4,222	2,220
Cash flow from investing activities	-183	-32	-1,705	-1,731	888	6,545
Cash flow from financing activities	-431	-206	-1,044	-944	-3,916	-9,634
Influence of exchange rate movements on cash	242	-71	-3,904	-474	90	-51
Changes in cash and cash equivalents with an effect on liquidity	795	232	2,885	221	1,284	-920

30.2. Additional disclosures regarding capital management

The object of BAUER Group capital management is to safeguard a strong financial profile. In particular, it aims to provide shareholders with appropriate dividend payments and to safeguard the agreed payments of interest and principal on behalf of lenders. We also aim to provide ourselves with adequate financial resources to sustain our growth strategy. The risk profile is actively managed and monitored. This is focused primarily on key figures such as the equity ratio, net debt and earnings after tax for the period for the period.

The key figures are presented below:

in EUR thousand	Dec. 31, 2024	Dec. 31, 2025
Equity	501,982	501,978
Equity ratio	29.82%	32.60%
Earnings after tax	9,701	12,507
Net debt	375,256	293,344
Financial indebtedness	448,200	349,316
Freely available liquid funds	72,944	55,972
Net debt / EBITDA	1.68	1.25
EBITDA / net interest coverage	5.01	4.80

Financial liabilities include long-term and short-term liabilities to banks, liabilities from lease agreements and other financial liabilities. Net interest coverage includes the financial result, adjusted for income from operating participations.

As part of the capital management strategy covering the subsidiaries of the BAUER Group, it is ensured that member companies are provided with an equity base in line with local requirements. Our aim in doing this is to provide the necessary flexibility in terms of finance and liquidity.

31. NON-CURRENT DEBT

The non-current portions of the liabilities comprise the following:

in EUR thousand	Remaining term Dec. 31, 2024		Remaining term Dec. 31, 2025	
	1 to 5 years	over 5 years	1 to 5 years	over 5 years
Liabilities to banks	174,677	8,188	118,324	6,729
Liabilities from lease agreements	29,108	3,342	34,069	3,758
Other non-current liabilities	8,606	0	6,923	0
Other non-current financial liabilities	10,842	895	9,420	0
Total	223,233	12,425	168,736	10,487

in EUR thousand	Fair value		Interest rate margin	
	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025
Liabilities to banks	182,865	125,053	0.95% - 9.36%	0.95% - 10.90%
Liabilities from lease agreements	32,450	37,827	0.20% - 11.00%	0.20% - 12.00%
Other non-current financial liabilities	11,737	9,420	0.61% - 7.30%	0.61% - 10.50%
Total	227,052	172,300		

The other non-current debt primarily includes non-current portions of liabilities from obligations in respect of service anniversary payments as well as non-current portions of provisions for personnel.

Other non-current financial liabilities include the market value of the derivatives as well as other liabilities to financing companies (see notes to the financial instruments in section 39). The other non-current financial liabilities include other non-current financial debt.

32. PROVISIONS FOR PENSIONS

The BAUER Group operates a number of provisions for pensions in Germany and internationally. The provisions for pensions of the companies in Schrobenhausen recognized on the consolidated balance sheet cover most of the balance sheet value. Those companies are governed by the occupational pension scheme of BAUER Spezialtiefbau GmbH constituted on July 1, 1992 as amended by the in-company agreement dated November 18, 1998. In it, the company grants all employees who joined by March 31, 1998 and their surviving dependents a retirement pension and invalidity benefit as well as a widow's/widower's pension. Employees qualify for the retirement pension on reaching the standard retirement age, or on prior qualification for a pension from the statutory pension fund. The pension payable amounts to 0.225% of the employee's pensionable earnings for each pensionable year of service, plus 0.075% of pensionable earnings for each pensionable year of service completed before January 1, 1999; plus, for the portion of pensionable earnings above the contribution assessment limit in the statutory pension fund, 0.375% plus 0.125% for each pensionable year of service completed before January 1, 1999. In the case of scheme members who are not members of the Zusatzversorgungskasse des Baugewerbes (construction industry ancillary benefits fund): The pension payable amounts to 0.3% of the employee's pensionable earnings for each pensionable year of service, plus 0.1% of pensionable earnings for each pensionable year of service completed before January 1, 1999; plus, for the portion of pensionable earnings above the contribution assessment limit in the statutory pension fund, 0.3% plus 0.1% for each pensionable year of service completed before January 1, 1999. As the pension fund has been closed since 1998 and the ongoing pension payments are made from the cash flow of the respective companies, no financing agreements exist for the pension plans in the form of additional plan assets.

The widow's/widower's pension amounts to 50% of the attained entitlement. Benefits are also promised to surviving dependent children in various forms. Vesting and transitional arrangements are also in place. The risks entailed by the pension schemes are mainly those commonly associated with provisions for pensions in terms of potential variations in the discount rate and, to a lesser extent, inflation trends as well as longevity.

The calculations are based on the following actuarial assumptions:

in %	December 31, 2024				December 31, 2025			
	Germany	Indonesia	Philippines	India*	Germany	Indonesia	Philippines	India*
Interest rate	3.50	7.00	6.09	-	4.10	6.50	6.48	-
Future salary increases	3.00	8.00	5.00	-	3.00	8.00	5.00	-
Future pension increases	2.00	-	-	-	2.00	-	-	-

* No information was available for companies with a different financial year.

Provisions for pensions in Germany are calculated biometrically applying the 2018 G guideline tables compiled by Klaus Heubeck. The interest rate applied for discounting the future payment obligations is always determined on the basis of the return on top company bonds.

Outside of Germany, the underlying biometric probability of death is based on published national statistics and empirical data.

The provision for pensions and similar obligations recognized in the balance sheet is calculated as follows:

in EUR thousand	Dec. 31, 2024	Dec. 31, 2025
Present value of obligations financed by a fund	507	833
Fair value of plan assets	-507	-833
Plan deficit	0	0
Present value of obligations not financed by a fund	115,738	106,359
Total deficit of defined benefit plan obligations	115,738	106,359
Effect of asset ceiling	0	0
Recognized provision	115,738	106,359

The defined benefit obligations and the plan assets developed as follows in the previous year:

in EUR thousand	Present value of obligation	Fair value of plan assets	Total	Effect of asset ceiling	Total
As of January 1, 2024	115,875	-463	115,412	0	115,412
Current service costs	1,701	0	1,701	0	1,701
Interest expense/income	4,010	-12	3,998	0	3,998
Post-employment expenditure, income and losses from payment in lieu	185	0	185	0	185
Total	121,771	-475	121,296	0	121,296
Revaluation:					
Income from plan assets excluding amounts contained in the above interest	0	18	18	0	18
Actuarial income and losses arising from adjustments to demographic assumptions	0	0	0	0	0
Actuarial income and losses arising from adjustments to financial assumptions	-712	0	-712	0	-712
Empirical value-based adjustments	-247	0	-247	0	-247
Changes in the effect of limitation of a defined benefit plan on the asset ceiling, excluding amounts contained in the interest	0	0	0	0	0
Total	-959	18	-941	0	-941
Exchange rate movements	-232	290	58	0	58
Contributions:					
Employer	0	-611	-611	0	-611
Beneficiary employee	0	0	0	0	0
Payments from the plan:					
Ongoing payments	0	0	0	0	0
Retirement benefits (not fund-financed)	-4,335	271	-4,064	0	-4,064
Other effects	0	0	0	0	0
As of December 31, 2024	116,245	-507	115,738	0	115,738

The defined benefit obligations and the plan assets developed as follows during the financial year:

in EUR thousand	Present value of obligation	Fair value of plan assets	Total	Effect of asset ceiling	Total
As of January 1, 2025	116,245	-507	115,738	0	115,738
Current service costs	1,651	0	1,651	0	1,651
Interest expense/income	4,062	-32	4,030	0	4,030
Post-employment expenditure, income and losses from payment in lieu	0	0	0	0	0
Total	121,958	-539	121,419	0	121,419

Revaluation:

Income from plan assets excluding amounts contained in the above interest	0	-5	-5	0	-5
Actuarial income and losses arising from adjustments to demographic assumptions	0	0	0	0	0
Actuarial income and losses arising from adjustments to financial assumptions	-527	0	-527	0	-527
Empirical value-based adjustments	-8,760	0	-8,760	0	-8,760
Changes in the effect of limitation of a defined benefit plan on the asset ceiling, excluding amounts contained in the interest	0	0	0	0	0
Total	-9,287	-5	-9,292	0	-9,292
Exchange rate movements	-436	-22	-458	0	-458
Contributions:					
Employer	0	-321	-321	0	-321
Beneficiary employee	0	0	0	0	0
Payments from the plan:					
Ongoing payments	0	0	0	0	0
Retirement benefits (not fund-financed)	-4,540	54	-4,486	0	-4,486
Other effects	-503	0	-503	0	-503
As of December 31, 2025	107,192	-833	106,359	0	106,359

The fair value of the plan assets can be allocated to the following categories:

in EUR thousand	Dec. 31, 2024	Dec. 31, 2025
Qualifying insurance contracts	0	0
Money market fund and pension fund	507	833
Cash and cash equivalents	0	0
Total	507	833

No market price quotations exist for the qualifying insurance contracts.

The key actuarial assumptions applied in determining the defined benefit plan obligation are the discount rate, expected salary increases, expected pension increases as well as life expectancy.

The sensitivity of the overall pension commitment to variations in the weighted primary assumptions is:

in EUR thousand	Effect on obligation		
	Variation in assumption	Increase in assumption	Decrease in assumption
Discount rate	+/- 0.5%	100,476	114,673
Future salary increases	+/- 0.5%	108,634	105,829
Future pension increase	+/- 0.5%	113,102	101,748
		Increase in assumption by 1 year	Decrease in assumption by 1 year
Probability of death		111,630	102,602

The above sensitivity analysis is based on a variation in one assumption while all other assumptions remain constant. It is unlikely that this will occur in reality, and variations in some assumptions may correlate. The sensitivity for life expectancy is reached using general (age-independent) factors for a reference person with a life expectancy of one year higher or one year lower. In calculating the sensitivity of the defined benefit plan obligation to variations in actuarial assumptions, the same method was applied as that used to measure the provisions for pensions on the balance sheet. The present value of the defined benefit plan obligations was calculated by the Projected Unit Credit method as at the end of the reporting period.

The methods and categories of assumption applied in preparing the sensitivity analysis have not changed relative to the prior period. The defined benefit plan obligations and plan assets by country are as follows:

in EUR thousand	December 31, 2024				
	Germany	Indonesia	Philippines	India	Total
Present value of obligation	113,212	1,945	1,046	42	116,245
Fair value of plan assets	0	-507	0	0	-507
Total	113,212	1,438	1,046	42	115,738
Effect of asset ceiling	0	0	0	0	0
Total	113,212	1,438	1,046	42	115,738

in EUR thousand	December 31, 2025				
	Germany	Indonesia	Philippines	India	Total
Present value of obligation	104,223	2,009	912	48	107,192
Fair value of plan assets	-97	-736	0	0	-833
Total	104,126	1,273	912	48	106,359
Effect of asset ceiling	0	0	0	0	0
Total	104,126	1,273	912	48	106,359

The present value of the defined benefit plan obligation is distributed as follows among the plan members:

in EUR thousand	Dec. 31, 2024	Dec. 31, 2025
Active scheme members	52,919	42,523
Deferred beneficiary employees	4,423	5,565
Retired employees	58,903	59,104
Total	116,245	107,192

The weighted average term of the provisions for pensions is 13.53 years (previous year: 14.59 Years).

Pension payments in financial year 2026 are expected to amount to EUR 4,794 thousand (previous year: 4,391). Of that total, EUR 4,794 thousand (previous year: 4,391) is projected to be contributed by the employer. Contributions to the external plan assets totaling EUR 325 thousand are expected (previous year: 600) for 2026.

The following table provides an overview of the due dates of the non-discounted pension payments:

in EUR thousand	Up to 1 year	1 to 5 years	6 to 10 years	Over 10 years
Pension payments	4,794	25,640	26,243	151,289

33. CURRENT DEBT

in EUR thousand	Dec. 31, 2024	Dec. 31, 2025
Liabilities to banks	181,846	143,521
Liabilities from lease agreements	20,716	18,481
Contract liabilities	79,318	121,323
Trade payables	306,560	208,584
Liabilities to companies and participations accounted for using the equity method	37,528	47,273
Other current liabilities	82,574	72,412
Other current financial liabilities	18,593	15,013
Total	727,135	626,607

The "Trade payables" balance sheet item includes long-term payables totaling EUR 561 thousand (previous year: 501). The "Liabilities to companies and participations accounted for using the equity method" balance sheet item includes liabilities to consortia totaling EUR 46,976 thousand (previous year: 35,733).

The other current debt mainly comprises obligations in respect of flexitime and holiday credits, employer's liability insurance associations, the compensation levy for the shortfall in handicapped employees, performance bonuses as well as other tax liabilities and liabilities in respect of social security.

The other current financial liabilities mainly comprise obligations to finance companies. The market values almost match the carrying amounts. The interest rate margin on current debt to banks is 0.70% to 10.90% (previous year: 0.95% to 12.68%).

34. OTHER PROVISIONS

The other provisions developed as follows in the financial year:

in EUR thousand	2024						Total
	Contract processing	Warranty	Litigation	Impending losses	Personnel	Restructuring	
Date: January 1	4,712	12,041	643	19,302	0	2,329	39,027
Changes in basis of consolidation	-136	0	0	4,000	0	0	3,864
Transfers	-694	0	0	0	0	0	-694
Currency adjustment	-70	145	-31	297	0	69	410
Allocation	131	11,552	785	26,704	0	0	39,172
Reversal	657	3,946	40	4,440	0	2,398	11,481
Consumption	118	5,731	113	10,555	0	0	16,517
Date: December 31	3,168	14,061	1,244	35,308	0	0	53,781

in EUR thousand	2025						Total
	Contract processing	Warranty	Litigation	Impending losses	Personnel	Restructuring	
Date: January 1	3,168	14,061	1,244	35,308	0	0	53,781
Changes in basis of consolidation	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Currency adjustment	720	-258	20	-229	0	0	253
Allocation	2,136	17,904	42	9,973	8,078	1,071	39,204
Reversal	1,365	3,148	190	8,940	0	0	13,643
Consumption	81	7,366	12	7,523	0	0	14,982
Date: December 31	4,578	21,193	1,104	28,589	8,078	1,071	64,613

The provisions for risk from contract processing and warranties include some risks arising from carrying out specialist foundation engineering work and from the sale of machinery, equipment and tools for specialist foundation engineering, with the associated services. These primarily relate to warranty obligations and to other uncertain commitments. The risk from contract processing and warranties is determined specific to project/construction site.

The provisions for impending losses result primarily from losses on anticipated or impending/expected losses in construction projects.

The restructuring provisions relate to planned measures associated with the restructuring and relocation of production within the BAUER Group.

The provisions for personnel primarily include expenses associated with personnel measures, including the changes to the Executive Board.

The other provisions are expected to be consumed in 2026. As at the balance sheet date, there were no other provisions that are expected to be consumed within a time period of 1 – 5 years (previous year: 0). The provisions for litigation relate for the most part to provisions for legal disputes on receivables.

35. CONTINGENT LIABILITIES

Contingent liabilities are recognized with the amount corresponding to the maximum possible claim on the balance sheet date.

in EUR thousand	Dec. 31, 2024	Dec. 31, 2025
Liabilities from guarantees	440,371	335,952

In the construction industry, it is common and essential practice to issue various warranties to secure obligations arising from construction contracts. These warranties primarily include warranties relating to tenders, contract performance and advance payments. A risk of a warranty being implemented exists only when the underlying contractual obligations are not duly met.

The contingent liabilities were mainly in relation to the securing of contract performance, to warranty obligations and to advance payments. Liabilities from guarantees exist to third parties. In addition, we are subject to joint and several liability in respect of all consortia in which we participate. Based on the findings obtained until the date of preparation concerning the respective provision of services, we are assuming that no outflows will be generated in connection with the contingent liabilities.

Future payment obligations from orders that were not yet recognized on the balance sheet (purchase commitments) were EUR 4,524 thousand (previous year: 11,769) as at December 31, 2025. This value primarily resulted from various open orders for the area of technical equipment and machinery for the companies SCHACHTBAU NORDHAUSEN GmbH (EUR 1,026 thousand), BAUER Resources GmbH (EUR 442 thousand) and GWE GmbH (EUR 440 thousand) as well as BAUER Aktiengesellschaft (EUR 2,021 thousand).

36. DISCONTINUED OPERATIONS

In the financial year, no business divisions were discontinued under the terms of IFRS 5. Moreover, there are no plans to discontinue business operations.

37. EVENTS AFTER THE BALANCE SHEET DATE

Regarding the changes to the company's executive bodies, please refer to the explanation below.

Since February 28, 2026, there have been military interventions in the Middle East on the part of the USA and Israel in Iran, which have led to increased volatility in the international raw material and energy markets. Nevertheless, we are monitoring the developments on an ongoing basis. Due to the still dynamic situation of the conflict, it is not currently possible to quantify the impacts to date.

OTHER DISCLOSURES

38. STATEMENT OF CASH FLOWS

The funds shown in the statement of cash flows comprise only the cash and cash equivalents stated on the balance sheet.

The consolidated statement of cash flows details payment flows, broken down by inflow and outflow of funds from operating activities and from investment and financing activities.

The cash flow from operating activities is derived indirectly from the earnings before tax. The earnings before tax are adjusted by non-cash transactions. The cash flow from operating activities is produced taking account of the changes in working capital.

Investment activities include additions to property, plant and equipment and to financial assets and intangible assets, as well as income from the sale of fixed assets. Financing activities include outflows of cash and cash equivalents arising from dividend payments as well as the change in other financial indebtedness.

The changes in balance sheet items applied for the preparation of the statement of cash flows are not directly derivable from the balance sheet, as the effects of currency translation and changes in the basis of consolidation, as well as the allocation and elimination of valuation allowances on trade receivables and provisions, do not affect payments and are stripped out. The other non-cash transactions include non-cash income and expenses, such as allocations to and reversals of provisions, non-cash effects from foreign currency translation and impairments and recoveries of current assets. The change compared to the previous year in this item is largely attributable to changes in the market value of derivatives.

39. FINANCIAL INSTRUMENTS

In its business operations and financing activities the BAUER Group is subject in particular to fluctuations in exchange rates and interest rates as well as liquidity and default risks. It is the company's policy to exclude, or at least limit, these risks by entering into hedge transactions. All hedging measures are controlled and executed centrally by BAUER AG. Application of the segregation-of-duties approach ensures that there is an adequate split between the trading and execution functions. All derivatives transactions are entered into only with banks of the highest possible credit rating.

MARKET RISKS

Foreign exchange rate risks

Foreign exchange rate risks under the terms of IFRS 7 are created by financial instruments which are denominated in a currency different to the functional currency and are of a monetary nature. Exchange rate-related differences when converting financial statements into the Group currency are ignored. The exchange rates between functional and non-functional currencies in which the BAUER Group enters into financial instruments are classed as relevant risk variables.

The existing foreign exchange contracts safeguard the currency hedging strategy. Within the BAUER Group, the primary monetary financial instruments are either denominated directly in functional currency or the fluctuations resulting from the exchange rate risk are largely eliminated by means of derivatives. In view of the usually short-term maturity of the instruments too, possible changes in exchange rates have only very minor effects on earnings or equity.

For the purposes of sensitivity analysis, foreign exchange rate risks arising from monetary financial instruments as well as foreign exchange contracts which were not concluded in the functional currencies of the individual member companies of the BAUER Group are included in the assessment.

Effects due to exchange rate shifts of +/- 10% in the respective foreign currency on the income statement and OCI:

in EUR thousand as at December 31, 2024	USD/EUR	GBP/EUR	AUD/EUR	CHF/EUR	CAD/EUR	Other currency/EUR
Overall effect of +10% on OCI	0	0	165	0	0	0
Overall effect of -10% on OCI	0	0	-201	0	0	0
Overall effect of +10% on income statement	1,912	-1,061	64	-96	0	97
Overall effect of -10% on income statement	-2,337	1,297	-79	118	0	-119

in EUR thousand as at December 31, 2025	USD/EUR	GBP/EUR	AUD/EUR	CHF/EUR	CAD/EUR	Other currency/EUR
Overall effect of +10% on OCI						
Overall effect of -10% on OCI						
Overall effect of +10% on income statement	5,952	-1,530	5	-107	838	474
Overall effect of -10% on income statement	-7,274	1,871	-6	131	-102	-580

No concentrations of risk exist.

Interest rate risks

The interest rate risk of the Group is based on financial liabilities with floating interest rates (as well as the short-term credit lines used). The existing interest rate swaps serve to safeguard our financing and interest rate hedging strategy. Agreements exist in respect of swaps from variable to fixed interest rates in order to reduce the risk of fluctuation in market interest rates. Changes in market interest rates affect the interest results of variable-rate primary financial instruments of which the interest payments are not hedged by derivatives, and consequently are included in the calculation of earnings-related sensitivity. Changes in market interest rates of interest rate derivatives (interest rate swaps) which are not embedded in a hedging relationship pursuant to IFRS 9 have effects on financial income and financial expenses (net valuation based on adjustment of financial assets and financial liabilities to applicable fair value) and so are included in the calculation of earnings-related sensitivity. The effects of changes in market interest rates of interest rate derivatives to which hedge accounting is applied are recognized in the OCI.

Effects due to interest rate shifts of +/- 100 base points on the income statement and OCI:

in EUR thousand	Dec. 31, 2024	Dec. 31, 2025
Overall effect of +100 base points on OCI	165	0
Overall effect of -100 base points on OCI	-201	0
Overall effect of +100 base points on income statement	13,959	17,284
Overall effect of -100 base points on income statement	-11,819	-339

Raw material price risk

Raw material price risks to which the BAUER Group is exposed in respect of availability and potential fluctuations in price on the market are excluded, or limited, by means of supply promises and fixed pricing agreements entered into with suppliers prior to execution of contracts. The raw material price risk relates mainly to steel. Due to the fixed pricing agreements, no sensitivity is stated.

Liquidity risks

The liquidity risk is managed by means of business planning, which ensures that the necessary funds to finance operating activities and current and future capital investments are made available at the appropriate time, in the required currency, and at optimum cost, in all Group companies. In liquidity risk management, the liquidity requirement arising from operating activities, from investing activities and from other financial measures is determined in the form of a banking report and a liquidity plan.

Liquidity is guaranteed by means of a liquidity forecast focused on a fixed planning horizon and by unused lines of credit and guarantee facilities available in the BAUER Group.

In the reporting period, there were free credit lines for short-term loans and current account overdrafts in the amount of EUR 313,843 thousand (previous year: 309,036) and for guarantees in the amount of EUR 312,573 thousand (previous year: 269,262). The following tables present the contractually agreed and undiscounted interest payments and capital repayments in respect of primary financial liabilities of the BAUER Group:

in EUR thousand	Carrying amount Dec. 31, 2024	Cash flows 2025	Cash flows 2026 to 2029	Cash flows 2030 et seq.
Liabilities to banks	364,711	195,263	174,795	9,818
Liabilities from subordinate loans	0	0	0	0
Liabilities from lease agreements	53,166	22,524	30,575	3,715
Other financial liabilities (excluding derivatives)	29,323	19,998	9,999	403
Trade payables	306,560	294,769	11,610	181
Liabilities to companies and participations accounted for using the equity method	37,528	37,528	0	0

in EUR thousand	Carrying amount Dec. 31, 2025	Cash flows 2026	Cash flows 2027 to 2030	Cash flows 2031 et seq.
Liabilities to banks	281,474	153,455	132,436	1,337
Liabilities from subordinate loans	0	0	0	0
Liabilities from lease agreements	67,781	26,345	42,038	671
Other financial liabilities (excluding derivatives)	31,322	16,415	12,541	37
Trade payables	199,321	223,722	12,338	412
Liabilities to companies and participations accounted for using the equity method	47,273	47,273	0	0

There were no instances of defaulting on interest payments or capital repayments in the period under review.

As at December 31, 2025, BAUER AG fulfilled the agreed ratio of net debt/EBITDA and equity ratio for all loan agreements.

It is not to be expected that liabilities arising from sureties (contingent liabilities) will result in significant actual liabilities, and thus in significant cash flows, for which no provisions have yet been made.

The due dates of derivative financial instruments based on non-discounted outflow and inflow of cash and cash equivalents are as follows:

in EUR thousand	Carrying amount			
	Dec. 31, 2024	2025	2026 to 2029	From 2030
Liabilities from foreign exchange forward contracts	1,001	-1,227	0	0
Outflow of cash and cash equivalents	-	-30,138	0	0
Inflow of cash and cash equivalents	-	28,911	0	0

in EUR thousand	Carrying amount			
	Dec. 31, 2025	2026	2027 to 2030	From 2031
Liabilities from foreign exchange forward contracts	363	-871	0	0
Outflow of cash and cash equivalents	-	-51,929	0	0
Inflow of cash and cash equivalents	-	51,058	0	0

To calculate the cash inflows from interest rate swaps the conditions as per December 31, 2025 were applied. The foreign exchange forward contracts represent a gross settlement.

Risk of default

The risk of default is managed at Group level. Default risks arise from cash and cash equivalents, derivative financial instruments and deposits at banks and financial service companies, as well as trade receivables, receivables from enterprises in which the company has participating interests, other financial assets and contract assets. Only banks and financial services companies with the highest possible credit ratings are selected as partners. No credit limit was exceeded in the reporting period.

The risk of default on financial assets exists in terms of the risk of failure of a contract party and thus to a maximum equal to the gross carrying amount of the exposure to the said party. A presentation of the carrying amounts and the resultant maximum risk of default per category is given in the tables starting on page 142. The risk arising from primary financial instruments is countered by means of valuation allowances for bad debt, and in Germany also by means of securities. As derivative financial instruments are entered into only with banks with the highest possible credit ratings, and the risk management system sets limits for each party, the actual risk of default for completed derivative financial instruments is negligible. No concentrations of risk exist.

The valuation allowance for trade receivables and contractual assets as at December 31, 2024 is transferred to the closing balance of the valuation allowance as at December 31, 2025 as follows:

in EUR thousand	Trade receivables		Contract assets
	Level 2 (simplified approach)	Level 3 (creditworthiness- impaired)	Level 2 (simplified approach)
Valuation allowance on January 1, 2024	10,615	38,888	2,248
Change in basis of consolidation	-67	-5,386	2
Foreign currency translation differences	94	1,107	-33
Allocation	2,358	25,045	301
Reversal	2,425	4,259	590
Consumption	862	620	0
Valuation allowance on December 31, 2024	9,713	54,775	1,928
Valuation allowance on January 1, 2025	9,713	54,775	1,928
Change in basis of consolidation	-8	-478	-29
Foreign currency translation differences	-585	-2,371	-71
Allocation	1,633	14,247	150
Reversal	2,450	13,946	609
Consumption	230	0	0
Valuation allowance on December 31, 2025	8,073	52,227	1,369

The allocations and reversals include the results from valuation allowances on receivables less the impairments on uncollectable receivables in the amount of EUR 15,863 thousand (previous year: 2,982).

The following tables display the gross carrying amounts based on risk of default rating classes in the form of overdue payments for trade receivables and contract assets:

in EUR thousand					
Valuation allowance matrix for risk of default					
	Credit default rate	Gross carrying amount		Total term ECL	Gross carrying amount of creditworthiness-impaired trade receivables
		Trade receivables	Contract assets		
Valuation allowance matrix on December 31, 2024					
not overdue	2.27%	170,934	70,066	6,359	0
overdue up to 30 days	4.22%	38,034	0	1,140	0
overdue up to 60 days	5.31%	18,140	0	759	0
overdue up to 90 days	8.22%	11,455	0	645	0
overdue more than 90 days	8.90%	68,546	0	2,988	0
Total		307,109	70,066	11,891	58,715
Valuation allowance matrix on December 31, 2025					
not overdue	2.37%	186,869	57,915	5,799	0
overdue up to 30 days	3.09%	61,581	0	1,890	0
overdue up to 60 days	4.43%	22,692	0	895	0
overdue up to 90 days	3.93%	8,033	0	311	0
overdue more than 90 days	5.36%	52,002	0	859	0
Total		331,177	57,915	9,754	52,240

The overdue payments arise, on the one hand, from limitations in acknowledgment of performance, and on the other hand because construction is very often carried out for public-sector clients whose processes for internal payment approval are lengthy but generally result in full payment.

The following table displays the gross carrying amounts of other financial assets as per ECL stages on December 31:

in EUR thousand as at December 31, 2024	Level 1 12-month ECL	Level 2 Total term ECL (not creditworthiness- impaired)	Level 3 Total term ECL (creditworthiness- impaired)	Total
Other financial assets	6,809	0	0	6,809

in EUR thousand as at December 31, 2025	Level 1 12-month ECL	Level 2 Total term ECL (not creditworthiness- impaired)	Level 3 Total term ECL (creditworthiness- impaired)	Total
Other financial assets	5,876	0	0	5,876

The other financial assets evaluated at amortized cost are seen as “subject to a low risk of default,” which is why the valuation allowance recorded in the period was limited to the expected 12-month credit losses. Debt instruments are classified as having a “low risk of default” if the risk of default is low and the debtor is always in a position to fulfill its contractual payment obligations at short notice. Financial assets are classified as stage 2 if the risk of default has increased significantly since being first recognized, but default has not yet occurred. Accordingly, all financial assets reduced by way of individual valuation allowance can be found in stage 3. At the BAUER Group, other financial assets mainly comprise short-term loans to related parties, surety receivables and other receivables. The rating of significant debtors is known, thereby allowing continuous monitoring.

The valuation allowance for other financial assets valued at amortized cost is transferred to the closing balance of the allowance as follows:

in EUR thousand	Level 1 12-month ECL	Level 2 Total term ECL (not credit- worthiness- impaired)	Level 3 Total term ECL (credit- worthiness- impaired)	Total
Valuation allowance on December 31, 2023	103	0	0	103
Change in basis of consolidation	74	0	0	74
Foreign currency translation differences	-93	0	0	-93
Allocation	189	0	0	189
Reversal	23	0	0	23
Consumption	0	0	0	0
Valuation allowance on December 31, 2024	250	0	0	250

in EUR thousand	Level 1 12-month ECL	Level 2 Total term ECL (not credit- worthiness- impaired)	Level 3 Total term ECL (credit- worthiness- impaired)	Total
Valuation allowance on December 31, 2024	250	0	0	250
Change in basis of consolidation	0	0	0	0
Foreign currency translation differences	-6	0	0	-6
Allocation	159	0	0	159
Reversal	91	0	0	91
Consumption	0	0	0	0
Valuation allowance on December 31, 2025	312	0	0	312

Net result by valuation category

The following table sets out the net profits and losses (before tax) on financial instruments stated in the income statement, broken down by valuation category as per IFRS 9:

in EUR thousand	Dec. 31, 2024	Dec. 31, 2025
Financial assets measured at amortized cost	6,659	-24,906
Financial liabilities measured at amortized cost	-34,289	-27,487
Financial assets at fair value through OCI without recycling	6,075	163
Financial assets and liabilities at fair value through profit or loss	-9,502	13,647
Total	-31,057	-38,583

The net result of the “financial assets measured at amortized cost” category includes results from the creation and reversal of valuation allowances in respect of trade receivables, impairments and write-ups of uncollected receivables, effects from currency translation as well as interest income. The net result of the “financial liabilities measured at amortized cost” category includes the result from interest expenses to third parties, for current and non-current loans and results from bank fees. The net result of the “financial assets at fair value through OCI without recycling” category includes dividend income from other participations and shares in non-consolidated companies.

The net result of the “financial assets and liabilities at fair value through profit or loss” category includes results from foreign exchange forward contracts and options, as well as results from changes to the fair values of interest rate swaps.

In contrast to the reconciliation statement for valuation allowances, the impairments for financial assets measured at amortized cost also include the results from uncollectable receivables in the amount of EUR 15,863 thousand (previous year: 2,982).

In the table below the included impairments on assets in the category of financial assets measured at amortized cost are evident:

in EUR thousand	Dec. 31, 2024	Dec. 31, 2025
Impairments for financial assets measured at amortized cost	-878	1,125

The total interest income and expense from financial instruments valued at amortized cost is represented as follows:

in EUR thousand	Dec. 31, 2024	Dec. 31, 2025
Interest income	7,482	4,065
Interest expense	-33,646	-28,426
Total	-26,164	-24,360

Carrying amounts and fair values

The fair value of a financial instrument is the amount for which an asset might be exchanged, or a liability paid, between informed, willing and mutually independent parties. Where financial instruments are quoted on an active market – such as in particular shares held and bonds issued – the price quoted on the market in question is the fair value. If no active market exists, the fair value is determined by financial valuation methods. The tables on page 142 and onward provide a comparison of the carrying amounts and fair values of financial instruments and reconcile these according to the categories of IFRS 9. For derivative financial instruments without option components, including foreign exchange forward contracts and interest rate swaps, future payment flows are determined based on term curves. The fair value of these instruments corresponds to the sum of discounted payment flows. Foreign exchange options are valued on the basis of customary market option price models.

Currency pair options are valued on the basis of customary market option price models. For cash and cash equivalents, current trade receivables and other current financial assets, current trade payables and other current financial debt, owing to their short remaining terms the carrying amount should be adopted as a realistic estimate of the fair value.

The fair values of non-current financial assets and of other non-current financial liabilities correspond to the present values of the payment flows linked to the assets or liabilities, taking into account the applicable interest rate structure curves and the respective applicable risk of default for the counterparties or the BAUER Group.

The fair values of financial instruments are determined on the basis of one of the input parameters set out on the three following levels:

- Level 1: Quoted prices (adopted unchanged) on active markets for identical assets and liabilities
- Level 2: Directly or indirectly observable input data for the asset or liability other than quoted prices as per level 1
- Level 3: Applied input data which does not originate from observable market data for the measurement of the asset and liability (non-observable input data)

The following table represents the balance sheet items measured at the fair value of level 3:

in EUR thousand						
	January 1, 2024	Additions	Disposals	Changes without any effect on profit or loss	Changes recognized in the income statement	Dec. 31, 2024
Participations	2,106	649	63	480	0	3,172
Shares of non-consolidated companies	7,474	1,020	1,433	13,622	0	20,683
Total	9,580	1,669	1,496	14,102	0	23,855

in EUR thousand						
	January 1, 2025	Additions	Disposals	Changes without any effect on profit or loss	Changes recognized in the income statement	Dec. 31, 2025
Participations	3,172	0	4	-2,132	0	1,036
Shares of non-consolidated companies	20,683	1,087	388	798	0	22,179
Total	23,855	1,087	392	-1,335	0	23,215

These are participations valued at fair value through OCI as well as shares in non-consolidated companies.

The parameters relevant for the valuation are derived from the annual medium-term planning. The company value is determined from the planned values of each entity using the capitalized earnings method. The plausibility of the planning is reviewed by Controlling and Corporate Governance. After the final report, a committee from the divisions of Group Accounting and Investment Controlling reviews the results of the capitalized earnings method as well as the next steps if there is a shortfall in the earnings value compared with the carrying amount.

The assumptions regarding company planning, the growth rate for the estimation of cash flows after the end of the planning period and the discount rate are included in the valuation as non-observable input parameters. Based on information that is currently available, a significant change to corporate planning is estimated as being improbable. For this reason, the used cash flow forecasts are considered as a suitable foundation for determining the fair value. If the WACC calculated on the after-tax basis varied by +/- 0.5 percentage points, the equity would be EUR 805 thousand (previous year: 436) lower or EUR 1,048 thousand higher (previous year: 502). There are no significant relationships between the significant, non-observable entry parameters. There were no transfers between the levels during the year. If circumstances arise necessitating a reclassification, it is undertaken at the end of the reporting period.

Other disclosures relating to hedging transactions

Within the scope of intra-Group lending, the BAUER Group is exposed to foreign currency risks, the majority of which are hedged by cash flow hedges using forward exchange contracts that are recognized according to the rules of hedge accounting pursuant to IFRS 9. The BAUER Group only applies hedge accounting pursuant to IFRS 9 to foreign currency transactions if the underlying transaction is a short-term or long-term maturity loan or amortizing loan. The hedging transaction is concluded so that the nominal value of the hedging transaction and the underlying transaction are identical,

which corresponds to a hedge ratio of 1:1. The main contractual features of the forward foreign exchange contracts are in accordance with the contractual components of the underlying transaction. The effective fair value changes in hedging instruments included in the hedge reserve in the OCI are recognized in the income statement in the period in which the hedged transaction (intercompany loan in foreign currency) impacts on the income statement due to the foreign currency conversion. The likely effectiveness and economic relationship are determined using the critical term match method. Any ineffectiveness is determined using the dollar offset method based on the hypothetical derivatives method. When hedging foreign currency transactions, inefficiencies are likely to arise when the creditworthiness of the Group or counterparty of the derivative changes or the date of the planned transaction changes with respect to the original estimate. No inefficiencies emerged during the reporting period.

Moreover, the interest-rate-related cash flow risk of variable-interest promissory notes were hedged by means of interest rate swaps and the promissory notes thus converted into fixed-interest financial liabilities. The main contractual features of the interest rate swaps are in accordance with the contractual components of the underlying transaction. In this context, the nominal value of the underlying transaction is identical to the nominal value of the hedging transaction on the basis of which the interest payments are made. This corresponds to a hedging ratio of 1:1. The promissory notes and interest rate swap are designated as a hedging relationship. Gains and losses are recognized in the income statement in the period in which the hedged transaction (loan) impacts on the income statement (when the interest expense is recognized). When hedging interest risks, inefficiencies may arise when the date of the planned transaction changes with respect to the original estimate or the credit risk of a party changes. No inefficiencies to be recognized arose in the financial year, as in the previous year.

The following table provides an overview of the nominal volumes and market values of derivative financial instruments used in the Group:

in EUR thousand	Nominal volume		Market value			
	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024		Dec. 31, 2025	
			Positive	Negative	Positive	Negative
Interest rate swaps (including accrued interest)						
of which in hedge accounting	55,000	33,000	522	-8	83	0
of which not in hedge accounting	419,376	250,000	10,232	0	15,207	0
Foreign exchange forward contracts						
of which in hedge accounting	1,857	0	25	0	0	0
of which not in hedge accounting	131,649	151,074	382	-1,001	1,684	-363

In addition to the interest rate swaps and foreign exchange forward contracts, foreign exchange options were concluded during the financial year (as in the previous year). The term ended in the same year, which means that there are no options in the inventory as at the reporting date.

Amount, timing and uncertainty of future cash payment flows

The following table presents quantitative information per risk category. This includes the time profile for the notional amount of the hedging instrument and the average rate of the hedging instrument. With regard to interest risk hedging, this involves regular interest payments until the final due date of the interest swap:

December 31, 2024	Hedging of currency and interest rate risk		
	2025	2026	> 2027
Foreign exchange risk			
Nominal volume (in EUR thousand)			
of which USD/EUR	-	-	-
of which ZAR/EUR	-	-	-
of which AUD/EUR	1,857	-	-
Average hedging rate			
Average price USD/EUR	-	-	-
Average price ZAR/EUR	-	-	-
Average price AUD/EUR	1.6772	-	-
Interest rate risks			
Nominal volume (in EUR thousand)	20,000	-	10,000
Average interest hedging rate	1.5830%	-	1.8910%

In the ongoing financial year, there were no foreign exchange forward contracts that were designated on the balance sheet in the context of hedge accounting.

Effects of hedge accounting on the net asset, financial and earnings position

The following table shows the carrying amounts of the hedging instruments (financial assets and liabilities shown separately) and the balance sheet items of the hedging instruments:

in EUR thousand		Information about hedging instruments			
as at December 31, 2024	Nominal	Carrying amounts of hedging instruments		Cumulative value change of hedging instruments for determining inefficiencies	Balance sheet items
		Assets	Liabilities		
Cash flow hedges					
Foreign exchange risks	1,857	25	0	24	Other financial assets or Other financial liabilities
Interest rate risks	55,000	449	0	464	-

in EUR thousand		Information about hedging instruments			
as at December 31, 2025	Nominal	Carrying amounts of hedging instruments		Cumulative value change of hedging instruments for determining inefficiencies	Balance sheet items
		Assets	Liabilities		
Cash flow hedges					
Foreign exchange risks	0	0	0	2	Other financial assets or Other financial liabilities
Interest rate risks	33,000	83	0	170	Other financial assets

The following table shows the carrying amounts of the hedged items and the balances of the cash flow hedge reserve:

in EUR thousand		Information on underlying transactions of cash flow hedges			
as at December 31, 2024	Carrying amount of hedged items		Cumulative value change of hedged items for determining inefficiencies	Balance of the cash flow hedge reserves	
	Assets	Liabilities		Active hedges	Ended hedges
Cash flow hedges					
Foreign exchange risks	1,857	0	-24	2	0
Interest rate risks	0	54,967	-464	192	0

Information on underlying transactions of cash flow hedges					
in EUR thousand	Carrying amount of hedged items		Cumulative value change of hedged items for determining inefficiencies	Balance of the cash flow hedge reserves	
	Assets	Liabilities		Active hedges	Ended hedges
Cash flow hedges					
Foreign exchange risks	0	0	-2	0	0
Interest rate risks	0	32,988	-170	53	0

Reconciliation statement for cash flow hedge reserve						
in EUR thousand	Amounts reclassified to the income statement					
	January 1, 2024	Changes in market value	due to non-occurrence of expected cash payment flows	due realization of underlying transaction in income statement	Tax effect of change in reserves	Dec. 31, 2024
Hedging reserve						
Foreign exchange risks	0	24	0	-24	0	0
Interest rate risks	453	-503	0	-108	134	192
Reserve for hedging costs						
Foreign exchange risks	2	2	0	-2	0	2

Reconciliation statement for cash flow hedge reserve						
in EUR thousand	Amounts reclassified to the income statement					
	January 1, 2025	Changes in market value	due to non-occurrence of expected cash payment flows	due realization of underlying transaction in income statement	Tax effect of change in reserves	Dec. 31, 2025
Hedging reserve						
Foreign exchange risks	0	2	0	2	0	0
Interest rate risks	192	-436	0	-266	31	53
Reserve for hedging costs						
Foreign exchange risks	2	0	0	-2	0	0

The forward component that is recorded in the reserve for hedging costs is intended to hedge a time-period-related underlying transaction. Reassignment for recognition in the income statement was carried out using the financial income and financial expenses items in the financial year. No inefficiencies emerged during the reporting period.

Offsetting financial assets and financial liabilities

a) Financial assets

The following financial assets are subject to potential offsetting, enforceable master-netting arrangements or similar arrangements. The gross amount of recognized financial assets corresponds to the net amount because no offsetting was performed in the balance sheet.

in EUR thousand	Gross amount of financial assets recognized	Gross amount of financial liabilities offset on the balance sheet	Net amount of financial assets recognized on the balance sheet	Related amounts, which are not offset in the balance sheet		
				Financial instruments	Cash securities received	Net amount
As of December 31, 2024						
Derivative financial assets	11,161	0	11,161	-247	0	10,914
Cash and cash equivalents	72,944	0	72,944	-14,626	0	58,318
Total	84,105	0	84,105	-14,873	0	69,232

in EUR thousand	Gross amount of financial assets recognized	Gross amount of financial liabilities offset on the balance sheet	Net amount of financial assets recognized on the balance sheet	Related amounts, which are not offset in the balance sheet		
				Financial instruments	Cash securities received	Net amount
As of December 31, 2025						
Derivative financial assets	16,973	0	16,973	-316	0	16,657
Cash and cash equivalents	55,972	0	55,972	-10,196	0	45,776
Total	72,945	0	72,945	-10,512	0	62,433

b) Financial liabilities

The following financial liabilities are subject to potential offsetting, enforceable master-netting arrangements or similar arrangements. The gross amount of recognized financial liabilities corresponds to the net amount because no offsetting was performed in the balance sheet.

	in EUR thousand			Related amounts, which are not offset in the balance sheet		
	Gross amount of financial liabilities recognized	Gross amount of financial assets offset on the balance sheet	Net amount of financial liabilities recognized on the balance sheet	Financial instruments	Cash securities received	Net amount
As of December 31, 2024						
Derivative financial liabilities	1,009	0	1,009	-247	0	762
Current-account overdrafts	364,647	0	364,647	-14,626	0	350,021
Total	365,656	0	365,656	-14,873	0	350,783

	in EUR thousand			Related amounts, which are not offset in the balance sheet		
	Gross amount of financial liabilities recognized	Gross amount of financial assets offset on the balance sheet	Net amount of financial liabilities recognized on the balance sheet	Financial instruments	Cash securities received	Net amount
As of December 31, 2025						
Derivative financial liabilities	363	0	363	-316	0	47
Current-account overdrafts	268,519	0	268,519	-10,196	0	258,323
Total	268,882	0	268,882	-10,512	0	258,370

The “Financial instruments” column lists the amounts which are subject to master-netting arrangements but are not netted on the balance sheet because the prerequisites for offsetting are not met. The “Cash securities received” column lists the amounts of cash and financial instrument securities received relative to the sum total of assets and liabilities which do not meet the criteria for netting on the balance sheet.

At the Group, financial instruments are assigned to balance sheet items as per the classification rules of IFRS 9. No fair value was stated for current financial instruments recognized at amortized cost in accordance with IFRS 7.29a. The following table presents a progression of the classes to the categories of IFRS 9 and the respective market values:



The BAUER Umwelt division of BAUER Resources GmbH remediated a site near Duisburg and replaced contaminated soil with uncontaminated material using replacement drilling.

Derivatives in hedge accounting		Not assigned to IFRS 9 category		Fair value according to IFRS 7 and IFRS 13		Measurement level under IFRS 13
Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	
	-	-	-	3,172	1,036	3
-						
	-	-	-	23,980	846	3
-						
180	75	-	-	10,452	15,290	2
	-	-	-	20,683	22,179	3
-	-	-	-	867	44	3
-						
	-	-	-	n/a	n/a	n/a
-	0	-	-	278	385	3
0	-	-	-	n/a	n/a	n/a
-						
25	0	-	-	407	1,684	2
	-	-	-	n/a	n/a	n/a
-						
	-	-	-	n/a	n/a	n/a
-						
205	75	0	0	59,839	41,464	

		Balance sheet valuation under IFRS 9								
		Measurement benchmark	Carrying amount		Amortized cost		Fair Value through OCI (without recycling)		Fair Value through profit or loss	
			Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025
in EUR thousand										
Non-current debt										
Liabilities to banks	at amortized cost	182,865	125,053	182,865	125,053	-	-	-	-	
Liabilities from lease agreements	n/a	32,450	37,827	-	-	-	-	-	-	
Other non-current financial liabilities		11,737	9,420							
	at fair value	8	0	-	-	0	0	0	0	
	at amortized cost	11,729	9,420	11,729	9,429	-	-	-	-	
Current debt										
Liabilities to banks	at amortized cost	181,846	143,521	181,846	143,521	-	-	-	-	
Liabilities from lease agreements	n/a	20,716	18,481	-	-	-	-	-	-	
Trade payables	at amortized cost	306,560	208,584	306,560	208,584	-	-	-	-	
Liabilities to companies and participations accounted for using the equity method	at amortized cost	37,528	47,273	37,528	47,273	-	-	-	-	
Other current financial liabilities		18,593	15,013							
	at fair value	1,001	363	-	-	0	0	1,001	363	
	at amortized cost	17,592	14,650	17,592	14,650	-	-	-	-	
Total financial liabilities		792,295	605,172	738,120	548,510	0	0	1,001	363	

With regard to the fundamental classification of the different accounting categories and standards, we refer to section 5.2 “Accounting policies.”

Derivatives in hedge accounting		Not assigned to IFRS 9 category		Fair value according to IFRS 7 and IFRS 13		Measurement level under IFRS 13
Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	
-	-	-	-	182,865	120,166	3
-	-	32,450	37,827	32,450	35,614	3
0	0	-	-	8	0	2
-	-	-	-	11,729	9,042	3
-	-	-	-	n/a	n/a	n/a
-	-	20,716	18,481	n/a	n/a	n/a
-	-	-	-	n/a	n/a	n/a
-	-	-	-	n/a	n/a	n/a
0	0	-	-	1,001		2
-	-	-	-	n/a	n/a	n/a
0	0	53,166	56,308	228,045	164,822	

Net liabilities

The development of the net liabilities is represented in the following table:

in EUR thousand	Borrowings	Leasing relationships	Total
Net liabilities as of January 1, 2024	387,864	62,020	449,884
Raising of loans and liabilities to banks	172,039	0	172,039
Purchases - Leasing relationships	0	23,963	23,963
Repayment	-205,097	-33,475	-238,572
Other non-cash changes	9,905	658	10,563
Net liabilities as of December 31, 2024	364,711	53,166	417,877

in EUR thousand	Borrowings	Leasing relationships	Total
Net liabilities as of January 1, 2025	364,711	53,166	417,877
Raising of loans and liabilities to banks	38,385	0	38,385
Purchases - Leasing relationships	0	34,210	34,210
Repayment	-122,001	-27,925	-149,926
Other non-cash changes	-12,521	-3,143	-15,664
Net liabilities as of December 31, 2025	268,574	56,308	324,882

Other changes mainly include the effects of currency translation in the Liabilities to banks and Liabilities from lease agreements.

40. EXECUTIVE BODIES

In the year under review the Supervisory Board comprised the following members:

Shareholder representatives

- Alfons Doblinger, Munich
Managing Director of Doblinger Beteiligung GmbH, Munich
- Sabine Doblinger, Munich
Personnel Director of DIBAG Industriebau Aktiengesellschaft, Munich
- Prof. Dr.-jur. Bastian Fuchs, Schrobenhausen, Chairman
Attorney at TOPJUS Rechtsanwälte Kupferschmid & Partner mbB, Munich
- Dipl.-Ing. Klaus Pöllath, Stuttgart (until June 7, 2025 and from August 15, 2025 until February 24, 2026)
Retired civil engineer
- Sebastian Sennebogen, Straubing
Managing Director of SENNEBOGEN Multi Line GmbH & Co. KG, Wackersdorf
- Florian Freiherr Tucher von Simmelsdorf, Rottach-Egern
CEO of MuP Verwaltungs- und Beteiligungs AG, Tegernsee
- Martin Saler, Koblach, Austria (from March 18, 2026)
Head of the Manufacturing Division at Julius Blum GmbH, Höchst, Austria
- Prof. Dr. Peter Bömelburg, Ansbach, Chairman (from March 17, 2026)
Independent certified auditor and tax advisor, Ansbach

Employee representatives

- Rainer Burg, Gerolsbach
Technical Marketing Manager at BAUER Spezialtiefbau GmbH, Schrobenhausen
- Dipl.-Ing. (FH) Petra Ehrenfried, Langenmosen
Chairwoman of the Works Council BAUER Resources GmbH, Schrobenhausen
- Maria Engfer-Kersten, Langenhagen
Union secretary of IG BCE Industriegewerkschaft Bergbau, Chemie, Energie, Hannover
- Robert Feiger, Deputy Chairman, Neusäß
Federal Chairman at the Bauen-Agrar-Umwelt industry union, Frankfurt am Main
- Reinhard Irrenhauser, Schrobenhausen
Chairman of the Works Council BAUER Maschinen GmbH, Schrobenhausen
- Dipl.-Ing. Wolfgang Rauscher, Gachenbach
Head of Production at BAUER Maschinen GmbH, Schrobenhausen

Executive Board

- Dipl.-Betriebswirt (FH) Hartmut Beutler, Schrobenhausen (until May 31, 2025)
- Lena-Franziska Effinger, Dasing (from June 1, 2025 and until January 16, 2026)
- Prof. Dr.-Ing. Detlef Heck, Kitzreck, Austria (from August 15, 2025 and until January 16, 2026)
- Peter Hingott, Schrobenhausen (until June 7, 2025)
- Dipl.-Ing. Klaus Pöllath, Stuttgart (from June 7, 2025 and until August 14, 2025)
- Dr.-Ing. Martin Thormann, Essen (from September 15, 2025)
- Dirk Pfrörtner, Munich (from February 19, 2026)

41. RELATED PARTY DISCLOSURES**Total remuneration pursuant to section 314 (1) no. 6 of the HGB**

Members of the Executive Board of BAUER AG are members of Supervisory Boards and Executive Boards of other companies with which BAUER AG maintains relations in the course of its ordinary business operations.

The total remuneration paid to members of the Executive Board pursuant to section 314 (1) no. 6 of the HGB for their activities on the Executive Board in the year under review, excluding allocations to pension provisions, was EUR 899 thousand (previous year: 702). Of that total, EUR 699 thousand (previous year: 432) was not performance-related and EUR 200 thousand (previous year: 270) was performance-related. The total remuneration includes benefits in kind arising from the private use of a company car and reimbursement of expenses for each member of the Executive Board, as well as group accident insurance premiums and employer's liability insurance association contributions.

Old contracts with members of the Executive Board include pension commitments and a survivor's pension as part of the company pension scheme. A retirement pension is also offered through a direct pension plan with a deferred compensation option. The company pension scheme for members of the Executive Board incurred pension service costs totaling EUR 0 thousand (previous year: 0). The baseline salary defined for calculating retirement benefits is significantly lower in all contracts than the basic salary. The total remuneration of the former members of the Executive Board amounted to EUR 343 thousand for the 2025 financial year (previous year: 333). No provisions for compensation in the event of a takeover offer being made have been agreed with the members of the Executive Board. For departed members of the Executive Board, provisions for pensions amounting to EUR 6,970 thousand are recognized as a liability on the reporting date (previous year: 7,172). The remuneration paid to the Supervisory Board for the 2025 financial year totaled EUR 377 thousand (previous year: 386).

Related party disclosures pursuant to IAS 24

Related parties under the terms of IAS 24 are parties that the reporting enterprise has the ability to control or exercise significant influence over, or parties that have the ability to control or exercise significant influence over the reporting enterprise.

Transactions with related parties are defined as the transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether an invoice is issued in respect of the transaction or not.

The remuneration system for members of the Executive Board comprises the short-term component, known as short-term incentives ("STI") and the multi-year component, long term incentives with cash settlement ("LTI Cash").

At the start of the reference year, the Supervisory Board specifies performance targets for "STI" and "LTI Cash" using financial and non-financial performance criteria. After each financial year has elapsed, payment is made in the following year after approval of the annual financial statements based on the achievement of the previously defined targets.

As target values, both qualitative and quantitative goals were agreed.

Apart from taking into account the total Group revenues and earnings after tax, performance criteria from the areas of Market, Employees, Corporate Culture, Finance, Earnings Performance, Balance Sheet, Organization, Processes, Strategy, IT, Accounting, Stakeholders as well as ecological and social aspects are included in the assessment. Additional individual prescribed goals are also possible.

The specific payment amount of the "STI" depends on achievement of the targets for the financial year.

The "LTI Cash" extends to the current and three preceding financial years with the assessment period for target achievement. For existing lease contracts with related parties to the Group, a right of use of EUR 1,205 thousand was capitalized according to IFRS 16 on December 31, 2025 (previous year: 1,533) and a liability was recognized of EUR 1,331 thousand (previous year: 1,640).

Liabilities to the BAUER Foundation arising from a mortgage-backed amortizing loan existed totaling EUR 1,500 thousand as at December 31, 2025 (previous year: 1,500), for which set interest in the amount of EUR 75 thousand (previous year: 83) was paid. The BAUER Foundation is classified under other related parties.

The outstanding balances as at the balance sheet date for variable non-share-based remuneration components was EUR 200 thousand (previous year: 270).

For exercising their role as employees, members of the Supervisory Board received a total of EUR 450 thousand (previous year: 428).

The pension payments to departed members of the Executive Board totaled EUR 343 thousand (previous year: 333). Calculated in accordance with IAS 19, the defined benefit obligation entailed by all pension commitments to members of the Executive Board serving at the end of the financial year was EUR 0 thousand (previous year: 0).

The key relationships between fully consolidated Group companies and related parties are set out in the following table:

in EUR thousand	Associated companies		Non-consolidated companies		Joint ventures	
	2024	2025	2024	2025	2024	2025
Income	1,199	1,338	7,977	10,537	3,564	3,273
Purchased services	6,375	429	4,514	1,301	1,834	648
Assets	115	87	16,051	14,061	2,400	5,463
Liabilities	1,726	281	7,251	771	44,422	51,921
Valuation allowance of receivables	0	0	10,564	9,538	1,135	3,364
Expenditure for uncollectable and uncertain receivables	0	0	8,046	6,758	0	0

The purchased services essentially comprise all expenses incurred with related parties during the financial year. Dividends from associated companies to the amount of EUR 4,829 thousand (previous year: 4,965) and from joint ventures in the amount of EUR 0 thousand (previous year: 0) were included.

Transactions with related parties are conducted at standard market terms.

The receivables and other assets include uncollectable receivables as well as financial assets in respect of related parties. Furthermore, in the financial year, orders were established with DIBAG Industriebau Aktiengesellschaft with an order value amounting to EUR 2,068 thousand (previous year: 3,327).

42. JOINT OPERATIONS

The material joint ventures are listed below:

Financial year 2024:

Project	Company's activities	Place of business	Investment quota
"Gleisgründungszug" Consortium RTG Rammtechnik GmbH – Kirow Ardelt GmbH	Equipment manufacturing	Leipzig, Germany	29.23%

Financial year 2025:

Project	Company's activities	Place of business	Investment quota
"Gleisgründungszug" Consortium RTG Rammtechnik GmbH – Kirow Ardelt GmbH	Equipment manufacturing	Leipzig, Germany	29.23%

43. FEES AND SERVICES OF THE AUDITORS

The fee paid to the auditor of the consolidated financial statements and recorded as expenditure in the financial year is broken down as follows:

in EUR thousand	2024	2025
Auditing services	862	812
Other certification	14	14
Tax advice	0	0
Other services	0	6
Total	876	826

The fees for other services and for other confirmation services include near-audit consulting services, audits concerning the use of information technology over the course of the project and services as part of disclosure obligations. Starting from this financial year, the disclosures regarding the auditor's fees exclusively include auditing costs incurred in Germany for Rödl Audit GmbH Wirtschaftsprüfungsgesellschaft. The previous year's figures were adjusted accordingly.

44. RELEASE FOR ISSUE OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Executive Board has submitted the consolidated financial statements to the Supervisory Board for authorization for issue on May 20, 2026.

45. NUMBER OF EMPLOYEES

	Average		Reporting date	
	2024	2025	2024	2025
Employees	3,527	3,396	3,471	3,364
Germany	1,994	2,006	2,005	2,009
International	1,533	1,390	1,466	1,355
Industrial & trade employees	7,771	7,302	7,634	6,906
Germany	1,683	1,639	1,668	1,581
International	6,088	5,663	5,966	5,325
Apprentices	244	244	275	274
Germany	229	234	265	262
International	15	11	10	12
Total number of employees	11,542	10,942	11,380	10,544

46. PROPOSAL ON THE USE OF RETAINED EARNINGS

The adopted annual financial statements of BAUER Aktiengesellschaft as of December 31, 2025 show an accumulated loss. Therefore, the General Meeting will not be presented with any suggestions relating to the use of the retained earnings.

47. LIST OF HOLDINGS

Company name and registered office	Currency	Capital share in %
1. Fully consolidated companies		
BAUER Aktiengesellschaft	EUR	
A. Germany		
BAUER Spezialtiefbau GmbH, Schrobenhausen, Germany	EUR	100.00
BAUER Maschinen GmbH, Schrobenhausen, Germany	EUR	100.00
SCHACHTBAU NORDHAUSEN GmbH, Nordhausen, Germany	EUR	100.00
SPESA Spezialbau und Sanierung GmbH, Nordhausen, Germany	EUR	100.00
Sadurski Erdwärme GmbH, Leopoldshöhe, Germany	EUR	100.00
BAUER Resources GmbH, Schrobenhausen, Germany	EUR	100.00
BAUER Immobilien GmbH, Schrobenhausen, Germany	EUR	100.00
BAUER Design GmbH, Schrobenhausen, Germany	EUR	100.00
KLEMM Bohrtechnik GmbH, Drolshagen, Germany	EUR	100.00
EURODRILL Grundstücks GmbH, Drolshagen, Germany	EUR	100.00
WW Beteiligung GmbH, Schrobenhausen, Germany	EUR	100.00
MMG Mitteldeutsche MONTAN GmbH, Nordhausen, Germany	EUR	100.00
EURODRILL GmbH, Drolshagen, Germany	EUR	100.00
GWE GmbH, Peine, Germany	EUR	100.00
BAUER Verwaltungs und Beteiligungs GmbH, Schrobenhausen, Germany	EUR	100.00
rig.plus GmbH, Schrobenhausen, Germany	EUR	100.00
Aresing Industrie GmbH, Schrobenhausen, Germany	EUR	100.00
B. EU (excluding Germany)		
GWE Budafilter Kft., Mezőfalva, Hungary	HUF	100.00
BAUER Magyarország Speciális Mélyépítő Kft., Budapest, Hungary	HUF	100.00
BAUER Funderingstechniek B.V., Mijdrecht, Netherlands	EUR	100.00
BAUER Maszyny Polska Sp.z.o.o., Lodz, Poland	PLN	100.00
GWE France S.A.S., Aspiran, France	EUR	100.00
BAUER Machines SAS, Hoerdt, France	EUR	100.00
TracMec Srl, Mordano, Italy	EUR	100.00
BAUER Macchine Italia Srl, Imola, Italy	EUR	100.00
GWE POL-BUD SPÓLKA Z OGRANICZONA ODPOWIEDZIALNOSCIA, Łódź, Poland	PLN	100.00
C. Europe (other)		
BAUER Resources UK Ltd., East Yorkshire, United Kingdom	GBP	100.00
BAUER Technologies Limited, Bishop's Stortford, United Kingdom	GBP	100.00
BAUER EQUIPMENT UK LIMITED, Rotherham, United Kingdom	GBP	100.00
BAUER Spezialtiefbau Schweiz AG, Baden-Dättwil, Switzerland	CHF	100.00
D. Middle East & Central Asia		
Saudi BAUER Foundation Contractors Ltd., Jeddah, Saudi Arabia	SAR	100.00
BAUER International FZE, Dubai, United Arab Emirates	AED	100.00
BAUER Equipment Gulf FZE, Dubai, United Arab Emirates	AED	100.00
BAUER Equipment Gulf LLC, Abu Dhabi, United Arab Emirates	AED	49.00*
BAUER Emirates Environment Technologies & Services LLC, Abu Dhabi, United Arab Emirates	AED	49.00*

Company name and registered office	Currency	Capital share in %
Continued: D. Middle East & Central Asia		
BAUER Resources GmbH / Jordan Ltd. Co. - (subsidiary consolidated financial statements), Amman, Jordan	USD	100.00
Site Group for Services and Well Drilling Ltd. Co., Amman, Jordan	USD	100.00
Site Drilling Ltd. Co., Limassol, Cyprus	EUR	100.00
BAUER Casings Makina Sanayi ve Ticaret Limited Sirketi, Ankara, Turkey	TRY	60.00
BAUER Corporate Services Private Limited, Mumbai, India	INR	100.00
BAUER Geotechnical Specialized Foundation LLC, Abu Dhabi, United Arab Emirates	AED	49.00*
BAUER Specialised Foundation Contractor India Pvt. Ltd., Gurgaon (Haryana), India	INR	100.00
BAUER Equipment India Private Limited, Navi Mumbai, India	INR	100.00
BAUER Engineering India Private Limited, Gurgaon (Haryana), India	INR	100.00
BAUER Resources Saudi LLC, Al Khobar, Saudi Arabia	SAR	100.00
BAUER Environment Bahrain W.L.L., Al Seef District, Bahrain	BHD	100.00
E. Asia-Pacific, Far East and Australia		
BAUER (MALAYSIA) SDN. BHD. – (subsidiary consolidated financial statements), Petaling Jaya, Malaysia	MYR	100.00
BAUER Foundations Australia Pty Ltd, Brisbane, Australia	AUD	100.00
P.T. BAUER Pratama Indonesia, Jakarta Selatan, Indonesia	IDR	100.00
BAUER Services Singapore Pte Ltd, Singapore	EUR	100.00
BAUER Foundations Philippines, Inc., Quezon City, Philippines	PHP	40.00*
BAUER Piling Inc., Quezon City, Philippines	PHP	100.00
BAUER Technologies Far East Pte. Ltd. – (subsidiary consolidated financial statements), Singapore	EUR	100.00
BAUER EQUIPMENT SOUTH ASIA PTE. LTD., Singapore, Singapore	EUR	100.00
BAUER Technologies Taiwan Ltd., Taipei, Taiwan	TWD	100.00
BAUER Tianjin Technologies Co. Ltd., Tianjin, China	CNY	100.00
BAUER Equipment Hong Kong Ltd., Hong Kong, Hong Kong	EUR	100.00
BAUER Equipment (Malaysia) Sdn. Bhd., Shah Alam, Malaysia	MYR	100.00
Shanghai BAUER Technologies Co. Ltd., Shanghai, China	CNY	100.00
BAUER Technologies (Thailand) Company Limited, Bangkok, Thailand	THB	100.00
P.T. BAUER Equipment Indonesia, Gading Serpong, Indonesia	IDR	100.00
NIPPON BAUER Y.K., Tokyo, Japan	JPY	100.00
Inner City (Thailand) Co. Ltd., Bangkok, Thailand	THB	49.00*
Thai BAUER Co. Ltd., Bangkok, Thailand	THB	74.19
BAUER Equipment Australia Pty. Ltd., Baulkham Hills, Australia	AUD	100.00
F. Americas		
BAUER Fundaciones Panama S.A., Panama City, Panama	USD	100.00
BAUER Foundations Canada Inc., Calgary, Canada	CAD	100.00
BAUER Foundation Corp., Odessa, United States of America	USD	100.00
BAUER Resources Chile Limitada – (subsidiary consolidated financial statements), Santiago de Chile, Chile	CLP	100.00
Tuberías y Complementos Mineros Tubomin S.A., Santiago de Chile, Chile	CLP	60.00
BAUER Machinery USA Inc., Conroe, United States of America	USD	100.00

Company name and registered office	Currency	Capital share in %
Continued: F. Americas		
BAUER Equipment America Inc., Conroe, United States of America	USD	100.00
BAUER Financial Services Inc., Wilmington, United States of America	USD	100.00
BAUER Manufacturing LLC, Conroe, United States of America	USD	100.00
G. Africa		
BAUER EGYPT S.A.E Specialised Foundation Contractors, Cairo, Egypt	EGP	56.71
BAUER Technologies South Africa (Pty.) Ltd., Cape Town, South Africa	ZAR	100.00
MINERAL BULK SAMPLING NAMIBIA (PTY) LTD, Windhoek, Namibia	NAD	100.00
BAUER Resources Maroc S.A.R.L., Kenitra, Morocco	MAD	100.00
2. Companies in the expanded basis of consolidation		
A. Germany		
BAUER Versicherungs-Dienst GmbH, Schrobenhausen, Germany	EUR	100.00
Harz Hotel Grimmelallee Nordhausen Beteiligungsgesellschaft mbH, Nordhausen, Germany	EUR	100.00
B. International		
BAUER Renewables Limited, Hertfordshire, United Kingdom	GBP	100.00
BAUER Lebanon Foundation Specialists S.a.r.l., Beirut, Lebanon	USD	100.00
BAUER Latvia SIA, Riga, Latvia	EUR	100.00
BAUER Angola Lda., Luanda, Angola	AOA	100.00
Geo Foundations Vietnam Company Limited, Ho Chi Minh City, Vietnam	VND	100.00
BAUER Fondations Spéciales EURL, Reghaia, Algiers	DZD	100.00
BAUER Geotechnical America LLC, Odessa, Florida, USA	USD	100.00
BAUER Georgia Foundation Specialists LLC, Tbilisi, Georgia	GEL	100.00
BAUER Engineering International Ltd., Dubai, United Arab Emirates	AED	100.00
BAUER Bangladesh Limited, Dhaka, Bangladesh	BDT	100.00
BAUER Lybian Egyptian Specialized Corporate for Technical Engineering Works, Tripoli, Libya	LYD	36.57
BAUER Fundaciones Dominicana S.R.L., Santo Domingo, Dominican Republic	DOP	100.00
BAUER Fundaciones America Latina, S.A., Panama City, Panama	USD	100.00
BAUER-Iraq for Construction Contracting LLC, Baghdad, Iraq	IQD	100.00
Sverige BAUER GL AB, Stockholm, Sweden	SEK	100.00
BAUER DK A/S, Søborg, Denmark	DKK	100.00
BAUER Special Foundations Cambodia Co., Ltd., Daun Penh, Phnom Penh, Cambodia	USD	100.00
BAUER Bhutan Pvt. Ltd., Thimphu, Bhutan	BTN	74.00
BAUER ENGINEERING PNG LIMITED, Port Moresby, Papua New Guinea	PGK	100.00
BAUER Fondations SAS, Paris, France	EUR	100.00
BAUER Foundations Singapore Pte. Ltd., Singapore, Singapore	SGD	100.00
BAUER Foundations QLD Pty. Ltd., Brisbane, Australia	AUD	100.00
BAUER CHILE SPA, Santiago de Chile, Chile	CLP	100.00
OOO BAUER Maschinen Russland, Moscow, Russian Federation	RUB	100.00
OOO BG-TOOLS-MSI, Lyubertsy, Russian Federation	RUB	62.86
BAUER Maschinen Ukraine TOV, Kiev, Ukraine	UAH	100.00
BRASBAUER Equipamentos de Perfuração Ltda., Sao Paulo, Brazil	BRL	60.00

Company name and registered office	Currency	Capital share in %
Continued: B. International		
BAUER-DE WET EQUIPMENT (PROPRIETARY) LIMITED, Gaborone, Botswana	BWP	51.00
BAUER EQUIPAMIENTOS DE PANAMA, S.A., Panama City, Panama	PAB	100.00
BAUER Maschinen Canada Ltd., Calgary, Canada	CAD	100.00
BAUER Parts HUB (Singapore) Pte. Ltd., Singapore, Singapore	SGD	100.00
BAUER Maschinen PARS LLC, Tehran, Iran	IRR	100.00
OOO TRAKMECHANIKA, Yaroslavl, Russian Federation	RUB	100.00
3. Associated companies and joint ventures		
A. Germany		
TMG Tiefbaumaterial GmbH, Emmering, Germany	EUR	50.00
Grunau & Schröder Maschinentechnik GmbH, Drolshagen, Germany	EUR	30.00
SPANTEC Spann- & Ankertechnik GmbH, Rohrenfels, Germany	EUR	40.00
SMS Seabed Mineral Services GmbH, Schrobenhausen, Germany	EUR	50.00
Schacht- und Bergbau Spezialgesellschaft mbH, Mülheim an der Ruhr, Germany	EUR	50.00
Carbo-FORCE GmbH, Kassel, Germany	EUR	50.00
Biochar Rendsburg GmbH, Borgstedt, Germany	EUR	50.00
Joint Venture Backfilling Work A14 BL3.4.3, Halle, Germany	EUR	100.00
Joint Venture Specialist Foundation Engineering PSKW Happurg, Rimpfing, Germany	EUR	50.00
Joint Venture Potsdam Babelsberger Straße, Berlin, Germany	EUR	50.00
VE10 Above-Ground Eastern Section Joint Venture, Munich, Germany	EUR	10.00
VE 30 Tunnel Hauptbahnhof Joint Venture, Munich, Germany	EUR	10.00
Backfilling Pit Obermantelkirchen Joint Venture, Neuötting, Germany	EUR	40.00
“ETS” Shaft Konrad Joint Venture, Nordhausen, Germany	EUR	50.00
Joint Venture Müngstener Brücke, Duisburg, Germany	EUR	50.00
“Gleisgründungszug” Consortium RTG Rammtechnik GmbH – Kirov Ardelt GmbH, Leipzig, Germany	EUR	29.23
Kriegenbrunn Lock Joint Venture, Stuttgart, Germany	EUR	20.00
B. International		
TERRABAUER S.L., Madrid, Spain	EUR	30.00
Bauer + Moosleitner Entsorgungstechnik GmbH, Nußdorf am Haunsberg, Austria	EUR	50.00
BAUER Nimr LLC, Muscat, Oman	OMR	52.50
TOO SCHACHTBAU Kasachstan, Chromtau, Kazakhstan	KZT	50.00
OcOO SCHACHTBAU Kirgisistan, Bishkek, Kyrgyzstan	KGS	50.00
4. Enterprises in which the company has participating interests		
A. Germany		
Nordhäuser Bauprüfinstitut GmbH, Nordhausen, Germany	EUR	20.00
Deusa International GmbH, Bleicherode, Germany	EUR	10.00
Stadtmarketing Schrobenhausen e.G., Schrobenhausen, Germany	EUR	4.18
Digitales Gründerzentrum der Region Ingolstadt GmbH, Ingolstadt, Germany	EUR	2.00
about GmbH, Munich, Germany	EUR	10.19
BAUER Offshore Technologies GmbH, Schrobenhausen, Germany	EUR	50.00
B. International		
OAQ Mostostroyindustrija, Moscow, Russian Federation	RUB	20.70
BAUER International Qatar LLC, Doha, Qatar	QAR	49.00

* Companies are fully consolidated despite capital share < 50%. This may be owing to contractual agreements that enable the BAUER Group to exercise control in this regard under the terms of IFRS 10.

Schrobenhausen, June 16, 2026

The Executive Board

Dr.-Ing. Martin Thormann

Dirk Pfortner

Audit Opinion

The following text is a translation of this auditor's report. The German text is authoritative.

"INDEPENDENT AUDITOR'S REPORT

To BAUER Aktiengesellschaft, Schrobenhausen

Audit Opinions

We have audited the consolidated financial statements of BAUER Aktiengesellschaft, Schrobenhausen, and its subsidiaries (the Group) – comprising the consolidated balance sheet 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 cash flow statement for the financial year from 1 January 2025 to 31 December 2025, and the notes to the consolidated financial statements, including significant information on accounting policies – have been audited. In addition, we have audited the combined management report of BAUER Aktiengesellschaft, Schrobenhausen, for the financial year from 1 January 2025 to 31 December 2025. We have not audited the content of the corporate governance statement pursuant to Section 289f(4) of the German Commercial Code (HGB) (disclosures regarding the proportion of women) in accordance with German statutory requirements.

In our opinion, based on the findings of our audit

- the accompanying consolidated financial statements comply in all material respects with the IFRS Accounting Standards issued by the International Accounting Standards Board (hereinafter "IFRS Accounting Standards"), as applicable in the EU, and with the supplementary German statutory provisions applicable pursuant to section 315e(1) 1 HGB, and, in accordance with these regulations, give a true and fair view of the Group's net assets and financial position as at 31 December 2025 and of its financial performance for the financial year from 1 January 2025 to 31 December 2025, and
- the accompanying summary management report as a whole presents a true and fair view of the Group's position. In all material respects, this summary management report is consistent with the consolidated financial statements, complies with German statutory requirements and accurately presents the opportunities and risks of future development. Our audit opinion on the condensed management report does not extend to the above-mentioned components of the condensed management report that have not been audited as to content.

In accordance with section 322(3), first sentence, of the German Commercial Code (HGB), we declare that our audit has not led to any objections regarding the regularity of the consolidated financial statements and the summary management report.

Basis for the audit opinions

We conducted our audit of the consolidated financial statements and the combined management report in accordance with Section 317 of the German Commercial Code (HGB), in compliance with the German standards on the due performance of audits established by the Institute of Public Auditors in Germany (IDW). Our responsibilities under these regulations and standards are described in more detail in the section "Auditor's Responsibility for the Audit of the Consolidated Financial Statements and the Combined Management Report" of our auditor's report. We are independent of the Group companies in accordance with German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to serve as a basis for our audit opinions on the consolidated financial statements and the combined management report.

Other information

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

- the Corporate Governance Statement pursuant to Section 289f of the German Commercial Code (HGB) in the combined management report under “Legal Disclosures”
- the report of the Supervisory Board,
- the remaining parts of the annual report,
- but not the consolidated financial statements, not the information in the combined management report that has been reviewed for content, and not our accompanying audit opinion.

Our audit opinions on the consolidated financial statements and the condensed management report do not extend to the other information, and accordingly we do not express an audit opinion or any other form of audit conclusion in respect thereof.

In connection with our audit of the consolidated financial statements, we have a responsibility to read the other information referred to above and, in doing so, to assess whether the other information

- contain material inconsistencies with the consolidated financial statements, with the information in the summary management report that has been audited as to content, or with our knowledge obtained during the audit, or
- otherwise appear to be materially misstated.

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

Responsibility of the legal representatives and the Supervisory Board for the consolidated financial statements and the combined management report

The legal representatives are responsible for the preparation of the consolidated financial statements, which comply in all material respects with the IFRS Accounting Standards as adopted by the EU, and the supplementary German statutory provisions applicable pursuant to section 315e(1) of the German Commercial Code (HGB) in all material respects, and for ensuring that the consolidated financial statements, in compliance with these provisions, give a true and fair view of the Group’s net assets, financial position and results of operations. Furthermore, the legal representatives are responsible for the internal controls they have determined to be necessary to enable the preparation of consolidated financial statements that are free from material misstatements arising from fraudulent acts (i.e. accounting manipulation and financial losses) or errors.

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 matters relating to the Group’s ability to continue as a going concern, where relevant. In addition, they are responsible for preparing the financial statements on a going concern basis, unless there is an intention to liquidate the Group or to cease trading, or there is no realistic alternative to doing so.

Furthermore, the legal representatives are responsible for preparing the consolidated management report, which as a whole provides a true and fair view of the Group's position, is consistent in all material respects with the consolidated financial statements, complies with German statutory requirements and accurately presents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for the arrangements and measures (systems) which they have deemed necessary to enable the preparation of a combined management report in accordance with the applicable German statutory provisions, and to be able to provide sufficient and appropriate evidence for the statements in the combined management report.

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

The auditor's responsibility for the audit of the consolidated financial statements and the combined management report

Our objective is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole presents a true and fair view of the Group's financial position, is consistent in all material respects with the consolidated financial statements and with the findings of our audit, complies with German statutory requirements, and accurately presents the opportunities and risks of future development, and to issue an auditor's report containing our audit opinions on the consolidated financial statements and the combined management report.

Reasonable assurance is a high level of assurance, but not a guarantee, that an audit conducted in accordance with Section 317 of the German Commercial Code (HGB), in compliance with the German Standards on Auditing established by the Institute of Public Auditors in Germany (IDW), will always detect a material misstatement. Misstatements may result from fraud or error and are considered material if it could reasonably be expected that, individually or in the aggregate, they would influence the economic decisions of users taken on the basis of these consolidated financial statements and the combined management report.

During the audit, we exercise professional judgement and maintain a critical attitude. Furthermore,

- we identify and assess the risks of material misstatements in the consolidated financial statements and the combined management report arising from fraud or error, plan and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to serve as a basis for our audit opinions. The risk that a material misstatement resulting from fraud will not be detected is higher than the risk that a material misstatement resulting from error will not be detected, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the circumvention of internal controls.
- we obtain an understanding of the internal controls relevant to the audit of the consolidated financial statements and the arrangements and measures relevant to the audit of the combined management report, in order to plan audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the Group's internal controls or of these arrangements and measures.
- we assess the appropriateness of the accounting policies applied by the legal representatives and the reasonableness of the estimates and related disclosures presented by the legal representatives.
- we draw conclusions on the appropriateness of the going concern accounting policy applied by the legal representatives and, based on the audit evidence obtained, whether there is any material uncertainty relating 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 our audit report to the related disclosures in the consolidated financial statements and in the combined management report or, if these disclosures are inadequate, to modify our audit opinion

accordingly. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit report.

However, future events or circumstances may result in the Group being unable to continue as a going concern.

- we assess the presentation, structure and content of the consolidated financial statements as a whole, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in such a way that, in accordance with the IFRS Accounting Standards as adopted by the EU, and the supplementary German statutory provisions applicable pursuant to Section 315e(1) of the German Commercial Code (HGB), the consolidated financial statements give a true and fair view of the Group's financial position, results of operations and cash flows.
- we plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the companies or business segments within the Group as a basis for forming our audit opinions on the consolidated financial statements and the combined management report. We are responsible for the direction, supervision and review of the audit procedures performed for the purposes of the audit of the consolidated financial statements. We bear sole responsibility for our audit opinions.
- we assess the consistency of the combined management report with the consolidated financial statements, its compliance with the law and the picture it conveys of the Group's financial position.
- we perform audit procedures on the forward-looking statements presented by the legal representatives in the consolidated management report. On the basis of sufficient and appropriate audit evidence, we verify in particular the significant assumptions underlying the forward-looking statements made by the legal representatives and assess the appropriate derivation of the forward-looking statements from these assumptions. We do not express a separate audit opinion on the forward-looking statements or on the underlying assumptions. There is a significant and unavoidable risk that future events may differ materially from the forward-looking statements.

We discuss with those responsible for oversight, amongst other things, the planned scope and timing of the audit, as well as significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

Munich, May 20, 2026

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