ANNUAL REPORT
as at 31 December 2024

FRIEDRICH VORWERK GROUP SE
21255 Tostedt

Friedrich Vorwerk in figures

Financial year	2024	2023	Δ2024 /2023
	€k	**€k**	**%**
Order backlog	1,187,660	1,000,803	18.7
Order intake	685,211	1,059,065	-35.3
Earnings figures (adjusted*)	**€k**	**€k**	**%**
Revenue	**498,353**	**373,355**	33.5
Operating performance	498,353	373,278	33.5
Total performance	510,241	395,354	29.1
Cost of materials	-237,473	-196,874	20.6
Staff costs	-149,295	-127,997	16.6
EBITDA	80,529	31,992	151.7
EBITDA margin	*16.2%*	*8.6%*	
EBIT	59,444	14,067	322.6
EBIT margin	*11.9%*	*3.8%*	
EBT	55,451	12,876	330.6
EBT margin	*11.1%*	*3.4%*	
Consolidated net profit after non-controlling interests	**35,875**	**10,241**	250.3
EPS in €	1.79	0.51	250.3
Average number of shares in outstanding	20,000,000	20,000,000	0.0
Earnings figures (IFRS)	**€k**	**€k**	**%**
EBITDA	80,529	31,992	151.7
EBIT	59,281	13,913	326.1
Group result	35,771	10,149	252.5
EPS in €	1.79	0.51	252.5
Figures from the statement of financial position (IFRS)	**31 Dec €k**	**31 Dec €k**	**%**
Non-current assets	152,677	137,697	10.9
Current assets	284,883	173,579	64.1
thereof cash funds	174,647	56,530	208.9
Issued capital	20,000	20,000	0.0
Other equity	185,006	151,542	22.1
Total equity	205,006	171,542	19.5
Equity ratio	*46.9%*	*55.1%*	
Non-current liabilities	60,541	46,004	31.6
Current liabilities	172,012	93,730	83.5
Total assets	437,560	311,276	40.6
Net financial debt (net debt (-) / net cash (+))**	154,257	42,064	266.7
Employees (reporting date)	**1,948**	**1,695**	14.9

* With regard to the adjustments, please refer to the information provided in the section on results of operations, financial position and net assets.

** This figure includes the value of securities.

Contents

Report of the Supervisory Board

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

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

Four ordinary meetings of the Supervisory Board were held in the 2024 financial year. The Management Board was represented at all meetings, unless the discussions in the Supervisory Board concerned Management Board matters. All members of the Supervisory Board attended all meetings, some of which were held in digital form.

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

Main issues discussed and resolutions of the Supervisory Board

At the individual meetings, the Supervisory Board analysed the current business development together with the Management Board and discussed the strategic direction. The discussions covered both the economic situation of the company and that of the individual subsidiaries. In the 2024 financial year, the Supervisory Board's deliberations focused on the growth strategy and medium-term capacity planning with regard to various major projects in pipeline and land cable construction.

The meeting of the Supervisory Board on 18 March 2024 focused in particular on:

- the audit of the annual and consolidated financial statements
- the resolution on the application of the German Corporate Governance Code
- the preparations and available capacities for the upcoming award of contracts for the realisation of High Voltage Direct Current (HVDC) transmission lines
- the preparation of the Annual General Meeting
- and the course of business as well as the status of major projects in the first quarter.

At its meeting on 3 June 2024, the Supervisory Board dealt with the following topics after the Annual General Meeting:

- the evaluation of the course of the Annual General Meeting
- reviewing the effectiveness of the compliance management system
- the status of ongoing major projects and their earnings situation
- the focus topic of personnel recruitment and development
- and the schedule of responsibilities of the Management Board.

The meeting of the Supervisory Board on 6 September 2024 focused in particular on

- investment planning for the year 2025
- the status of ongoing major projects and their earnings situation
- the development and strategic orientation of the new Ludwigsfelde site as well as a detailed inspection led by the manager responsible on site
- the self-assessment of the Supervisory Board
- and the development of net cash and cash equivalents and working capital in the current financial year.

The meeting of the Supervisory Board on 10 December 2024 focused on the following topics:

- the medium and long-term development of the Group with regard to the allocation of resources to the numerous infrastructure projects in the areas of electricity, hydrogen and natural gas
- the status of ongoing major projects and their results, including the current supplementary negotiations
- the detailed discussion of the 2025 budget
- and the discussion of the investment project in Wiesmoor.

Committees and composition of the Supervisory Board

The members of the Supervisory Board are

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

The Supervisory Board consists of three members. There is a separate Audit Committee to which all Supervisory Board members belong. Dr Julian Deutz was elected Chairman of the Audit Committee. Due to its size and composition, the Supervisory Board currently sees no need to form further committees.

Corporate Governance

In the awareness that corporate governance makes a significant contribution to the responsible management and control of the company's management with a focus on value creation, the Supervisory Board continued to deal with topics and issues relating to corporate governance in 2024. Together with the Management Board, the Supervisory Board issued the annual declaration in accordance with section 161 of the Aktiengesetz (AktG – German Stock Corporation Act) on the recommendations of the German Corporate Governance Code. Further information on corporate governance can be found in the combined corporate governance declaration pursuant to section 315(5) in conjunction with section 289f HGB. The combined corporate governance declaration also contains the corporate governance report prepared by the Management Board and Supervisory Board as well as the declaration on the recommendations of the German Corporate Governance Code. The combined corporate governance declaration can be accessed at all times on the Friedrich Vorwerk Group SE website at www.friedrich-vorwerk-group.de. The members of the Management Board and Supervisory Board disclose any conflicts of interest to the Supervisory Board without delay.

Audit of annual and consolidated financial statements

The Supervisory Board duly commissioned Nexia GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Düsseldorf, which was elected as auditor by the Annual General Meeting on 3 June 2024, to audit the annual financial statements and the consolidated financial statements as well as the combined management report and group management report for the 2024 financial year. The auditor has confirmed to the Supervisory Board that there are no professional, financial or other relationships between the auditor, its executive bodies and audit managers on the one hand and the company and the members of its executive bodies on the other that could give rise to doubts about its independence.

The annual financial statements of Friedrich Vorwerk Group SE as of 31 December 2024 and the joint management report for Friedrich Vorwerk Group SE and the FRIEDRICH VORWERK Group were prepared in accordance with the principles of commercial law, the consolidated financial statements as of 31 December 2024 in accordance with the International Financial Reporting Standards (IFRS) and audited by Nexia GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Düsseldorf, which was elected by the Annual General Meeting and commissioned by the Chairman of the Supervisory Board, and issued with an unqualified audit opinion dated 24 March 2025.

The Supervisory Board examined the annual financial statements prepared by the Management Board, the joint management report for Friedrich Vorwerk Group SE and the FRIEDRICH VORWERK Group, the proposal for the appropriation of net profits and the consolidated financial statements and discussed them with the auditor at the meeting on 24 March 2025. All of the Supervisory Board's questions were answered in detail by the auditor. The Supervisory Board received the auditor's report in good time before the meeting. Based on the final result of the audit conducted by the Supervisory Board, there were no objections to the annual financial statements, the management report and the consolidated financial statements. The consolidated financial statements were approved by the Supervisory Board on 24 March 2025. The annual financial statements of Friedrich Vorwerk Group SE are thus adopted.

The Supervisory Board shares the Management Board's assessment of the situation in the combined management and Group management report and approves the proposal of the Management Board on the appropriation of net profit, which provides for the distribution of a dividend of €0.30 per entitled share for the 2024 financial year.

The Supervisory Board would like to thank the Management Board, the management teams of the subsidiaries and all employees of the FRIEDRICH VORWERK Group for their enormous commitment to the company in these challenging times.

Tostedt, 24 March 2025

The Supervisory Board

Dr Christof Nesemeier
Chairman

Combined Management Report and Group Management Report

General information

The Friedrich Vorwerk Group SE, Tostedt, forms the FRIEDRICH VORWERK Group with its subsidiaries.

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

The combined management report comprises the FRIEDRICH VORWERK Group (also referred to as the "Group" or "FRIEDRICH VORWERK") as well as the parent company, Friedrich Vorwerk Group SE. It was prepared in accordance with the provisions of the German Commercial Code German Accounting Standard (GAS) No. 20. Additional information on the annual financial statements of Friedrich Vorwerk Group SE is included in the section on the results of operations, financial position and net assets.

Unless otherwise stated, all figures in this report refer to 31 December 2024 or the financial year from 1 January to 31 December 2024. Percentages and figures in this report may be subject to rounding differences.

For reasons of better readability alone, the simultaneous use of masculine, feminine or linguistic forms of other genders is dispensed with. All references to persons apply to all genders, unless otherwise stated.

Business model

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

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

As one of the most efficient German companies in the areas of planning & design, energy grids (pipeline and underground power cable construction), energy transformation (plant construction) and service & operations, we cover all the key steps in the value chain. In this way, we not only help our customers to operate reliable and cost-efficient energy infrastructure but also make a significant contribution to the security of energy supply in Europe. Our basis for this is the synthesis of state-of-the-art technology and the knowledge and experience of around 2,000 qualified employees at 15 locations in Germany and Europe.

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

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

Economic report

General economic environment

The global economy was moderately dynamic in 2024, albeit with regional differences and increased economic policy uncertainties. Global growth was roughly on a par with the previous year, but below the long-term average of 3.7%. While growth momentum in the United States remained robust due to strong consumption and corporate investment, growth in China, Japan and India slowed. Geopolitical tensions, including those in the Middle East and Eastern Europe, and intensifying global trade conflicts weighed on the global economy in 2024.

The global decline in inflation was also observed in 2024. The interest rate cuts initiated in the major advanced economies in summer 2024 continued in the second half of the year.

The International Monetary Fund (IMF) expects global gross domestic product (GDP) to grow by 3.2% in 2024, with economic development varying greatly from region to region and over the course of the year. Compared to the previous year, in which global GDP grew by 3.3%, the growth rate has therefore fallen slightly. The average annual global inflation rate for 2024 is estimated at 5.7%, which is significantly lower than the previous year's high figure of 6.7%.

In the eurozone, growth remained subdued with an estimated 0.9% increase in GDP compared to the previous year, which is primarily due to the continued weakness of the manufacturing sector and goods exports. Nevertheless, the European labour market remained robust, and the unemployment rate remained at a historic low of 5.9% at the end of the year. The year-on-year inflation rate fell until September 2024 and then rose again slightly to 2.7% in the EU (previous year: 3.4%) and 2.4% in the eurozone (previous year: 2.9%). Falling energy prices in particular contributed to the reduction in the inflation rate.

In Germany, price-adjusted gross domestic product fell by 0.2% in 2024, following a decline of 0.3% in the previous year. Economic output essentially moved sideways over the course of 2024. The economic weakness is primarily due to the weak demand for goods, also caused by the loss of purchasing power due to inflation and a noticeable loss of competitiveness in the manufacturing sector, particularly in non-European markets. Consumer prices in Germany increased by 2.2% on average in 2024 compared to 2023. According to the Federal Statistical Office (Destatis), the inflation rate for 2024 was therefore significantly lower than in the previous year, when it was 5.9%. Here too, the decline is due in particular to lower prices for energy products. Since September 2024, however, there has been a continuous rise in inflation to 2.6% compared to the same month of the previous year, which is mainly due to significantly higher prices for services. The IMF forecasts manageable economic growth of 0.3% for Germany in 2025.

General industry environment

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

In 2024, the market for products and services in the field of energy infrastructure continued to be characterised by the ongoing energy transition. According to the German government's plans, at least 80% of Germany's gross electricity consumption is to be covered by renewable energies by 2030 in order to achieve climate protection targets and become independent of fossil fuel imports.

The expansion of renewable energies in Germany continued in 2024, with the share of renewable energies in gross electricity consumption rising to 55%. This corresponds to an increase of 2 percentage points compared to the previous year and is mainly due to the record expansion of photovoltaics and the expansion and reduced curtailment of offshore wind power.

Due to the ambitious climate targets and the changed geopolitical security situation as a result of the Russia-Ukraine war, demand for energy infrastructure services is expected to continue to grow strongly. The development of a hydrogen economy is a central building block for the success of the energy transition. However, according to the annual report on energy supply 2024 published by the German Association of Energy and Water Industries (BDEW), the development of a climate-neutral and decarbonised hydrogen economy in Germany is still at an early stage. At 93.7%, the majority of the hydrogen produced comes from fossil sources, while climate-neutral hydrogen produced from water electrolysis accounted for just 0.4%.

As part of the development of a national hydrogen infrastructure, the 3rd amendment to the Energy Industry Act (EnWG) was approved by the Bundestag on 12 April 2024. Among other things, the law provides for regular network development planning for hydrogen together with network development planning for natural gas as well as regulations on financing, which is generally carried out privately via network charges, and an extension of the commissioning schedule until 2037.

On 22 October 2024, the Federal Network Agency approved the construction of the 9,040-kilometre hydrogen core network, meaning that its implementation can now begin. The core network will initially be used for the supra-regional transport of hydrogen and, as the first network expansion phase, will form a Germany-wide basic framework. Between 2025 and 2032, the hydrogen pipelines will gradually go into operation. Existing natural gas pipelines can be converted for around 60% of the network, while the remaining 40% will be newly built. In subsequent development stages, further regions and locations will be connected and the network will be optimised and expanded in line with demand. To this end, an integrated network development plan for gas and hydrogen will be drawn up every two years on the basis of scenario and demand-based planning. The first integrated network development plan is to be confirmed by the Federal Network Agency in 2026. Despite having its own hydrogen infrastructure in the future, Germany will have to cover a large proportion of the hydrogen required (around 50 to 70% in 2030) through imports from abroad. To this end, the hydrogen core network is to be closely embedded in the European hydrogen network and further cooperation with other EU member states is to be established. Based on current information, the transmission system operators are planning to invest a total of €18.9 billion in the hydrogen core network by the target year of 2032.

Business development / significant events

In the 2024 financial year, FRIEDRICH VORWERK achieved strong operational revenue growth and a significant increase in profitability. This development is mainly due to several major projects in land cable, pipeline and plant construction that were realised in the past financial year.

After a construction period of just under a year, FRIEDRICH VORWERK, as part of a working group (joint venture), completed the Energy Transmission Line (ETL) 180 on schedule in the first quarter of 2024. The official commissioning of ETL 180, which connects the LNG terminal in Brunsbüttel with the existing pipeline network in the Hamburg area, took place on 11 March 2024 and makes an important contribution to the security of energy supply in Germany. Due to the high time pressure of this critical infrastructure project and some significant changes during the construction phase, numerous items remain the subject of constructive supplementary negotiations even after completion of the construction work, which are expected to be finalised in 2025. The recultivation work along the approximately 55 km long route is also due to be completed in the course of 2025.

The commissioning of the first 24 km section of the South German Natural Gas Pipeline (SEL) from Heilbronn to Löchgau, on which FRIEDRICH VORWERK has been working as part of a working group since March 2024 took place in December 2024. The southern German natural gas pipeline is designed to transport gas from Hessen via Baden-Württemberg to Bavaria. The overall project will be realised in several sections according to demand, with a total route length of around 250 km. From the early 2030s, the SEL will be the first pipeline in Baden-Württemberg to be used for the transport of hydrogen. In June 2024, the working group was awarded the contract for the second, approximately 43 km long section of the pipeline from Löchgau to Esslingen, which is due to be realised in 2025.

In the second half of the financial year, FRIEDRICH VORWERK also received orders to realise key sections of the Etzel-Wardenburg (EWA) and Wardenburg-Drohne (WAD) natural gas pipelines. Both contracts are being realised in the form of a working group, with pipeline lengths of 24 km and 36 km respectively. The entire Etzel-Wardenburg-Drohne natural gas transport pipeline will make an important contribution to Germany's sustainable security of supply and to the energy transition, as it is already designed for the transport of hydrogen. The preparatory construction measures for the EWA already started in autumn 2024, with commissioning scheduled for the end of 2025. After completion, work on the WAD can continue seamlessly.

In October 2024, the Federal Network Agency approved the joint application of the transmission system operators for the hydrogen core network with minor changes. The hydrogen core network approval now provides for measures with a pipeline length of 9,040 km, around 60% of which are based on the rededication of existing natural gas pipelines. The transmission system operators are currently planning to invest a total of €18.9 billion by the target year of 2032. The hydrogen core network is to be developed in stages and the first hydrogen pipelines are to go into operation as early as 2025. In the past financial year, FRIEDRICH VORWERK has already worked on the conversion of several natural gas pipelines and the associated station structures as part of the Hyperlink project.

Following the early start of construction on the lighthouse project A-Nord in the fourth quarter of 2023, the Federal Network Agency completed the planning approval procedures for several pipeline sections in Lower Saxony and North Rhine-Westphalia during the course of the financial year, meaning that local resources were gradually increased over the course of the year. The outstanding approvals for the other pipeline sections are expected to be granted successively in the first half of 2025. It should be emphasised that this contract is being handled as a multi-party agreement (IPA) based on a cost-plus-incentive-fee remuneration structure with a bonus-malus rule.

In the financial year, the "Energy Transformation" segment was mainly characterised by several transformer station projects and numerous new orders in the field of biogas processing and feed-in. In addition, the "Elten" and "Legden" compressor stations were completed over the course of the year. Another pleasing development was the delivery of an electrolyser for Stadtreinigung Hamburg as part of the North German Realisation Laboratory.

In the service & operation segment, several new framework agreements were concluded or extended with network operators. The contracts include services in the areas of maintenance, cathodic corrosion protection, operational management and the provision of planning services.

Other significant events

On 29 February 2024, FRIEDRICH VORWERK acquired 100% of the shares in Seyde und Coburg Kathodischer Korrosionsschutz GmbH, based in Ludwigsfelde. Seyde und Coburg generates profitable annual revenue of around €1.0 million.

The Management Board and Supervisory Board of Friedrich Vorwerk Group SE proposed to the Annual General Meeting on 3 June 2024 that a dividend of €0.12 per entitled share be distributed for the 2023 financial year and that the remaining amount be carried forward to new account. The Annual General Meeting approved the company's proposal by a large majority. The dividend was paid out on 6 June 2024.

Research and development

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

Our research and development activities are generally project-based and in most cases are conducted together with one or more customers in order to optimise an existing product or develop a new product for their specific needs. To a limited extent, we also carry out research and development activities that focus on technologies, plants and processes that have the potential to support or even increase the growth of our Natural Gas, Electricity, Clean Hydrogen and Adjacent Opportunities business areas due to their general applicability. These include H_2-capable components and technologies for CO_2 reduction as well as more efficient and practicable construction processes and technologies to improve project handling and increase customer benefits. Our research and development efforts are aimed at delivering innovations with high market acceptance, rapid adoption potential and far-reaching upgrade potential for existing infrastructures. In doing so, we endeavour to combine the real market experience of our engineers with scientific support from nearby universities in the form of project-related collaboration.

In order to consolidate our position as a leading provider of energy infrastructure, we are continuously working on a range of new technologies such as hydrogen-compatible flow measurement and control systems, automated welding processes, special near-surface HDD drilling processes, customised biogas upgrading systems and hydrogen-compatible safety and control valves.

FRIEDRICH VORWERK bundles its development activities in the field of automated welding technology in the company 5C-Tech GmbH, which was founded last year. The current project involves the design and development of a welding robot for the so-called stem. With the help of the new technology, welding work can be carried out faster and therefore more environmentally friendly. The automated process can also achieve an even higher welding quality. The new technology is to be used for the first time in a pipeline project in 2025.

Group structure

Friedrich Vorwerk Group SE is the parent company of the FRIEDRICH VORWERK Group. In addition to Friedrich Vorwerk Group SE, a total of 19 subsidiaries (previous year: 18) were directly or indirectly included in the consolidated financial statements as at 31 December 2024.

Seyde und Coburg Kathodischer Korrosionsschutz GmbH, Ludwigsfelde, was consolidated for the first time on 1 March 2024.

Companies included in the consolidated financial statements Name and registered office of the company	Shareholding in %
Subsidiaries (consolidated)	
Friedrich Vorwerk Management SE, Tostedt, Germany	100.00
Friedrich Vorwerk SE & Co KG, Tostedt, Germany	**89.93**
5C-Tech GmbH, Tostedt, Germany	62.95
Bohlen & Doyen Anlagenbau Holding GmbH, Tostedt, Germany	**89.93**
Bohlen & Doyen Service und Anlagentechnik GmbH, Wiesmoor, Germany	89.93
Bohlen & Doyen Bau Holding GmbH, Tostedt, Germany	**89.93**
Bohlen & Doyen Bau GmbH, Wiesmoor, Germany	89.93
EAS Einhaus Anlagenservice GmbH, Geeste, Germany	89.93
European Pipeline Services GmbH, Tostedt, Germany	89.93
Gottfried Puhlmann GmbH Havelländische Bauunternehmung, Ludwigsfelde, Germany	89.93
Gottfried Puhlmann GmbH, Marne, Germany	89.93
Gottfried Puhlmann Hamburg GmbH, Tostedt, Germany	89.93
Hempel Aluminiumbau GmbH, Storkow (Mark), Germany	89.93
KORUPP GmbH, Twist, Germany	89.93
Seyde und Coburg Kathodischer Korrosionsschutz GmbH, Ludwigsfelde, Germany	89.93
Vorwerk - ASA GmbH, Herne, Germany	89.93
Vorwerk-EEE GmbH, Tostedt, Germany	89.93
Vorwerk Pipeline- und Anlagenservice GmbH, Petersberg, Germany	89.93
Vorwerk Verwaltungs GmbH, Tostedt, Germany	89.93

In addition, we hold various participating interests in joint ventures (working groups), which are established temporarily in the course of the execution of (major) projects and are listed in the notes to the consolidated financial statements.

Segments

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

Our **Natural Gas** segment comprises infrastructure services and product solutions for the transport and conversion of raw natural gas into processed natural gas for our customers. This takes place in a series of steps from the transport of natural gas through high-pressure pipelines to processing in filter and separation plants, compressor stations, storage and metering systems, LNG terminals and gas pressure control and metering systems. We generally design our natural gas infrastructure solutions according to our customers' individual requirements so that they can benefit from lower CO_2 emissions when operating our systems and maintain very high operational safety standards. We supply such energy infrastructure solutions for natural gas projects of many leading European transmission system operators and certain energy and industrial companies, including Gascade, Open Grid Europe and Ontras. At €171.8 million, revenue in the Natural Gas segment in the financial year 2024 were slightly higher than in the previous year (€165.1 million). EBITDA amounted to €39.0 million (previous year: €11.2 million). At 22.7%, the EBITDA margin is significantly higher than the previous year's EBITDA margin. The significant improvement in the profitability of this segment is mainly due to the completion of old projects affected by high cost increases and the finalisation of supplementary negotiations, which had a positive impact on profitability in the mid-single-digit million range. The order backlog as at the end of the reporting period amounted to €129.2 million (previous year: €83.8 million). The increase in the order backlog is due to the acquisition of several gas pipeline projects in the financial year.

Our **Electricity** segment focuses on providing the infrastructure for the underground transport and conversion of electricity generated from climate-friendly, non-fossil energy sources such as wind, sun, water and renewable raw materials. Our expertise in the field of electricity transport and conversion focuses on the landing of offshore electricity and the installation of high-voltage underground cables through which this electricity is transported in transmission grids. At the end of these cables are connection points in the form of substations and inverters as well as power-to-heat plants, which connect the transmission grids with local energy distribution grids. The adoption of the amended Energy Line Expansion Act in 2015 created the legal framework for the rapid expansion of underground power lines, which led to new projects for laying underground cables. As Germany is currently in the process of phasing out coal and nuclear power or has already done so, renewable energy sources are becoming an increasingly important source of energy and a key factor in the clean energy transition. Similar to our Natural Gas segment, we develop customised solutions for our customers' individual applications. We offer such energy infrastructure solutions for the operations of many leading European transmission system operators and certain energy and industrial companies, including Amprion, 50Hertz and TenneT. Revenue in the Electricity segment more than doubled in the 2024 financial year compared to the previous year to €184.4 million (previous year: €62.9 million). The main driver of this significant revenue growth is the A-Nord cable route, which will continue to generate large revenue contributions over the next two years. EBITDA amounted to €20.5 million (previous year: €9.1 million). At 11.1%, the EBITDA margin is slightly below the previous year's level of 14.5%. This is mainly due to A-Nord's new IPA contract model, which is based on a cost-plus-incentive-fee remuneration structure with a bonus-malus rule and at the same time significantly reduces the Group's risk exposure. Despite the high level of revenue, the order backlog increased once again and amounted to €903.8 million at the reporting date (previous year: €806.7 million). This positive development is due to the underground cable construction projects (such as BalWin3 and LanWin4) and the conversion work at the transformer stations.

Our **Clean Hydrogen** segment comprises product solutions and infrastructure services for converting energy from climate-friendly energy sources into clean hydrogen and transporting it to end consumers. This is done through a series of processing steps from the conversion of renewable energy through an electrolysis process to the processing and transport of the resulting clean hydrogen through storage facilities, compressor stations, pipelines and gas pressure regulation and measurement systems. We use our expertise in our Natural Gas segment to handle complex gases at high pressure and in large quantities and offer energy infrastructure solutions ranging from the construction of individual components to fully integrated, turnkey solutions. We expect our Clean Hydrogen segment to play an increasingly important role in the growth of our business and we are committed to investing significant resources in the development of this segment. We are committed to providing such solutions to the operations of many leading European transmission system operators as well as certain energy and industrial companies, many of which are long-standing customers or end users of our solutions. In the Clean Hydrogen segment, revenue in the reporting year remained unchanged at €26.3 million (previous year: €26.1 million) and thus contributed around 5% to Group revenue. Nevertheless, in October 2024, the Federal Network Agency laid the foundations for the development of the hydrogen core network, meaning that the first tenders for hydrogen pipeline projects are expected in the short to medium term. EBITDA amounted to €4.4 million (previous year: €5.4 million). At 16.9% (previous year: 20.9%), the EBITDA margin is slightly below the previous year's EBITDA margin. The lower margin in the financial year is due to lower earnings contributions from working groups. At the end of the reporting year, the Group was commissioned to realise a 10 MW electrolysis plant at the Emden site. The order backlog as at the end of the reporting period amounted to €44.7 million (previous year: €14.1 million).

In the **Adjacent Opportunities** segment, we focus on related turnkey technologies such as the treatment and purification of biogenic and synthetic gases, heat extraction technologies used in district heating and solutions for the transport of district heating, drinking water and waste water as well as special solutions for the chemical and petrochemical industries. District heating is considered a key component for the sustainable decarbonisation of the building sector and therefore offers significant opportunities for FRIEDRICH VORWERK in the context of the energy transition. In the Adjacent Opportunities segment, revenue in the reporting period of €115.8 million was on a par with the previous year’s revenue (previous year: €119.2 million). EBITDA in the reporting period of €16.6 million was significantly higher than the previous year's EBITDA (previous year: €6.2 million). The EBITDA margin is therefore 14.3% compared to 5.2% in the previous year. The improvement in profitability in this segment is largely due to the completion of old projects, in line with the development in the Natural Gas segment. The order backlog as at the end of the reporting period amounted to €110.0 million (previous year: €96.2 million). The increase in the order backlog is mainly due to numerous large-volume biogas feed-in plants that were acquired in the course of the financial year.

Employees

The success of the FRIEDRICH VORWERK Group is based in particular on the expertise and commitment of its employees. For this reason, employees are at the centre of the company. We pursue the goal of recruiting and retaining employees so that we are optimally prepared for the future requirements of the expansion of renewable energies.

The measures established over the past two years to improve the employer brand and attractiveness, which include, for example, doubling the allowance for all employees working away from home, led to significant recruitment success in the reporting year.

The number of employees as at 31 December 2024, excluding trainees, was 1,948 and therefore significantly higher than in the previous year (31 December 2023: 1,695). In addition, the FRIEDRICH VORWERK Group employed 129 trainees and dual students at the end of the year (previous year: 119). The increase in the workforce is primarily the result of the Group's organic growth, with the recruitment of new employees from abroad playing an important role. Recruiting, qualifying and retaining employees has become a key success factor for our company. Accordingly, the commitment to and investment in a sustainable and superior human resources policy has been significantly strengthened in order to secure the company's future growth.

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

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

Financial position and financial performance

In the following, Friedrich Vorwerk Group SE and then the FRIEDRICH VORWERK Group are described.

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

The annual financial statements of Friedrich Vorwerk Group SE for the financial year 2024 were prepared in accordance with the provisions of the German Commercial Code (HGB), taking into account the supplementary provisions of the German Stock Corporation Act (AktG).

Earnings situation

Other operating income at Friedrich Vorwerk Group SE amounted to €0.8 million (previous year: €1.0 million) and mainly includes costs passed on to subsidiaries and reversals of impairment losses on securities held as financial assets.

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

Income from affiliated companies totalling €17.0 million (previous year: €5.7 million) includes the profit allocation from Friedrich Vorwerk SE & Co. KG.

Income from other securities held as financial assets amounting to €0.1 million (previous year: €0.2 million) includes income from dividends and the sale of financial assets.

Other interest and similar income for the financial year amounted to €7.3 million (previous year: €6.6 million) and resulted from intragroup loans to Friedrich Vorwerk SE & Co. KG and bank balances.

After taking into account income tax expenses of €3.6 million (previous year: €2.0 million), the net profit for the year amounted to €20.6 million (previous year: €10.5 million).

Net assets and financial position

As at 31 December 2024 , the issued capital of Friedrich Vorwerk Group SE amounted to €20.0 million (previous year: €20.0 million).

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

Total assets increased from €136.6 million to €153.9 million. On the liabilities side, the increase is mainly due to the increase in equity. On the assets side, the most substantial position of receivables from affiliated companies decreased to €96.4 million (previous year: €112.2 million), while the increase in total assets is the result of higher cash and cash equivalents. Cash and cash equivalents at Friedrich Vorwerk Group SE amounted to €33.7 million at the end of the financial year (previous year: €0.5 million).

FRIEDRICH VORWERK Group

Results of operations

The earnings figures contain IFRS remeasurement effects and non-recurring expenses unrelated to the management of the company. The management therefore runs the Group on the basis of adjusted earnings figures that reflect the operating earnings power and the development of the Group much more transparently and more sustainably.

In the matter of order intake, the FRIEDRICH VORWERK Group once again benefited significantly from its excellent positioning in the rapidly growing market for energy infrastructure in the 2024 financial year and acquired numerous new projects. These include, for example, the onshore underground cable connections for the BalWin3 and LanWin4 offshore connection projects, three further batches of the Süddeutsche Erdgasleitung (SEL) pipeline, one lot each of the Etzel-Wardenburg (EWA) and Wardenburg-Drohne (WAD) natural gas pipelines and a 10 MW electrolysis project. The Group generated total order intake of €685.2 million in the financial year (previous year: €1,059.1 million), which corresponds to a book-to-bill ratio of 1.37. The decline compared to the previous year is due to the lighthouse project A-Nord, which was acquired in the third quarter of 2023. The order backlog as at the reporting date remains at a very high level at €1,187.7 million (previous year: €1,000.8 million). Based on the high order backlog, the FRIEDRICH VORWERK Group's basic capacity utilisation is secured for the coming years.

The FRIEDRICH VORWERK Group generated revenue of €498.4 million in the 2024 financial year (previous year: €373.4 million). This corresponds to a significant increase of 33%. The increase in revenue is due in particular to the strong second half of the year with an outstanding fourth quarter in which revenue growth of 62% was achieved compared to the same period of the previous year. The strong driver of revenue growth is the major A-Nord project, on which construction output was significantly ramped up over the course of the financial year. Another important prerequisite for the continued growth is the very successful recruitment work in the financial year. The number of employees increased by 14.9% compared to the last balance sheet date to 1,948.

The FRIEDRICH VORWERK Group generated other income of €11.9 million (previous year: €22.1 million). The decline is mainly due to lower income from equity investments compared to the previous year (€6.0 million; previous year: €14.7 million). In addition, income from the reversal of provisions (€0.6 million; previous year: €0.7 million), income from the offsetting of benefits in kind (€1.6 million; previous year: €1.4 million), income from own work capitalised (€0.7 million, previous year: €1.2 million), income from renting and leasing (€1.1 million; previous year: €1.0 million), income from insurance compensation (€0.7 million, previous year: €0.4 million), income from the disposal of assets (€0.1 million; previous year: €0.2 million) and other income (€1.2 million , previous year: €2.4 million) are included in the balance.

The cost of materials increased from €196.9 million in the previous year to €237.5 million in the reporting period. This includes the cost of purchased services in the amount of €175.7 million (previous year: €150.0 million) and the cost of raw materials and supplies amounting to €61.7 million (previous year: €46.9 million). The cost of materials ratio fell by 5 percentage points compared to the previous year to 47.7 % (previous year: 52.7 %). This is due to a higher real net output ratio on the one hand and a change in the composition of the order backlog on the other.

Staff costs in the previous year rose from €128.0 million in the previous year to €149.3 million in the reporting period. The increase is mainly due to the year-on-year rise in the average number of employees (+11%) as well as wage and salary increases. The personnel expenses ratio fell from 34.3% in the previous year to 30.0% in the reporting period. As at the end of the reporting period, the FRIEDRICH VORWERK Group had 1,948 employees (previous year: 1,695).

Other operating expenses amounted to €42.9 million in the 2024 financial year (previous year: €38.5 million). This mainly includes rental and leasing expenses for short-term leases (€12.5 million; previous year: €9.9 million), maintenance expenses (€10.2 million; previous year: €8.4 million), travel and vehicle expenses (€4.7 million; previous year: €4.1 million), insurance premiums (€1.6 million; previous year: €1.8 million), training and development costs (€1.3 million; previous year: €1.0 million) and legal and consulting costs (€1.0 million; previous year: €1.0 million).

The FRIEDRICH VORWERK Group thus generated earnings before interest, taxes, depreciation and amortisation (EBITDA) of €80.5 million in the 2024 financial year (previous year: €32.0 million). This corresponds to a significant increase of around 150% compared to the previous year. The EBITDA margin increased by 7.6 percentage points to 16.2%. The significant improvement in profitability over the course of the financial year is the result of the high-quality order backlog and the completion of legacy projects in the first quarter of the reporting year.

The adjusted depreciation and amortisation of €21.1 million (previous year: €17.9 million) relates to scheduled depreciation and amortisation of property, plant and equipment and intangible assets. The increase compared to the previous year is due to the significant investments in property, plant and equipment as part of the growth strategy. Depreciation and amortisation of €2.1 million (previous year: €2.5 million) was incurred in the reporting year due to the application of IFRS 16. Depreciation and amortisation of assets in the amount of €0.2 million (previous year: €0.2 million), which were capitalised as part of purchase price allocations, were adjusted.

This resulted in adjusted EBIT (earnings before interest and taxes) of €59.4 million (previous year: €14.1 million). This corresponds to an adjusted EBIT margin of 11.9% (previous year: 3.8%). EBIT before adjustments totalled €59.3 million at (previous year: €13.9 million).

The net finance costs amounted to €-4.0 million compared to €-1.2 million in the previous year. The balance of interest income and interest expenses amounted to €-0.2 million (previous year: €- 0.8 million). Earnings attributable to non-controlling interests in Friedrich Vorwerk SE & Co. KG - essentially the 10% limited partnership interest attributable to the Chairman of the Management Board Torben Kleinfeldt - are also recognised in the net finance costs.

The resulting adjusted earnings before taxes (EBT) amounted to €55.5 million (previous year: €12.9 million). EBT before adjustments amounted to €55.3 million in the reporting period (previous year: €12.7 million).

The reported adjusted tax expense amounted to €19.6 million in the financial year (previous year: €2.5 million) and is mainly attributable to income taxes and deferred taxes. The tax expense for the reporting year includes various effects that led to a higher tax rate in the reporting year (explained in detail in the tax reconciliation in the notes to the consolidated financial statements). The balance includes other taxes totalling €0.5 million (previous year: €0.4 million).

In total, the adjusted consolidated net profit amounted to €35.9 million (previous year: €10.2 million). Consolidated net income before adjustments amounted to €35.8 million (previous year: €10.1 million).

Derivation of the adjusted earnings figures

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

	Note	1 Jan - 31 Dec 2024 €k	1 Jan - 31 Dec 2023 €k
Revenue	III.1.	**498,353**	**373,355**
Increase (+), decrease (-) in finished goods and work in progress		0	-77
Operating performance		**498,353**	**373,278**
Income from equity investments	III.2.	6,029	14,740
Other operating income	III.3.	5,859	7,336
Total performance		**510,241**	**395,354**
Cost of raw materials and supplies		-61,748	-46,864
Cost of purchased services		-175,725	-150,009
Cost of materials	III.4.	**-237,473**	**-196,874**
Wages and salaries		-114,551	-97,976
Social security and pension costs		-34,744	-30,021
Staff costs	III.5.	**-149,295**	**-127,997**
Other operating expenses	III.6.	-42,945	-38,492
Adjusted earnings before interest, taxes depreciation and amortisation (EBITDA)		**80,529**	**31,992**
Depreciation and amortisation		-21,248	-18,079
Adjusted for the following effects:			
Depreciation and amortisation of assets acquired in business combinations		163	154
Adjusted earnings before interest and taxes (EBIT)		**59,444**	**14,067**
Finance income	III.7.	1,262	301
Finance expenses	III.8.	-1,426	-1,097
Earnings attributable to non-controlling interests		-3,818	-385
Net finance costs		**-3,981**	**-1,181**
Adjusted for the following effects:			
Non-controlling interests		-12	-10
Adjusted earnings before taxes (EBT)		**55,451**	**12,876**
Income tax expense	III.9.	-19,101	-2,044
Other taxes	III.9.	-496	-417
Adjusted for the following effects:			
Deferred taxes on adjusted business transactions		-47	-46
Adjusted profit or loss for the period		**35,807**	**10,370**
Non-controlling interests		68	-129
Adjusted consolidated net profit		**35,875**	**10,241**
Adjusted earnings per share (in €)	III.10.	1.79	0.51

Target achievement of the Group

Target achievement of the Group	Forecast 2024 published Mar 24	Forecast 2024 published Aug 24	Forecast 2024 published Oct 24	Achieved 2024
Adjusted revenue (€ million)	> €380 million	> €410 million	€430-460 million	€498.4 million
Adjusted EBITDA margin (%)	11-13%	11-13%	14-15%	16.2%

The forecast for the 2024 financial year originally published in March 2024 was raised in August and October on the basis of more recent findings and the positive business performance. The Group's most recent forecast was significantly exceeded in terms of both consolidated revenue and the EBITDA margin.

Financial position

The equity of the FRIEDRICH VORWERK Group amounted to €205.0 million as at 31 December 2024 (31 December 2023: €171.5 million). In relation to the consolidated balance sheet total of €437.6 million (previous year: €311.3 million), the equity ratio as at the end of the reporting period was 46.9% (previous year: 55.1%). The increase in equity is mainly due to the current net profit for the year. The payment of the dividend of €2.4 million for the 2023 financial year, which was approved by the Annual General Meeting on 3 June 2024, had the opposite effect.

The increase in property, plant and equipment to €128.4 million as at the end of the reporting period (31 December 2023: €110.3 million) is largely the result of investments in machinery and equipment as well as in the branches and locations of the FRIEDRICH VORWERK Group. In addition to land and buildings amounting to €50.9 million, property, plant and equipment also includes technical equipment and machinery (€39.7 million), operating and office equipment (€33.0 million) and assets under construction (€4.8 million).

Financial assets decreased slightly from €12.7 million in the previous year to €11.3 million in the reporting year. This mainly includes shares in equity investments recognised and securities. The decrease results in particular from a reduction of €1.3 million in the carrying amounts of equity investments. This includes distributions totalling €6.3 million and offsetting positive earnings effects of €5.0 million.

Inventories amounted to €7.0 million as at the end of the reporting period (31 December 2023: €7.2 million) and largely comprise raw materials and supplies.

The change in trade receivables, contract assets and other current assets from €109.8 million as at 31 December 2023 to €103.2 million as at the end of the reporting period is mainly due to a reduction in contract assets to €53.9 million (previous year: €66.2 million). Working capital fell compared to the previous year despite significant revenue growth, which is due in particular to improved working capital management.

Cash and cash equivalents totalling €174.6 million as at the reporting date increased by around €118 million compared to the previous year (€56.5 million). This is mainly due to the significant increase in advance payments received and the reduction in working capital at the end of the year. The Group was able to fulfil its payment obligations at all times. Further details on cash and cash equivalents can be found in the section on the financial position.

The Group's bank, lease and other financial liabilities amounted to €22.4 million as at 31 December 2024 (31 December 2023: €16.5 million). The increase in financial liabilities is mainly the result of taking out a loan of €8.0 million as part of property financing in the reporting year. Scheduled repayments totalling €5.5 million had the opposite effect. As at the end of the reporting period, the Group had committed but unutilised credit lines amounting to €45.4 million. Please refer to the disclosures in the notes to the consolidated financial statements (section VII. Objectives and methods of financial risk management) for information on maturity and interest structures.

The balance of the aforementioned liabilities and cash and cash equivalents, including the securities portfolio, therefore amounted to €154.3 million as at the end of the reporting period (31 December 2023: €42.1 million). In addition, there were off-balance sheet contingent liabilities of

€281.5 million as at the end of the reporting period (31 December 2023: €180.3 million), which mainly consist of advance payment, contract performance and warranty guarantees.

The profit participation capital as at the end of the reporting period amounted to €10.2 million (31 December 2023: €10.2 million) and was provided by the charitable Irene and Friedrich Vorwerk Foundation, which was established by the founders of the Group. The profit participation rights receive a guaranteed interest rate of 2.5% above the respective 3-month Euribor. In addition, the holder of profit participation rights participates in the adjusted consolidated earnings of the FRIEDRICH VORWERK Group in the form of a variable interest rate. The total interest rate in the reporting year was 7.3% (previous year: 6.0%). The profit participation rights can be terminated for the first time with effect from 31 December 2039.

Pension provisions were virtually unchanged as at the end of the reporting period at €2.1 million (31 December 2023 €2.0 million).

Deferred tax liabilities increased from €15.5 million in the previous year to €24.0 million . This is mainly due to higher temporary differences in fixed and current assets.

Provisions with the liability character, which mainly include accruals for outstanding invoices, increased to €31.4 million as at the end of the reporting period (31 December 2023: €25.1 million).

Contract liabilities, which mainly consist of advance payments received, increased significantly by €55.2 million to €80.7 million as at the reporting date. This is due in particular to a higher proportion of projects in the Energy Transformation segment and improved payment terms. Trade payables amounted to €4.4 million as at the end of the reporting period (31 December 2023: €3.7 million).

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

Other liabilities increased significantly and amounted to €31.8 million as at the end of the reporting period (31 December 2023: €19.2 million). The increase is mainly due to higher VAT liabilities.

Financial position

The change in cash and cash equivalents amounted to €118.1 million in the reporting period (previous year: €10.6 million) and is broken down as follows:

The cash flow from operating activities increased significantly year-on-year from €50.4 million in the previous year to €155.6 million in the reporting year. It is mainly made up of the operating business of the subsidiaries and the resulting cash inflows. It also includes changes in assets and liabilities that are not attributable to investing or financing activities. The change compared to the previous year is primarily due to the increase in contract liabilities (€55.2 million). In addition, the significantly higher profitability and the reduction in working capital had a positive impact on cash flow from operating activities.

Cash flow from investing activities totalled €-35.6 million (previous year: €-29.5 million) and resulted primarily from payments for property, plant and equipment. In particular, this includes technical equipment and machinery, operating and office equipment and assets under construction.

Cash flow from financing activities totalled €-1.9 million (previous year: €-10.3 million). This includes net payments for the raising and repayment of bank and lease liabilities totalling €2.5 million (previous year: net payment of €5.4 million), payments for dividends to shareholders of Friedrich Vorwerk Group SE of €2.4 million, interest payments of €1.4 million and payments for dividends to non-controlling interests of €0.6 million.

Summary assessment

The Management Board assesses the development of the FRIEDRICH VORWERK Group in the financial year 2024 as very positive. In the reporting year, record revenue totalling €498.4 million was generated, which corresponds to growth of 33%. The basis for this growth was the realisation of many energy infrastructure projects, which are essential for ensuring security of supply and the success of the energy transition. The significant improvement in the Group's profitability should be emphasised. Thanks to the completion of legacy projects in the first quarter of 2024 and a high-quality order backlog in conjunction with improved capacity utilisation and project management, the EBITDA margin increased continuously over the course of the financial year . In addition, cash flow from operating activities improved by more than €100 million compared to the previous year thanks to improved working capital management, resulting in an excellent liquidity position as at the reporting date. The continued recruitment success in the reporting year is also particularly pleasing. The number of employees increased by 14.9% year-on-year to 1,948 at the end of the financial year.

Principles and objectives of financial management

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

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

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

Controlling system

The FRIEDRICH VORWERK Group's consistent focus on increasing the value of the company is also reflected in our internal management system. All relevant developments in the FRIEDRICH VORWERK Group are discussed at regular Management Board meetings. The development of the Group's most important performance indicators - revenue and EBITDA (earnings before interest, taxes, depreciation and amortisation) - is analysed. Friedrich Vorwerk Group SE defines Group revenue and Group EBITDA as the most important financial performance indicators relevant to forecasting. The order intake, EBIT (earnings before interest and taxes), EBT (earnings before taxes) and project contribution margins are the Group's other less significant financial performance indicators. The balance of cash and cash equivalents including securities and financial liabilities (net cash or net debt) is used as a less significant indicator to assess the financial position and net assets. Other less significant financial performance indicators are trade working capital, which is made up of inventories, trade receivables, contract assets, advance payments received and trade payables. In addition to the aforementioned financial figures from day-to-day operations, the focus is also on less significant non-financial indicators such as employee, environmental and social issues on an ad hoc basis. There were no relevant events in the 2024 financial year. Compared to the previous year, net CO_2 emissions are no longer used as a key non-financial performance indicator, as net CO_2 emissions are subject to numerous unforeseeable factors during project execution over which the Group has no influence.

Report on risks and opportunities

Risk management

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

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

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

The risk factors are assessed according to the following criteria:

Probability of occurrence	Description
under 20%	Low Probability
20% to 80%	Average Probability
over 80%	High Probability

Degree of Impact	Definition of the Impact
Insignificant	Minor negative impact on business activities, financial position, results of operations and / or cash flow
Moderate	Noticeable negative impact on business activities, financial position, earnings position and / or cash flow
Considerable	Significant negative impact on business activities, financial position, results of operations and / or cash flow

The following risk classification is based on these criteria:

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

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

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

Compared to the previous year, the risk factors are presented in a less aggregated form. In addition, the risk assessments for two risk factors have changed. The market risks were raised from "low" to "medium" in terms of probability of occurrence, while the personnel risks were downgraded from "high" to "medium" in terms of probability of occurrence.

Economic, political, social and regulatory risks

Global economic risks

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

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

Geopolitical risks

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

These developments could also have an impact on the energy supply in the future. Although energy prices are currently stable, there is still a risk of an increase, particularly as a result of geopolitical tensions, regulatory measures or increased demand for alternative energy sources. At the same time, security of supply remains a factor, as a potential shortage of energy sources could lead to further uncertainties in the supply chains and affect project production costs.

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

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

Risks from legal changes

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

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

Legal risks

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

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

Strategic risks

Market risks

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

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

Risks from mergers & acquisitions

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

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

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

Operational business risks

Project risks

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

Material and external service risks

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

Personnel risks

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

The FRIEDRICH VORWERK Group counters the risk of staff turnover with individual performance-related bonus schemes and a wide range of development opportunities within the Group. This ensures that top performers remain with the company in the long term. In-house training and further education ensure the next generation of specialists and managers. The FRIEDRICH VORWERK Group counters the increasingly fierce competition for highly qualified specialists and managers with optimised recruiting measures and cooperation with universities. As part of its optimised recruiting measures, the FRIEDRICH VORWERK Group is increasingly consolidating its own employer brand to strengthen employee loyalty and increase its attractiveness for new and existing employees. The range of employee benefits is also constantly being revised and expanded to attract new employees. Flexible working time models, modern working conditions and an open corporate culture contribute to the attractiveness for existing and new employees. The probability of occurrence is rated as medium and the potential impact as moderate.

IT risks

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

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

Financial risks

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

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

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

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

Ecological and ESG risks

Environmental and climate risks

The environmental and climate risks have a wide variety of aspects. On the one hand, they relate to the energy sector and the associated greenhouse gas emissions and, on the other, to resource and waste management. The FRIEDRICH VORWERK Group endeavours to reduce energy consumption, which is primarily due to the use of fossil fuels in the operation of our technical equipment and machinery and the transport of this equipment. To achieve this goal, we are increasing our efforts to implement sustainable and climate-neutral projects, increase the use of renewable energies, modernise our equipment and property portfolio and optimise our logistics planning. In terms of resource management, FRIEDRICH VORWERK is focussing on improved material recycling and resource efficiency - also with regard to Group-wide water consumption. The climate risk correlates with the environmental risk. As a result of ongoing climate change and the associated global warming, recent years in particular have shown that storms are occurring more frequently and more severely. Energy grid projects in particular are heavily dependent on weather conditions. If rainfall persists, projects may not be able to continue. The winter months in particular are characterised by bad weather. In order to avoid delays in completion, weather forecasts are checked at regular intervals and included in deployment planning. The probability of occurrence is rated as medium and the potential impact as moderate.

Risks from pandemics

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

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

Sustainability risks

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

To counteract these risks, the Group pursues an active sustainability strategy, focusses on resource-conserving production factors, transparent reporting and the continuous improvement of ESG key figures. Friedrich Vorwerk Group SE rates the overall risk as low.

Corporate governance and compliance risks

Corporate law risks

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

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

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

Early risk detection system

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

Opportunities

The European energy transition towards a CO_2-neutral continent by 2050 entails a fundamental reorganisation of the European energy markets, which will require enormous investments in existing and new energy infrastructure over the coming decades. The Russian war in Ukraine is proving to be an additional catalyst for an accelerated diversification of energy sources and the switch from natural gas to climate-neutral gases such as hydrogen.

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

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

In order to compensate for the nuclear phase-out that has already taken place and the decision to phase out coal in Germany, considerable investment in the natural gas infrastructure is necessary to ensure the security of supply for German industry and the population in the long term through more decentralised structures and flexible gas-fired power plants. Up to €4.4 billion is to be invested in the long-distance gas transmission network in Germany alone by 2032.

Another key component of the energy transition is the large-scale expansion of electricity generation capacities in the field of renewable energies, primarily wind and solar energy. A significant expansion of the transmission grids is essential for the distribution of renewable energies, particularly from the windy north to the consumer regions in the south of Germany, most of which is to be realised underground. The current 2037/2045 grid development plan envisages an investment volume of over €150 billion in the German onshore grid. With Bohlen & Doyen's experience in the realisation of underground cable projects, FRIEDRICH VORWERK is ideally positioned for these major projects.

As a molecular energy carrier, green hydrogen is an essential component of a successful energy transition in Europe. Hydrogen is already essential for many processes in energy-intensive industries and will play a decisive role in the future, particularly in the industrial and mobility sectors, which are difficult to decarbonise. In addition to the massive Europe-wide expansion of electrolysers for the production of green hydrogen from renewable energies, the nationwide expansion and development of hydrogen-compatible pipelines and plants will therefore also be necessary. As part of the European hydrogen strategy, the European Commission approved a total of 33 European projects from seven EU member states at the beginning of 2024 as part of the IPCEI (Important Project of Common European Interest) funding programme. The approved projects include 24 German projects which, with a total of over 2,700 km of pipeline network, more than 3.2 GW of hydrogen production capacity and almost 370 GWh of storage capacity, are expected to make a significant contribution to building a green hydrogen infrastructure in Germany. The federal government and the respective federal states are planning to invest around €4.6 billion in this endeavour, in addition to around €3.6 billion invested by companies. Friedrich Vorwerk is already significantly involved in some of the subsidised projects, such as Hyperlink, Lingen Green Hydrogen or GetH2, and expects considerable further market potential as the German hydrogen infrastructure is ramped up. An important prerequisite for this is the approval of the German hydrogen core network by the Federal Network Agency, which was granted on 22 October 2024. The 9,040 km long hydrogen core network is intended to reach currently known large hydrogen consumption and production regions in Germany and thus connect central locations - such as large industrial centres, storage facilities, power plants and import corridors. The core network is to include important hydrogen infrastructures that are to go into operation by 2032. The planned investments amount to around €19 billion by 2032.

Substantial growth opportunities also continue to emerge in the district heating market. District heating from renewable energies or unavoidable waste heat is seen as a key building block for the sustainable decarbonisation of the building sector. In the medium term, at least 100,000 new buildings are to be connected to district heating every year. This will require a massive expansion and modernisation of Germany's district heating networks. Against this backdrop, a study conducted by Prognos AG in July 2024 estimates that district heating suppliers will need to invest a total of €43.5 billion by 2030, an increase of €10.6 billion compared to the previous study (estimate from 2020: €32.9 billion). FRIEDRICH VORWERK believes it is ideally positioned in this market thanks to its broad portfolio of services and technologies and decades of experience in the planning and realisation of district heating projects.

Against this backdrop, FRIEDRICH VORWERK is confident that the aforementioned core markets, particularly in the areas of hydrogen, electricity and district heating, will offer significant growth opportunities in the future from operating activities and possible inorganic growth.

Overall assessment

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

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

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

Principles of the risk management system

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

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

- integrated project controlling that accompanies the operational projects in the individual group companies;
- regular management meetings with the managing directors and other managers of the subsidiaries;
- a regular external or internal audit that examines predefined focal points;
- structured merger & acquisition tools;
- centralised group monitoring of significant contractual risks or legal disputes by the Management Board and involvement of qualified law firms where necessary.

Accounting-related and non-financial internal control system

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

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

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

Adequacy of the internal control system and risk management system

The internal control system, in relation to financial and non-financial reporting, and the risk management system are reviewed on an ongoing basis and adjusted accordingly. The results of external audits, such as the audit of the internal control system for accounting by the auditor, and internal sources were taken into account when assessing the appropriateness of the system. If any issues are identified, the Group takes corrective action. In the reporting year, no significant issues were identified that would indicate that the internal control system and the risk management system are inadequate.

Declaration on corporate governance

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

Declaration in accordance with section 161 AktG

On 24 March 2025, the Management Board and Supervisory Board issued the most recent declaration of compliance in accordance with section 161 AktG. It reads as follows:

The Management Board and Supervisory Board of Friedrich Vorwerk Group SE issued the last declaration of conformity in accordance with section 161 AktG in March 2024. The following declaration refers to the recommendations of the Code in its version dated 28 April 2022 ("the Code"), which was published in the Federal Gazette on 27 June 2022.

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

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

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

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

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

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

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

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

Remuneration report

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

Disclosures on corporate governance practices

Compliance

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

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

Risk management

The risk management of the FRIEDRICH VORWERK Group is described in detail in the risk and opportunity report as part of the summarised management and Group management report.

Transparency

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

Procedures of the Management Board and Supervisory Board and their composition

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

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

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

Management Board

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

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

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

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

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

The age limit for members of the Management Board is 66 years. There is no minimum age. However, Management Board members should have several years of management experience at the time of their appointment. Within this framework - for reasons of diversity and in the interests of long-term succession planning - a heterogeneous age structure is aimed for within the Management Board, whereby age is not considered to be of central importance compared to the other criteria.

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

Long-term succession planning for the Management Board

Together with the Management Board, the Supervisory Board ensures long-term succession planning for the Management Board. This duty is performed by the Supervisory Board acting as a whole. Based on the objectives described above for the composition and competences of the members, requirement profiles are drawn up for the individual Management Board positions. The requirement profiles and the allocation of responsibilities are regularly reviewed by the Supervisory Board with regard to the current environment, business development and corporate strategy.

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

Supervisory Board

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

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

The members of the Supervisory Board are obliged to act in the interests of the company. No member of the Supervisory Board may pursue personal interests in their decisions or take advantage of business opportunities to which the company is entitled. Conflicts of interest must be disclosed to the Chairman of the Supervisory Board without delay. The Supervisory Board provides information on any conflicts of interest that arise and how they are dealt with in its report to the Annual General Meeting. Consultancy and other service or work contracts between a member of the Supervisory Board and the company require the approval of the Supervisory Board. There were no such contracts in the 2024 financial year.

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

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

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

Objectives for the competence profile of the Supervisory Board

Requirements for the individual members of the Supervisory Board

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

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

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

Requirements for the composition of the full board

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

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

[1] In accordance with the German Corporate Governance Code (the Code)

[2] Within the meaning of Section 100 (5) AktG and recommendation D.3 of the Code

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

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

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

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

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

The current composition of the Supervisory Board fulfils all of the above objectives: The Supervisory Board is made up of people with different professional backgrounds, experience and expertise. The proportion of women of 30% is met. No member exceeded the age limit at the time of their election. The term limits are observed by all members of the Supervisory Board. The majority of the members of the Supervisory Board are independent of the company and the Management Board. The Supervisory Board last carried out a self-assessment on 6 September 2024.

Disclosures in accordance with section 289a and section 315a HGB

Composition of issued capital

The issued capital of the company amounted to €20,000,000.00 as at 31 December 2024 and was divided into 20,000,000 no-par value bearer shares. Each share grants the bearer one vote at the Annual General Meeting.

Restrictions on voting rights or the transfer of shares

There are no restrictions on voting rights or transferability.

Direct or indirect equity interests exceeding 10% of the voting rights

The following table shows the direct or indirect equity interest exceeding 10% of the vowing rights:

	31 Dec 2024		31 Dec 2023	
	Number of shares	%	Number of shares	%
MBB SE	10,098,230	*50.49%*	9,372,983	*46.86%*
ALX Beteiligungsgesellschaft mbH	3,730,370	*18.65%*	3,750,370	*18.75%*
Other shareholders	6,171,400	*30.86%*	6,876,647	*34.38%*
Total	**20,000,000**	**100%**	**20,000,000**	**100%**

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

Bearers of shares conferring special rights

No shares conferring special rights have been issued.

Nature of control of voting rights in the event of employee participation

There are no controls of voting rights of any kind.

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

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

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

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

Powers of the Management Board, in particular its ability to issue or buy back shares

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

Material agreements that are subject to a change of control following a takeover bid

There are no such agreements.

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

There are no such compensation agreements.

Please refer to the notes to the consolidated financial statements and section II.11.1 Equity in the notes to the consolidated financial statements for the disclosures required under section 160 (1) no. 2 AktG.

Disclosures in accordance with section 312 (3) AktG

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

Report on expected development

At €1,187.7 million, the order backlog as at 31 December 2024 is once again significantly higher than the high level of the previous year and therefore offers an excellent starting point for sustainable company growth. Due to the solid order book and unbroken market demand, the Management Board expects revenue in the range of €540 million to €570 million for 2025. Profitability in the order backlog remains at a high level, meaning that the Management Board expects an EBITDA margin of 16-17% for the 2025 financial year.

Events after the end of the reporting period

With regard to events after the end of the reporting period, please refer to the corresponding disclosures in the notes to the consolidated financial statements.

Non-financial statement

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

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

In accordance with Section 289d HGB, we have examined which national, European or international frameworks could be used to prepare the non-financial statement. However, we currently refrain from the comprehensive application of a framework, as this would not be in a meaningful cost-benefit ratio for the corporate structure of the FRIEDRICH VORWERK Group and we do not consider the existing frameworks to be suitable for us. The reporting period for the non-financial statement is the 2024 financial year. The quantitative disclosures include all fully consolidated subsidiaries of the FRIEDRICH VORWERK Group.

Business model

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

We design and build power lines that connect wind energy sources in northern Germany with end consumers in southern Germany and gas pipelines that make the European energy infrastructure fit for the future. With our hydrogen solutions, we are enabling the switch to the clean, molecular energy sources of the future. We cover the entire spectrum from large-scale turnkey projects to customised special solutions. We are always striving for innovative product solutions that enable our clients to transport energy with less CO_2. Our product portfolio also includes services such as the maintenance, operation and servicing of our customers' energy infrastructure. Overall, FRIEDRICH VORWERK thus plays a decisive role in the energy transition and in securing the energy supply.

Further information on the business model and the individual segments can be found in the "Segments" section of the FRIEDRICH VORWERK Group's combined management and Group management report 2024.

Stakeholders

Investors: Our shareholders expect FRIEDRICH VORWERK to act in a sustainable and responsible manner, with a clear strategic focus and transparent reporting.

Customers: Our customers are looking for reliable partners who can reliably support them with innovative solutions and at the same time fulfil their ecological and social responsibility.

Employees: Our employees value an attractive and secure workplace where they can contribute their skills in line with their training. Sustainable working time models, a healthy working environment and the training and development of our employees are all part of FRIEDRICH VORWERK's sustainable personnel policy.

Materiality analysis

As part of the materiality analysis carried out for the first time in 2020, the areas of "environmental concerns", "social concerns" and "employee concerns" were identified as core topics of the FRIEDRICH VORWERK’s sustainability strategy. These aspects are discussed in more detail below. The topics of "respect for human rights" and "combating corruption and bribery" will also be addressed. As these topics are important but, in our view, of secondary importance for the FRIEDRICH VORWERK Group's sustainability strategy, they are only dealt with briefly. A further materiality analysis was carried out at in 2023 in preparation for the implementation of the CSRD Directive in accordance with the principles of double materiality. The results reflected the topics already recognised as material.

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

Environmental matters

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

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

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

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

One of the FRIEDRICH VORWERK Group's main objectives is to pursue a strategy of continuously increasing the cost-effectiveness and efficiency of its vehicle fleet and technical systems. Fuel consumption and downtimes are constantly analysed, and fleet management is adapted accordingly. Old vehicles, machines and equipment are constantly being replaced with new, more efficient and lower-emission ones, thereby reducing both pollutant and noise emissions. Furthermore, alternative technologies such as electrically or hydrogen-powered construction equipment are regularly tested in continuous operation with the aim of being able to completely avoid emissions in the future. Even if such equipment, which matches the performance and versatility of conventional construction machinery, is currently only available on the market in selected areas, we are making targeted investments in these solutions. The development of our own solutions also plays a key role here. One example of this is the internally designed cable tube slide (KaRoSch). We have already reported on the design and construction of the KaRoSch in previous years. With the help of the KaRoSch, underground power cables can be laid more efficiently and in a particularly environmentally friendly manner. After completion, the KaRoSch was used on various construction sites in underground cable construction in 2023. The project demonstrated that the improvements designed can actually be implemented.

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

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

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

FRIEDRICH VORWERK began planning and developing a hydrogen electrolysis plant at the Wiesmoor site in the 2021 financial year. The renewable energy generated by a photovoltaic system is transformed into green hydrogen by means of electrolysis and stored. If required, the hydrogen is converted into heat via a combined heat and power plant (CHP). Construction of the plant was completed in 2024, and subsystems were put into operation. Once the remaining work has been completed in 2025, the plant will be fully operational. The administration building and production halls will be heated via the connected heating network. Surplus hydrogen can then be stored in the hydrogen tanks and fed into the grid in future if necessary.

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

Employee matters

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

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

The FRIEDRICH VORWERK Group believes that supporting and challenging employees is a key success factor. The qualification of our employees takes place through training and further education in all areas of the Group, as well as through high occupational health and safety standards and the targeted promotion of future managers. FRIEDRICH VORWERK currently employs 129 trainees and dual students (previous year: 119). As a matter of principle, we aim to offer permanent employment to all trainees and dual students who have completed their training with us. In order to remain an attractive employer, we invest in our employees, whether through direct support for employee training or the opportunity to work flexibly. Since 2022, we have regularly introduced new benefits for employees, such as flexible working time models, tax-free fringe benefits and a doubling of travel allowance, in order to further increase our attractiveness as an employer.

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

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

Occupational health and safety

Occupational safety is always a top priority for FRIEDRICH VORWERK. Employees are always exposed to an increased health risk in prefabrication or on projects. We therefore set high standards for safety, especially when handling construction equipment, hazardous substances and other sources of danger. We promote the skills and awareness of our employees for safe working by offering regular training and further education. The entire FRIEDRICH VORWERK Group is SCC^{P}-certified and therefore fulfils all legal requirements for a practised occupational health and safety management system. Reportable accidents at work are recorded and analysed at regular intervals. Incidents in the area of occupational safety are always investigated with all those involved, and the results implemented in concrete measures. New concepts are developed and trialled in practice in cooperation with our clients. The Last Minute Risk Analysis (LMRA), which promotes a conscious approach to routine work by operational employees, plays a central role in our occupational safety concept. The LMRA has been translated into various languages since 2022. The LMRA is currently available in a total of nine languages.

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

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

After the construction and energy industries have concentrated on technical and organisational aspects of occupational safety in the past, future success in occupational safety can only be achieved through a strong safety culture. The so-called Safety Culture Ladder (SCL) is an assessment method for measuring the safety awareness and conscious safe behaviour of each individual employee in the company. The higher the safety awareness in an organisation, the higher the level assigned on the SCL. Following the successful introduction of the SCL in the areas of cable construction, horizontal drilling technology and civil engineering, including hydraulic engineering, certification was successfully confirmed at level 3 in the surveillance audit in 2024.

Social matters

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

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

Respect for human rights and combating corruption and bribery

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

Combating corruption and bribery: We have always regarded compliance with legal regulations and guidelines as well as correct behaviour in business transactions as a central component of sustainable corporate governance. In order to adhere to this maxim, which we have always practised, we have formulated our basic principles in our corporate policy, which is continuously developed and communicated to all employees. The existing codes of conduct and the Group-wide anti-corruption guidelines serve as a framework for regulating behaviour within the company and towards third parties. The Code of Conduct is concretised and further developed through guidelines and instructions. By means of cyclical reporting structures, the respective management of the various Group companies is obliged to report regularly to the Management Board of the FRIEDRICH VORWERK Group on the effectiveness of the respective internal management system and any incidents that have occurred.

Negative consequences and risks from business activities

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

Overview of key non-financial indicators

The key figures relating to environmental issues can fluctuate greatly from year to year due to a divergent order structure. For example, energy intensity temporarily deteriorated in the reporting year as a result of a change in the composition of the order backlog, despite renewed high investment in modern machinery and equipment. However, this does not affect the long-term trend, which is leading to a reduction in energy intensity.

	2024	2023
Employees		
Share of female employees in relation to total employees	12%	12%
Number of apprentices	121	112
Number of employees in a dual study programme	8	7
I Reportable work accidents (> 3 days inability to work without accident day)	35	31
II Accidents at work (inability to work: 1-3 days without accident day)	5	4
I+II Total work accidents	40	35
Fatal work accidents	0	0
LTIFR - Lost Time Injury Frequency Rate (Total accidents at work / 1 million hours)	10	12
Environmental matters		
Energy intensity in MWh / € million revenue	149	125
Energy intensity in MWh / per 1,000 hours worked	23	16
CO_2 consumption Scope 1 + 2 in tonnes of CO_2	19,611	12,254
Own consumption of electricity generated by PV system in MWh	270	416
Saved CO_2 consumption Scope 1 + 2 in tonnes of CO_2 through PV system	99	152
Social matters		
Charitable donations in €k*	10	5

* Without Irene and Friedrich Vorwerk Foundation

EU taxonomy

In accordance with the EU Taxonomy Regulation and the supplementary delegated acts, we show below the share of our Taxonomy-eligible Group-wide revenue (turnover), capital expenditure (CapEx) and operating expenditure (OpEx) for the financial year 2022 in relation to the six EU environmental goals elaborated in the EU Taxonomy: "climate change mitigation", " climate change adaptation", "sustainable use and protection of water and marine resources", "transition to a circular economy", "pollution prevention and control" and "protection and restoration of biodiversity and ecosystems".

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

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

The Management Board of the FRIEDRICH VORWERK Group has taken the decision to value the taxonomy-aligned revenues, capital expenditure (CapEx) and operating expenditure (OpEx) with zero for the 2024 financial year. In the opinion of the Management Board, the applicability of the technical measurement and minimum protection criteria is not applicable in operational practice. In the following, only the reporting of taxonomy-eligible economic activities will be discussed.

Procedure for the affectedness analysis

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

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

Identified taxonomy-eligible economic activities

The following economic activities were identified as eligible for taxonomy:

- Transmission and distribution of electricity
- Transmission and distribution networks for renewable low-carbon gases
- Manufacture of renewable energy technologies
- Construction, expansion and operation of water collection, treatment and supply systems
- District heating / cooling distribution

Analysis and calculation

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

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

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

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

Results of the analysis

The following table lists the taxonomy-eligible key figures.

EU taxonomy Proportion of revenue, associated with taxonomy-aligned economic activities				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
	Codes	Absolute revenue	Proportion of revenue	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Taxonomy-aligned revenue share 2024	Taxonomy-aligned revenue share 2023	Category (enabling activities)	Category (transitional activities)
Economic activities		€ million	in %	in %	in %	in %	in %	in %	in %	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	in %	in %	E	T
A. Taxonomy-eligible activities **A.1 Ecologically sustainable activities (taxonomy-aligned)**																			
Revenue (A.1)	-	0.0	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A.2 Taxonomy-eligible, but not taxonomy-aligned activities																			
Transmission and distribution of electricity	4.9	153.1	30.7%																
Transmission and distribution networks for renewable low-carbon gases	4.14	31.1	6.2%																
Manufacture of renewable energy technologies	3.1	30.2	6.1%																
Construction, expansion and operation of water collection, treatment and supply systems	5.1	13.7	2.7%																
District heating / cooling distribution	4.15	32.7	6.6%																
Revenue (A.2)		260.7	52.3%																
Total (A.1 + A.2)		**260.7**	**52.3%**																
B. Activities not eligible for taxonomy																			
Revenue of activities not eligible for taxonomy (B)		**238**	**47.7%**																
Total (A + B)		**498**	**100.0%**																

EU taxonomy Proportion of CapEx from goods and services, associated with taxonomy-aligned economic activities				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
	Codes	Absolute CapEx	Proportion of CapEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Taxonomy-aligned CapEx share 2024	Taxonomy-aligned CapEx share 2023	Category (enabling activities)	Category (transitional activities)
Economic activities		€ million	in %	in %	in %	in %	in %	in %	in %	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	in %	in %	E	T
A. Taxonomy-eligible activities																			
A.1 Ecologically sustainable activities (taxonomy-aligned)																			
CapEx (A.1)	-	0.0	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A.2 Taxonomy-eligible, but not taxonomy-aligned activities																			
Transmission and distribution of electricity	4.9	13.0	30.9%																
Transmission and distribution networks for renewable low-carbon gases	4.14	2.5	5.9%																
Manufacture of renewable energy technologies	3.1	3.7	8.8%																
Construction, expansion and operation of water collection, treatment and supply systems	5.1	1.1	2.6%																
District heating / cooling distribution	4.15	2.6	6.3%																
CapEx (A.2)		22.9	54.5%																
Total (A.1 + A.2)		**22.9**	**54.5%**																
B. Activities not eligible for taxonomy																			
CapEx of activities not eligible for taxonomy (B)		**19**	**45.5%**																
Total (A + B)		**42**	**100.0%**																

EU taxonomy Proportion of OpEx from goods and services, associated with taxonomy-aligned economic activities				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
	Codes	Absolute OpEx	Proportion of OpEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Taxonomy-aligned OpEx share 2024	Taxonomy-aligned OpEx share 2023	Category (enabling activities)	Category (transitional activities)
Economic activities		€ million	in %	in %	in %	in %	in %	in %	in %	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	in %	in %	E	T
A. Taxonomy-eligible activities **A.1 Ecologically sustainable activities (taxonomy-aligned)**																			
OpEx (A.1)	-	0.0	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A.2 Taxonomy-eligible, but not taxonomy-aligned activities																			
Transmission and distribution of electricity	4.9	7.0	30.7%																
Transmission and distribution networks for renewable low-carbon gases	4.14	1.4	6.3%																
Manufacture of renewable energy technologies	3.1	1.4	6.0%																
Construction, expansion and operation of water collection, treatment and supply systems	5.1	0.6	2.7%																
District heating / cooling distribution	4.15	1.5	6.6%																
OpEx (A.2)		11.9	52.3%																
Total (A.1 + A.2)		**11.9**	**52.3%**																
B. Activities not eligible for taxonomy																			
OpEx of activities not eligible for taxonomy (B)		**11**	**47.7%**																
Total (A + B)		**23**	**100.0%**																

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

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

Sustainability Accounting Standards Board (SASB) Index

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

	Code	Comment
Environmental impact of the projects		
Number of incidents of non-compliance with environmental permits, standards and regulations	IF-EN-160a.1.	In 2024, there were no incidents of non-compliance with environmental permits, standards and other regulations. FRIEDRICH VORWERK has measures and controls in place to ensure compliance with the applicable rules and regulations in its industry.
Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction	IF-EN-160a.2.	FRIEDRICH VORWERK monitors the environmental impact of each project through the use of specific environmental management systems such as ISO 14001 and ISO 50001. In addition, the Group has industry-specific permits and licences and is certified as a specialist company in accordance with DVGW regulations and the German Water Resources Act.
Structural integrity and security		
Amount of defect- and safety-related rework costs	IF-EN-250a.1.	In 2024, the costs for warranty follow-up work amounted to €733 thousand (0.15% of revenue).
Total amount of monetary losses resulting from legal proceedings related to deficiency and safety incidents	IF-EN-250a.2.	In 2024, there were no monetary losses as a result of legal proceedings in connection with deficiency and safety-related incidents.
Workforce Health & Safety		
(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	IF-EN-320a.1.	In 2024, the accident rate (TRIR)* based on 200,000 working hours for direct employees was 2.0 and the work-related fatality rate was 0.0. The data for temporary workers are included in the accident frequency.
Life cycle impacts of buildings and infrastructure		
Number of (1) in-service projects certified to a third-party multidimensional sustainability standard and (2) active projects seeking such certification.	IF-EN-410a.1.	In 2024, 10 biogas feed-in and upgrading plants were completed. A further 49 projects of this type are in the development and realisation phase for 2025.
Discussion of process to incorporate operational phase energy and water efficiency considerations into project planning and design	IF-EN-410a.2.	Our customers are always focussed on energy- and water-efficient solutions, which is why their objectives are incorporated into our project planning and design. In every project, we advise our customers on solutions for energy and water optimisation and are actively committed to innovation in order to meet their requirements.

Climate impact of the business mix		
Level of backlog of (1) hydrocarbon-related projects and (2) renewable energy projects	IF-EN-410b.1.	The order backlog as at 31 December 2024 amounted to €129 million for (1) hydrocarbon-related projects and €1,035 million for (2) renewable energy projects.
Level of cancellations of hydrocarbon-related projects	IF-EN-410b.2.	There were no cancellations in 2024.
Level of backlog of projects related to climate change mitigation but not directly related to the energy industry	IF-EN-410b.3.	The order backlog as at 31 December 2024 does not include any projects that are related to climate protection but not directly to the energy industry.
Business ethics		
(1) number of active projects and (2) order backlog in the 20 countries with the lowest scores in Transparency International's Corruption Perception Index	IF-EN-510a.1.	There are currently no projects in any of the 20 countries with the lowest ratings in Transparency International's Corruption Perception Index.
Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anti-competitive practices	IF-EN-510a.2.	In 2024, there were no monetary losses as a result of legal proceedings in connection with allegations of (1) bribery or corruption and (2) anti-competitive practices.
Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behaviour in the project bidding processes	IF-EN-510a.3.	In order to prevent bribery, corruption, extortion and embezzlement and to ensure a high level of integrity in our business dealings, we applied the revised compliance management system from 2021 in the 2024 financial year. Non-compliance with the guidelines and regulations is expressly not tolerated.

* Includes only incidents recorded in connection with our operating business

Tostedt, 24 March 2025

The Management Board

Torben Kleinfeldt	Tim Hameister
Chief Executive Officer	Chief Financial Officer

IFRS Consolidated Financial Statements 2024

IFRS consolidated income statement

IFRS consolidated income statement	Note	1 Jan - 31 Dec 2024 €k	1 Jan - 31 Dec 2023 €k
Revenue	III.1.	**498,353**	**373,355**
Increase (+), decrease (-) in finished goods and work in progress		0	-77
Operating performance		**498,353**	**373,278**
Income from equity investments	III.2.	6,029	14,740
Other operating income	III.3.	5,859	7,336
Total performance		**510,241**	**395,354**
Cost of raw materials and supplies		-61,748	-46,864
Cost of purchased services		-175,725	-150,009
Cost of materials	III.4.	**-237,473**	**-196,874**
Wages and salaries		-114,551	-97,976
Social security and pension costs		-34,744	-30,021
Staff costs	III.5.	**-149,295**	**-127,997**
Other operating expenses	III.6.	-42,945	-38,492
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		**80,529**	**31,992**
Depreciation and amortisation	II.1.	-21,248	-18,079
Earnings before interest and taxes (EBIT)		**59,281**	**13,913**
Finance income	III.7.	1,262	301
Finance expenses	III.8.	-1,426	-1,097
Earnings attributable to non-controlling interests	III.8.	-3,818	-385
Net finance costs		**-3,981**	**-1,181**
Earnings before taxes (EBT)		**55,300**	**12,733**
Income tax expense	III.9.	-19,101	-2,044
Other taxes	III.9.	-496	-417
Profit or loss for the period		**35,703**	**10,273**
Non-controlling interests		68	-124
Consolidated net profit		**35,771**	**10,149**
Earnings per share (in €)	III.10.	1.79	0.51

IFRS consolidate statement of comprehensive income

IFRS consolidated statement of comprehensive income	Note	1 Jan - 31 Dec 2024 €k	1 Jan - 31 Dec 2023 €k
Profit or loss for the period		**35,703**	**10,273**
Items that may be subsequently reclassified to profit and loss			
Currency translation differences	II.10.3	7	31
Items that cannot be subsequently reclassified to profit and loss			
Changes in the fair value of shares	II.10.3	274	478
Pension reserve	II.10.3	-157	-40
thereof deferred taxes		38	12
Other comprehensive income after taxes		**162**	**481**
Comprehensive income for the reporting period		**35,865**	**10,754**
thereof attributable to:			
- Shareholders of the parent company		35,945	10,601
- Non-controlling interests		-80	152

IFRS consolidated statement of financial position

IFRS consolidated statement of financial position Assets	Appendix	31 Dec 2024 audited €k	31 Dec 2023 audited €k
Non-current assets			
Concessions, industrial property rights and similar rights	II.3.	1,028	1,147
Goodwill	II.2.	4,450	4,276
Intangible assets		**5,477**	**5,423**
Land and buildings, including buildings on third-party land	II.4.	50,920	36,758
Technical equipment and machinery	II.4.	39,728	36,154
Other equipment, operating and office equipment	II.4.	32,973	23,310
Advance payments and assets under construction	II.4.	4,775	14,118
Property, plant and equipment		**128,397**	**110,340**
Equity investments	II.5.	9,310	10,591
Investment securities	II.5.	1,982	2,068
Financial assets		**11,293**	**12,659**
Deferred tax assets	II.16.	**7,510**	**9,276**
		152,677	**137,697**
Current assets			
Raw materials and supplies	II.6.	6,715	7,241
Work in progress	II.6.	332	7
Inventories		**7,047**	**7,249**
Trade receivables	II.7.	40,475	37,431
Contract assets	II.8.	53,880	66,174
Other current assets	II.9.	8,834	6,194
Trade receivables and other current assets		**103,189**	**109,800**
Cash in hand	V.	9	28
Bank balances	V.	174,639	56,503
Cash in hand, bank balances		**174,647**	**56,530**
		284,883	**173,579**
Total assets		**437,560**	**311,276**

IFRS consolidated statement of financial position Liabilities	Note	31 Dec 2024 audited €k	31 Dec 2023 audited €k
Equity			
Issued capital	II.10.1	20,000	20,000
Capital reserve	II.10.2	76,204	76,204
Retained earnings and other reserves	II.10.3	108,837	75,293
Non-controlling interests	II.10.4	-35	45
		205,006	**171,542**
Non-current liabilities			
Liabilities to banks	II.12.	13,462	10,333
Liabilities to non-controlling interests	II.12.	8,534	6,591
Liabilities from participation rights	II.12.	10,213	10,213
Lease liabilities	II.15.	2,185	1,364
Pension provisions	II.11.	2,122	1,990
Deferred tax liabilities	II.16.	24,026	15,513
		60,541	**46,004**
Current liabilities			
Liabilities to banks	II.12.	4,534	2,370
Contract liabilities	II.12.	80,750	25,541
Trade payables	II.12.	4,369	3,695
Liabilities to non-controlling interests	II.12.	3,225	1,821
Other liabilities	II.13.	31,839	19,221
Lease liabilities	II.15.	2,192	2,267
Provisions with liability character	II.14.1	31,447	25,100
Tax provisions	II.14.2	7,653	6,811
Other provisions	II.14.1	6,004	6,904
		172,012	**93,730**
Total equity and liabilities		**437,560**	**311,276**

IFRS consolidated statement of cash flows

IFRS consolidated statement of cash flows	1 Jan - 31 Dec 2024 €k	1 Jan - 31 Dec 2023 €k
1. Cash flow from operating activities		
Earnings before interest and taxes (EBIT)	**59,281**	**13,913**
Adjustments for non-cash transactions:		
Depreciation and amortisation	21,248	18,079
Increase (+), decrease (-) in provisions	-954	2,163
Losses (+), gains (-) from disposal of property, plant and equipment	60	-203
Results from equity investments	-6,029	-14,740
Other non-cash expenses and income	334	90
	14,659	**5,389**
Change in working capital:		
Increase (-), decrease (+) in inventories, trade receivables and other assets	8,159	18,637
Decrease (-), increase (+) in trade payables and other liabilities	74,767	7,925
	82,926	**26,562**
Income taxes paid	-9,231	-11,576
Other taxes paid	-496	0
Interest received	1,262	301
Cash receipts from dividends paid by equity investments	7,183	15,834
	-1,281	**4,559**
Cash flow from operating activities	**155,584**	**50,424**
2. Cash flow from investing activities		
Investments (-), divestments (+) in intangible assets	-185	-708
Investments (-), divestments (+) in property, plant and equipment	-35,646	-30,362
Investments (-), divestments (+) in financial assets and securities	359	1,597
Acquisitions (less cash received)	-126	0
Cash flow from investing activities	**-35,597**	**-29,473**
3. Cash flow from financing activities		
Profit distribution to shareholders	-2,400	-2,400
Payments to non-controlling interests	-570	-1,445
Proceeds from borrowing financial loans	8,000	15,371
Repayments of financial loans	-2,902	-17,771
Repayments of lease liabilities	-2,587	-2,986
Interest payments	-1,413	-1,077
Cash flow from financing activities	**-1,872**	**-10,309**
Cash and cash equivalents at the end of the period		
Change in cash and cash equivalents	118,115	10,643
Effects of exchange rate changes (non-cash)	2	12
Cash and cash equivalents at the beginning of the period	56,530	45,876
Cash and cash equivalents at the end of the period	**174,647**	**56,530**

IFRS consolidated statement of changes in equity

IFRS consolidated statement of changes in equity

			Retained earnings						
	Issued capital €k	Capital reserve €k	Currency translation €k	Fair value reserve €k	Pension reserve €k	Generated group equity €k	Attributable to shareholders €k	Non-controlling interests €k	Consolidated equity €k
1 Jan 2023	**20,000**	**76,204**	**-10**	**-802**	**306**	**67,109**	**162,806**	**374**	**163,181**
Distribution to shareholders	0	0	0	0	0	-2,400	-2,400	0	-2,400
Amounts recognised in other comprehensive income	0	0	31	477	-55	0	452	28	481
Consolidated net profit	0	0	0	0	0	10,149	10,149	124	10,273
Total comprehensive income	**0**	**0**	**31**	**477**	**-55**	**10,149**	**10,601**	**152**	**10,754**
Change in consolidated group	0	0	0	0	0	0	0	8	8
Change in non-controlling interests	0	0	0	0	104	386	490	-490	0
31 Dec 2023	**20,000**	**76,204**	**21**	**-325**	**354**	**75,243**	**171,497**	**45**	**171,542**
Distribution to shareholders	0	0	0	0	0	-2,400	-2,400	0	-2,400
Amounts recognised in other comprehensive income	0	0	7	267	-100	0	173	-12	162
Consolidated net profit	0	0	0	0	0	35,771	35,771	-68	35,703
Total comprehensive income	**0**	**0**	**7**	**267**	**-100**	**35,771**	**35,945**	**-80**	**35,865**
31 Dec 2024	**20,000**	**76,204**	**27**	**-58**	**254**	**108,614**	**205,042**	**-35**	**205,006**

Notes to the Consolidated Financial Statements 2024

I. Methods and principles

1. Basic accounting information

1.1 Information on the company

Friedrich Vorwerk Group SE has its registered office at Harburger Straße 19, 21255 Tostedt, Germany. It is registered in the commercial register of the Tostedt District Court under the number HRB 208170. It is the parent company of the FRIEDRICH VORWERK Group. Friedrich Vorwerk Group SE has been listed in the Prime Standard of the Frankfurt Stock Exchange under the securities identification number A255F1 since 25 March 2021.

The FRIEDRICH VORWERK Group is a medium-sized group whose core business model essentially comprises designing, creating and operating energy infrastructure.

Unless otherwise stated, all figures in the notes to the consolidated financial statements refer to 31 December 2024 or the financial year from 1 January to 31 December2024 . Percentages and figures in this report may be subject to rounding differences.

The consolidated financial statements of Friedrich Vorwerk Group SE for the 2024 financial year are approved by the Supervisory Board of Friedrich Vorwerk Group SE on 24 March 2025.

1.2 Accounting principles

The consolidated financial statements of the FRIEDRICH VORWERK Group as at 31 December 2024 have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted and published by the International Accounting Standards Board (IASB), as applicable in the European Union (EU). The term IFRS comprises the International Accounting Standards (IAS) still in force, the International Financial Reporting Standards (IFRS) and the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC). The consolidated financial statements have been supplemented by combines management report in accordance with section 315 HGB and additional notes in accordance with section 315e HGB.

Application of new and amended standards

There were no significant changes to accounting standards in the financial year 2024 that affect these consolidated financial statements.

The following amended standards were applicable for the first time in the 2024 financial year:

Regulation	Title	Effects
IAS 1	Amendment - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants	none
IAS 7, IFRS 7	Amendment - Supplier Finance Arrangements	none
IFRS 16	Amendment - Lease Liability in a Sale and Leaseback	none

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

Regulation	Title	Application	Effects
IAS 21	Amendment - Lack of Exchangeability	1 Jan 2025	no material effects
	Annual improvement of IFRS Accounting Standards – Volume 11	1 Jan 2026	no material effects
IFRS 9, IFRS 7	Amendment - Classification and Measurement of Financial Instruments	1 Jan 2026	no material effects
IFRS 9, IFRS 7	Amendment - Contracts Referencing Nature-dependent Electricity	1 Jan 2026	no material effects
IFRS 18	Presentation and Disclosure in Financial Statements	1 Jan 2027	still under review
IFRS 19	Subsidiaries without Public Accountability - Disclosures	1 Jan 2027	no material effects

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

Effects of IFRS 18

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

1.3 Business combinations

One business combination was carried out in the financial year:

Seyde und Coburg Kathodischer Korrosionsschutz GmbH

A purchase agreement for the acquisition of 100% of the shares in Seyde und Coburg Kathodischer Korrosionsschutz GmbH, Ludwigsfelde, was signed on 29 February 2024. Seyde und Coburg generates annual revenue in the low single-digit million range and expands the Group's increasingly important corrosion protection expertise. The company was consolidated for the first time on 29 February 2024 and this business combination resulted in a goodwill of €173 thousand.

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

Seyde und Coburg Kathodischer Korrosionsschutz GmbH in €k	Carrying amount before purchase price allocation	Fair value according to PPA
Assets and liabilities		
Intangible assets	0	0
Property, plant and equipment	69	69
Current assets	72	72
Cash and cash equivalents	74	74
Liabilities and provisions	186	186
Deferred tax liabilities	2	2
Identified net assets acquired	**27**	**27**
Determination of the difference		
Purchase price for acquired shares		200
Total purchase price		**200**
Identified net assets acquired (100%)		27
Goodwill (+)		**173**
Net cash outflow from the acquisition		126

The business combination was recognised using the purchase method. The value of the remeasured equity at the time of initial consolidation was €27 thousand. The current receivables acquired as part of the transaction, which mainly comprise trade receivables and tax receivables, have a fair value of €17 thousand, which also corresponds to the gross value of the receivables. The best estimate of the contractual cash flows at the time of acquisition, which are not expected to be recoverable, amounts to €0 thousand. Furthermore, there were no contingent receivables or liabilities. The incidental transaction costs totalled €3 thousand. Revenue of €529 thousand and a loss of €82 thousand from the acquired company have been recognised since the date of initial consolidation. If the company had already been included in the Group at the beginning of 2024, revenue of €538 thousand and a loss of €166 thousand from this company would have been recognised in the consolidated financial statements according to projections. The purchase price for the acquired shares totalled €200 thousand and was paid in full in cash.

The goodwill arising is mainly the result of efficiency and synergy gains. No tax deductibility is expected for the goodwill resulting from the acquisition.

Overall effects of the business combination

The consolidated result includes losses totalling €82 thousand from the company included in the consolidated financial statements for the first time in the financial year. Revenue includes €529 thousand from the subsidiary consolidated for the first time in the financial year. If the business combination had taken place on 1 January 2024, projections show that consolidated revenue would have increased by €9 thousand and consolidated net profit would have decreased by €84 thousand (before non-controlling interests).

Goodwill totalling €173 thousand was recognised from the business combination. Companies consolidated for the first time are recognised at the time of acquisition or at a most recent reporting date possible, provided that this does not result in any material changes compared to consolidation at the time of acquisition.

1.4 Corporate and structural changes in 2024

There were no corporate or structural changes in the financial year.

2. Scope of consolidation

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

Companies included in the consolidated financial statements Name and registered office of the company	Shareholding in %
Subsidiaries (consolidated)	
Friedrich Vorwerk Management SE, Tostedt, Germany	100.00
Friedrich Vorwerk SE & Co KG, Tostedt, Germany	**89.93**
5C-Tech GmbH, Tostedt, Germany	62.95
Bohlen & Doyen Anlagenbau Holding GmbH, Tostedt, Germany	**89.93**
Bohlen & Doyen Service und Anlagentechnik GmbH, Wiesmoor, Germany	89.93
Bohlen & Doyen Bau Holding GmbH, Tostedt, Germany	**89.93**
Bohlen & Doyen Bau GmbH, Wiesmoor, Germany	89.93
EAS Einhaus Anlagenservice GmbH, Geeste, Germany	89.93
European Pipeline Services GmbH, Tostedt, Germany	89.93
Gottfried Puhlmann GmbH Havelländische Bauunternehmung, Ludwigsfelde, Germany	89.93
Gottfried Puhlmann GmbH, Marne, Germany	89.93
Gottfried Puhlmann Hamburg GmbH, Tostedt, Germany	89.93
Hempel Aluminiumbau GmbH, Storkow (Mark), Germany	89.93
KORUPP GmbH, Twist, Germany	89.93
Seyde und Coburg Kathodischer Korrosionsschutz GmbH, Ludwigsfelde, Germany	89.93
Vorwerk - ASA GmbH, Herne, Germany	89.93
Vorwerk-EEE GmbH, Tostedt, Germany	89.93
Vorwerk Pipeline- und Anlagenservice GmbH, Petersberg, Germany	89.93
Vorwerk Verwaltungs GmbH, Tostedt, Germany	89.93

The following table shows associates and joint ventures included in the consolidated financial statements. The ownership interests are shown from the sub-group perspective of Friedrich Vorwerk SE & Co. KG.

Name of the company	Shareholding in %
Joint ventures (working groups)	
ARGE Bavaria Loop Süd	33.33%
ARGE DOW Ohrensen K28	50.00%
ARGE EGL 442	58.00%
ARGE EmCo KÜA	50.00%
ARGE EWA	50.00%
ARGE BVM BalWin4 + LanWin1	50.00%
ARGE BVM CHC Emden	33.33%
ARGE ETL 178 Walle - Wolfsburg	50.00%
ARGE EUGAL Los 7+8	37.50%
ARGE Flugplatz WTM IT-Ltg	50.00%
ARGE Get H2 Lingen	10.00%
ARGE Kabeltrasse A310	50.00%
ARGE Kabeltrasse GSH	40.00%
ARGE Kabeltrasse Mehringen	45.00%
ARGE Kabeltrasse WMC	40.00%
ARGE Konverter A-Nord	33.33%
ARGE KÜA A310	50.00%
ARGE KÜA Beverbruch	50.00%
ARGE LNG Brunsbüttel	50.00%
ARGE NWKG - 3. BA	50.00%
ARGE NWKG K301/K603	50.00%
ARGE NWKG K302/K308	50.00%
ARGE RamBO SuedLink	50.00%
ARGE SEL 01	50.00%
ARGE SEL 02	50.00%
ARGE STORAG ETZEL VT 8 / VT 16	50.00%
ARGE VS Rehden II	40.00%
ARGE VS Würselen - MCC-I	45.00%
ARGE VS Würselen – Vorabmaßnahmen	50.00%
ARGE Werne-Schlüchtern	50.00%
ARGE Zeelink 3+5 (Beistellung)	50.00%
Dach-ARGE A310 Tunnel Henstedt	33.73%
Dach-ARGE AL Nonnendorf	50.00%
Dach-ARGE Ausbau Mantelrohre 2023/2024	50.00%
Dach-ARGE B3 MLK Brücke Los 2	58.10%
Dach-ARGE Baltrum Büsum	33.33%
Dach-ARGE BORWIN 5	50.00%
Dach-ARGE Elbchaussee 1. BA	36.00%
Dach-ARGE Ersatzneubau Fernwärmetrasse 60 Passendorfer Wiesen Abschnitt A, Teil 2 Brückenneubau	45.00%
Dach-ARGE Fehlstellensanierung	50.00%
Dach-ARGE Fehlstellensanierung 2021 - Stationssanierung AS Asbeck	50.00%
Dach-ARGE Fehlstellensanierung 2021 - Stationssanierung AS Frömern, AS Bötersen	50.00%
Dach-ARGE Fehlstellensanierung 2021 - Stationssanierung Campus Rehden	50.00%
Dach-ARGE Fehlstellensanierung 2021 - Umbau K 460 BASF	50.00%
Dach-ARGE Fehlstellensanierung 2021 - Umhüllungen	50.00%
Dach-ARGE GDRM Anlagen Zeelink	50.00%
Dach-ARGE HD-Leitung Iserlohn	52.34%
Dach-ARGE HD-Leitung Kaisersesch	50.00%
Dach-ARGE Kabeltrasse A250 Mehringen	50.00%

Name of the company	Shareholding in %
Dach-ARGE Kabeltrasse A310	50.00%
Dach-ARGE Kabeltrasse Ganderkesee - St. Hülfe	50.00%
Dach-ARGE Kabeltrasse WMC	50.00%
Dach-ARGE L06035 HDD Querung A44 - Werl	90.00%
Dach-ARGE Mainka Puhlmann	50.00%
Dach-ARGE Ostwind 3 Los 1 Anlandung	33.33%
Dach-ARGE RamBo WMC Kabelzug	38.68%
Dach-ARGE RV Ruhrtalleitung BA 2+3	45.00%
Dach-ARGE Stadtbeleuchtung II	50.00%
Dach-ARGE TAV	50.00%
Dach-ARGE Technische Dienstleistung Gasunie Deutschland	33.30%
Dach-ARGE Thyssengas STEAG Leitung	63.70%
Dach-ARGE ZEELINK Los 3 - (bis) 5	25.00%
Dach-ARGE Zollvereinring	66.67%
JV Baltic Pipe	33.33%

3. Principles of consolidation

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

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

3.1 Subsidiaries

Subsidiaries are the companies over which Friedrich Vorwerk Group SE exercises control. Control exists when a company has power over another company. This is the case when rights exist that confer the current ability to direct the relevant activities. Significant activities are those activities affecting the return generated by an entity. Subsidiaries are consolidated from the date on which the parent can control the subsidiary and ends when this is no longer possible.

Capital consolidation is carried out in accordance with IFRS 3 using the purchase method. Any excess of the acquisition costs over the fair value of the net assets attributable to the Group is capitalised as goodwill.

If the fair value of the net assets attributable to the Group is higher than the acquisition cost of the shares, this results in a bargain purchase. If this bargain purchase remains after another review of the purchase price allocation/determination of the fair value of the acquired assets, liabilities and contingent liabilities, it must be recognised in profit or loss immediately. If not all the shares in a subsidiary were acquired, non-controlling interests are initially measured at the proportionate share of the acquiree’s identifiable net assets as at the acquisition date.

3.2 Associated companies

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

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

3.3 Joint agreements

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

Working groups are common in Germany in particular. According to a statement by the Institute of Public Auditors in Germany, a typical German working group satisfies the requirements for classification as a joint venture. The results of working groups are reported pro rata under income from equity investments. In particular, receivables from and liabilities to working groups include cash receipts and payments and cost allocations and are reported under trade receivables and other liabilities.

4. Presentation of accounting policies

4.1 General information

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

The statement of financial position is structured according to current and non-current assets and liabilities. The statement of comprehensive income is prepared in line with the nature of expense method for calculating the consolidated net profit for the year.

4.2 Reporting currency

The consolidated financial statements are prepared in euro, as the majority of Group transactions are conducted in this currency. Unless stated otherwise, all figures are rounded up or down to thousands of euro in line with standard commercial practice. The amounts are stated in euro (€), thousands of euro (€ thousand) and millions of euro (€ million).

4.3 Foreign currency translation

Currency translation differences are recognised in accordance with the provisions of IAS 21.

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

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

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

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

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

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

4.4 Intangible assets

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

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

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

Intangible assets are subsequently measured using the cost model in accordance with IAS 38. Intangible assets (excluding goodwill) are amortised on a straight-line basis over their estimated useful life.

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

The cost of acquisition of new software is capitalised and treated as an intangible asset unless these costs are an integral part of the associated hardware. Software is amortised on a straight-line basis over a period of 3 to 5 years.

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

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

4.5 Goodwill

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

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

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

4.6 Property, plant and equipment

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

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

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

Land is not depreciated.

Advance payments made and property, plant and equipment under construction are not subject to scheduled depreciation until completion.

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

4.7 Leasing

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

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

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

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

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

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

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

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

4.8 Borrowing costs

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

4.9 Impairment of non-financial assets

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

The reversal of the impairment for non-financial assets other than goodwill is recognised in profit or loss under the conditions specified in IAS 36.110 and the carrying amounts and limits specified in IAS 36.117 and IAS 36.122.

4.10 Financial instruments - initial recognition and subsequent measurement

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

I) Financial assets

Initial recognition and measurement

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

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

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

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

Subsequent measurement

Financial assets are classified into four categories for subsequent measurement:

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

Financial assets at amortised cost (debt instruments)

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

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

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

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

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

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

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

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

Financial assets at fair value through profit or loss

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

- financial assets "held for trading" according to the definition of IFRS 9, including derivatives not designated as hedging instruments,
- financial assets designated upon initial recognition as at fair value through profit or loss, or
- financial assets that must be measured at fair value.

Financial assets at fair value through profit or loss are recognised in the statement of financial position at fair value, with changes in fair value recognised on a net basis in the income statement. This category includes derivative financial instruments and listed equity instruments held for trading.

Derecognition

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

Impairment of financial assets

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

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

For trade receivables and contract assets, the Group applies the accounting option to generally recognise a loss allowance based on the total lifetime ECL without examining changes in risk. The Group has created an impairment matrix based on its previous experience with credit losses that is adjusted for future factors if specific future factors for the borrower and the economic environment can be determined at reasonable expense.

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

II) Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

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

Loans and liabilities

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

Derecognition

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

III) Offsetting of financial instruments

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

4.11 Derivative financial instruments

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

4.12 Inventories

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

4.13 Contract assets and contract liabilities

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

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

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

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

Revenue in the Energy Grids unit

In accordance with IFRS 15, revenue from the Energy Grids unit is recognised over time as the projects are built on the customers' land, and the customers therefore always have control of the assets created or improved. Work is carried out on the basis of individual contracts. The transaction price is allocated to separate performance obligations on the basis of cost estimates. The FRIEDRICH VORWERK Group uses the value of a contract agreed with the principal to determine the transaction price for projects.

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

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

Supplementary work in connection with these contracts is work that cannot be charged under existing contractual agreements, whose chargeability or acknowledgement has yet to be agreed with the principal. While the costs are recognised immediately in profit or loss when they are incurred, the revenue from supplementary work is only recognised after the principal's written acknowledgement has been received or on payment of the supplementary work, if payment is received before written acknowledgement.

Revenue in the Energy Transformation unit

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

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

4.14 Cash and cash equivalents

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

Cash and cash equivalents in the consolidated statement of cash flows are defined in line with the above.

4.15 Provisions

Provisions are recognised in accordance with IAS 37 for current obligations arising from past events that are likely to lead to an outflow of resources embodying economic benefits in the future in the amount of the reliably estimable expense.

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

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

4.16 Pensions and other post-employment benefits

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

Actuarial gains and losses are recognised in other comprehensive income. The interest expense resulting from the compounding of pensions is recognised in net finance costs.

4.17 Revenue realisation

Revenue is recognised in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the promised goods or services when the goods or services are transferred to the customer. Revenue is recognised when the customer obtains control of the goods or services.

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

Sale of goods and products, performance of services

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

Revenue from contracts with customers (Energy Grids)

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

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

The realisation of results for orders that are carried out in joint ventures is carried out over time in accordance with the work actually performed as at the end of the reporting period. Impending losses from the further course of the project are recognised through corresponding write-downs.

Revenue from projects in the Energy Transformation unit

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

Interest income

Interest income is recognised when the interest has accrued (using the effective interest rate, i.e. the discount rate at which estimated future cash inflows are discounted to the net carrying amount of the financial asset over the expected term of the financial instrument).

Dividends

Income is recognised when the legal claim to payment arises.

4.18 Taxes

a) Current income taxes

Current tax assets and liabilities for the current period and earlier periods are measured at the amount of the refund expected to be received from the tax authority or the payment expected to be made to it. The calculation is based on tax rates and tax laws applicable at the end of the reporting period.

b) Deferred taxes

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

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

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

At individual companies, deferred tax assets and liabilities are offset to the extent that they can be allocated to future charges or reductions of the same taxable entity with respect to the same tax authority.

Deferred taxes are measured using tax rates that fulfil the requirements of IAS 12.47 and following articles. Deferred taxes are recognised as tax income or expense in the statement of comprehensive income and, if they relate to items recognised directly in equity, are also recognised directly in equity.

4.19 Contingent liabilities and contingent assets

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

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

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

4.20 Classification of expenses

The expenses recognised in the statement of comprehensive income are broken down using the nature of expense method.

Other taxes comprise taxes other than income taxes and are presented separately in the item "Other taxes".

4.21 Government grants

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

If the grants offset future expenses, the grants received are recognised in the balance sheet as deferred income under liabilities.

4.22 Measurement of fair value

Inputs used to determine the fair value are categorised into different levels in so-called fair value hierarchy in accordance with IFRS 13.72 et seq., requiring that the (unadjusted) prices quoted in active markets for identical assets or liabilities (level 1 inputs) are deemed the highest priority for application, while unobservable inputs are deemed the lowest priority (level 3 inputs).

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

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

5. Significant judgements, estimates and assumptions

For the preparation of the consolidated financial statements in accordance with IFRS, estimates and assumptions must occasionally be made. These influence the amounts of assets, liabilities and financial obligations calculated as at the end of the reporting period and the reporting of expenses and income. The actual amounts can differ from these estimates.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period resulting in a considerable risk that a major adjustment to the carrying amounts of assets and liabilities will be required within the next financial year are explained below.

a) Impairment of non-financial assets

The Group determines whether there are indications of impairment of non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indications that the carrying amount is higher than the recoverable amount. To estimate the value in use, management measures the expected future cash flows of the asset or cash-generating unit and selects an appropriate discount rate to determine the present value of these cash flows.

b) Pensions and other post-employment benefits

The expense from defined benefit plans post-employment is determined using actuarial calculations. The actuarial calculation is based on assumptions regarding discount rates, future increases in wages and salaries, mortality and future pension increases. In line with the long-term orientation of these plans, such estimates are subject to significant uncertainty.

c) Provisions

Other provisions are recognised and measured on the basis of an assessment of the probability of a future outflow of benefits, using values based on experience and circumstances known at the end of the reporting period. The actual obligation can differ from the amounts recognised as provisions.

d) Deferred tax assets

Deferred tax assets are recognised for all unused tax loss carryforwards and for temporary differences to the extent that it is probable that taxable income will be available for this, meaning that the loss carryforwards can actually be used. In calculating the amount of deferred tax assets, management must make judgements with regard to the expected timing and amount of future taxable income and the future tax planning strategies.

e) Revenue from contracts with customers

The majority of the transactions conducted by the companies of the FRIEDRICH VORWERK Group are construction contracts over time, for which revenue is recognised by reference to the percentage of completion. This method requires an estimate of the percentage of completion. Depending on the method applied in determining the percentage of completion, the material estimates comprise work already performed, the total contract costs, the costs to be incurred until completion, the total contract revenue, the contract risks and other judgements. The estimates are continuously reviewed by the company’s management and adjusted as necessary

II. Notes to the consolidated statement of financial position

1. Non-current assets

Changes in intangible assets and property, plant and equipment are shown in the following statement of changes in non-current assets.

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

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

1.2 Statement of changes in non-current assets of the FRIEDRICH VORWERK Group as at 31 December 2023

	31 Dec 2023	Costs as at 1 Jan €k	Additions €k	Reclassi-fication €k	Disposals €k	Exchange rate diff. €k	Cost as at 31 Dec €k	Acc. deprecia-tion as at 1 Jan €k	Additions €k	Disposals €k	Exchange rate diff. €k	Acc. deprecia-tion as at 31 Dec €k	Net book value as at 1 Jan €k	Net book value as at 31 Dec €k
I.	**Intangible assets**													
1.	Concessions, industrial property rights and similar rights	1,604	708	413	0	0	2,725	1,331	248	0	0	1,579	273	1,147
2.	Goodwill	4,276	0	0	0	0	4,276	0	0	0	0	0	4,276	4,276
		5,880	**708**	**413**	**0**	**0**	**7,002**	**1,331**	**248**	**0**	**0**	**1,579**	**4,549**	**5,423**
II.	**Property, plant and equipment**													
1.	Land and buildings including buildings on third-party land	37,958	2,402	1,973	630	20	41,722	4,041	1,398	477	2	4,964	33,916	36,758
2.	Technical equipment and machinery	53,475	11,057	1,052	1,772	36	63,848	18,752	10,504	1,569	8	27,695	34,722	36,154
3.	Other equipment, operating and office equipment	31,293	8,871	30	2,957	11	37,248	10,561	5,929	2,554	3	13,938	20,732	23,310
4.	Advance payments and assets under construction	7,862	10,226	-3,469	508	7	14,118	0	0	0	0	0	7,862	14,118
		130,587	**32,556**	**-413**	**5,867**	**74**	**156,936**	**33,354**	**17,831**	**4,601**	**12**	**46,597**	**97,233**	**110,340**
	Total	**136,467**	**33,264**	**0**	**5,867**	**74**	**163,938**	**34,685**	**18,079**	**4,601**	**12**	**48,175**	**101,782**	**115,763**

2. Goodwill

The carrying amount of goodwill is €4,450 thousand (previous year: €4,276 thousand).

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

The impairment test confirmed the recoverability of the capitalised goodwill.

Estimation uncertainties in the impairment test

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

31 Dec 2024 CGU	Goodwill €k	Market risk premium in %	Risk-free interest rate in %	WACC before taxes in %	Revenue growth rate* in %
Gottfried Puhlmann	3,812	7.5	2.5	8.7	3.7
(31 Dec 2023)	*3,812*	*7.5*	*2.7*	*11.1*	*4.4*
Korupp	314	7.5	2.5	10.0	0.5
(31 Dec 2023)	*314*	*7.5*	*2.7*	*11.7*	*1.0*
Hempel	151	7.5	2.5	9.6	-0.5
(31 Dec 2023)	*151*	*7.5*	*2.7*	*11.7*	*9.7*
Seyde and Coburg	173	7.5	2.5	9.6	6.2
(31 Dec 2023)	*0*	*0*	*0*	*0*	*0*

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

Estimation uncertainties in the impairment test

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

- EBITDA margins
- Discount rates
- Revenue growth rates

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

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

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

3. Intangible assets

Please see the statement of changes in non-current assets for information on the development of intangible assets.

4. Property, plant and equipment

Please see the statement of changes in non-current assets for information on the development of property, plant and equipment. Borrowing costs for qualifying assets were not recognised in either the year under review or the previous year.

The development expenses capitalised by the FRIEDRICH VORWERK Group in the financial year amounted to €1,038 thousand (previous year: €372 thousand).

The following table provides an overview of the capitalised right-of-use assets per asset class as at 31 December 2024:

Rights-of-use assets	31 Dec 2024	31 Dec 2023
	€k	€k
Land and buildings	1,576	407
Technical equipment and machinery	1,139	2,469
Other equipment, operating and office equipment	12	103
Total	**2,727**	**2,980**

The rights-of-use assets presented separately here are also included in the statement of changes in non-current assets in the note II.1. Additions to rights-of-use assets in the financial year 2024 amounted to €1,865 thousand (previous year: €486 thousand), of which €0 thousand (previous year: €0 thousand) is attributable to business combinations.

5. Financial assets

Financial assets	31 Dec 2024	31 Dec 2023
	€k	€k
Equity investments	9,310	10,591
Investment securities	1,982	2,068
Carrying amount as at 31 Dec	**11,293**	**12,659**

The development of financial assets is shown in the following tables.

Investment securities	31 Dec 2024 €k	31 Dec 2023 €k
Carrying amount as at 1 Jan	**2,068**	**2,560**
Disposals in the period	-291	-794
Remeasurement	206	302
Carrying amount as at 31 Dec	**1,982**	**2,068**

At-equity financial assets	31 Dec 2024 €k	31 Dec 2023 €k
Carrying amount as at 1 Jan	**10,591**	**17,072**
Proportionate annual results	5,903	9,353
Distributions	-7,183	-15,834
Carrying amount as at 31 Dec	**9,310**	**10,591**

Information on investment securities

The investment securities were sold as part of active portfolio management both in the 2024 financial year and in the previous year. The fair value of the securities at the time of derecognition amounted to €359.3 thousand in the reporting year (previous year: €969.8 thousand). The cumulative gain on disposal in the reporting year amounted to €68.1 thousand (previous year: €176.0 thousand).

Working group disclosures

In the Group, joint ventures are classified as joint ventures and their results are recognised in result from equity investments. The table below shows the ten biggest working groups in terms of output for the 2024 financial year.

Working groups	Shareholding in %
(BRU) ARGE LNG Brunsbüttel	50.00%
(BAL) Dach-ARGE Baltrum Büsum	33.33%
(SE1) ARGE SEL 01	50.00%
(GH2) ARGE Get H2 Lingen	10.00%
(KT3) ARGE Kabeltrasse A310	50.00%
(EWA) ARGE EWA	50.00%
(HEN) Dach-ARGE A310 Tunnel Henstedt	33.73%
(DK3) Dach-ARGE Kabeltrasse A310	50.00%
(RTL) Dach-ARGE RV Ruhrtalleitung BA 2+3	45.00%
(OST) Dach-ARGE Ostwind 3 Los 1 Anlandung	33.33%

The financial information on these working groups for the 2024 financial year is presented at 100%.

Working group	Revenue €k	Non-current assets €k	Current assets €k	thereof cash funds €k	Non-current liabilities €k	Current liabilities €k
(BRU)	65,786	0	365,989	4,901	0	347,940
(BAL)	41,088	250	76,714	2,322	0	75,948
(SE1)	37,839	0	50,926	5,562	0	50,648
(GH2)	32,959	0	33,686	727	0	32,959
(KT3)	13,712	28	27,459	1,192	0	27,487
(EWA)	13,706	7	22,814	8,846	0	20,982
(HEN)	13,503	0	19,798	562	0	19,799
(DK3)	11,547	0	30,099	309	0	30,123
(RTL)	9,710	0	19,880	263	0	19,880
(OST)	8,933	0	12,785	803	0	12,633

Financial assets at fair value through other comprehensive income

The financial assets of the FRIEDRICH VORWERK Group recognised at fair value through other comprehensive income include securities. No impairment losses were recognised in either the reporting year or the previous year. Income from securities (dividends) of €0 thousand (previous year: €8 thousand) was recognised in the financial year, which is reported under other operating income.

6. Inventories

Inventories	31 Dec 2024 €k	31 Dec 2023 €k
Raw materials and supplies	6,715	7,241
Work in progress	164	7
Advance payments	168	0
Carrying amount as at 31 Dec	**7,047**	**7,249**

During the reporting period, impairment losses were recognised on inventories in the amount of €3 thousand (previous year: €4 thousand). Reversals of impairment losses on inventories were recognised in the amount of €0 thousand (previous year: €0 thousand).

7. Trade receivables

	31 Dec 2024 €k	31 Dec 2023 €k
Trade receivables	19,576	20,757
Receivables from working groups	23,448	18,838
less specific valuation allowances	-2,486	-2,105
less expected credit loss	-63	-59
Carrying amount as at 31 Dec	**40,475**	**37,431**

The total amount of trade receivables is due within one year. The trade receivables are written down for impairment as necessary. Indications of impairment include unpaid cash receipts and information on changes in customers' credit rating. Given the broad customer base, there is no significant concentration of credit risk. The specific valuation allowances essentially include the effects of the remeasurement of working groups as at the end of the reporting period.

8. Contract assets and contract liabilities

Contract assets comprise the claims for remuneration from contracts from customers and plant engineering projects for work already performed at the end of the reporting period. If the advance payments received exceed the claim to payment, they are reported under Contract liabilities.

	31 Dec 2024 €k	31 Dec 2023 €k
Gross contract assets	559,347	411,440
thereon advance payments	-505,467	-345,266
Contract assets	**53,880**	**66,174**
Contract liabilities (incl. advance payments)	80,750	25,541

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

The amount of €18,654 thousand included in contract liabilities at 31 December 2023 has been recognised as revenue in 2024 (previous year: €6,513 thousand).

9. Other current assets

Other assets, most of which are due within one year, are broken down as follows:

	31 Dec 2024 €k	31 Dec 2023 €k
Tax receivables	5,183	3,600
Receivables from personnel	1,253	1,319
Prepaid expenses	1,426	303
Other current assets	973	973
Carrying amount as at 31 Dec	**8,834**	**6,194**

Tax receivables include corporate income tax and trade tax refunds of €4,769 thousand (31 December 2023: €3,519 thousand) and input tax refund claims of €413 thousand (31 December 2023: €81 thousand). Receivables from personnel mainly comprise employee loans.

10. Cash in hand, bank balances

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

Composition of cash and cash equivalents and reconciliation to the liquidity reserve	31 Dec 2024 €k	31 Dec 2023 €k
Composition of cash and cash equivalents		
Cash in hand	9	28
Bank balances	174,639	56,503
Reconciliation to liquidity reserve as at 31 Dec		
Cash and cash equivalents at the end of the period	**174,647**	**56,530**
Investment securities	1,982	2,068
Liquidity reserves as at 31 Dec	**176,630**	**58,598**

11. Equity

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

11.1 Issued capital

As of 31 December 2024, the issued capital of Friedrich Vorwerk Group SE amounted to €20,000,000 thousand (previous year: €20,000,000 thousand). It is divided into 20,000,000 no-par value bearer shares, each with a notional interest in the issued capital of €1.00.

Authorised capital and conditional capital

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

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

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

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

Acquisition of treasury shares

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

11.2 Capital reserve

Capital reserve as at the end of the reporting period remains unchanged at €76,204 thousand (31 December 2023: €76,204 thousand).

11.3 Profit and other reserves

Difference in equity due to currency translation

The difference in equity due to currency translation results from translation according to the modified reporting date method.

The difference arises from the translation of items of the income statements of subsidiaries that prepared their accounts in a foreign currency at the average rate and conversion of the statement of financial position items at the closing rate on the one hand, and the conversion of the equity of the respective subsidiaries at the historical rate on the other. As at the end of the reporting period, there is one branch in the group of consolidated companies that prepares its accounts in Polish zloty.

Fair value reserves

The fair value reserve results from the remeasurement of financial assets at fair value at the end of the reporting period. In the statement of comprehensive income, other comprehensive income is broken down depending on whether these remeasurement gains/losses can be reclassified to profit or loss when they are realised.

Pension reserve

In accordance with IAS 19 (rev. 2011), actuarial gains/losses (adjusted for the associated deferred tax effects) are recognised in the reserve for pensions and reported in the statement of comprehensive income under other income.

Generated group equity

This item contains the profits generated by the FRIEDRICH VORWERK Group less the dividends distributed. In the 2024 financial year, a dividend of €0.12 per dividend-bearing share was paid out, which was approved by the Annual General Meeting on 3 June 2024.

11.4 Non-controlling interests

Non-controlling interests result from the investment (70%) in 5C-Tech GmbH.

In accordance with IAS 32, the non-controlling interests in Friedrich Vorwerk SE & Co. KG are reported under current and non-current liabilities rather than in equity.

12. Provisions for pensions and similar obligations

The pension obligations in conjunction with defined benefit pension plans relate to Friedrich Vorwerk SE & Co KG and Gottfried Puhlmann GmbH. They comprise claims to a lifetime old-age pension together with survivors' benefits equal to the amount of the provision in the financial accounts as at the end of the month of death. There are 107 people benefiting from the pension plan as at 31 December 2024 (31 December 2023: 113). The pension agreement is closed, meaning that no further occupational pension agreements are entered into for new hires.

	31 Dec 2024 €k	31 Dec 2023 €k
Pension provisions at the beginning of the period	**1,990**	**1,991**
Utilisation	-114	-114
Allocation to provisions (service cost)	19	14
Allocation to provisions (interest cost)	70	61
Actuarial gains (-)/losses (+)	157	38
Pension provisions at the end of the period	**2,122**	**1,990**
- Plan assets	0	0
Pension provision recognised in the statement of financial position	**2,122**	**1,990**

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

	2024	2023
Actuarial interest rate	3.14% - 3.20%	3.64% - 3.69%
Salary trend	0.00%	0.00%
Pension trend	0.00% - 2.00%	0.00% - 2.00%

The post-employment benefit plans are unfunded. The liability is equal to the obligation (DBO).

The expenses and income recognised in the statement of comprehensive income are as follows:

	31 Dec 2024 €k	31 Dec 2023 €k
Allocation to provisions (service cost)	-19	-14
Allocation to provisions (interest cost)	-70	-61
Total	**-89**	**-75**

The expected pension payments from the pension plans for 2025 amount to €126 thousand.

The maximum potential sensitivity of the total pension obligation (DBO) to changes in the weighted main assumptions is as follows:

		Effect on DBO	
	Change in assumption	Increase in assumption	Reduction in assumption
Interest rate	0.25%	-3.0%	+3.1%
Pension growth rate	0.25%	+0.3%	-0.3%
Life expectancy	1 year	+4.2%	-4.2%

The sensitivity of the defined benefit obligation to actuarial assumptions was calculated using the same method as the measurement of the pension provision on the statement of financial position. The sensitivity analysis is based on the change in an assumption while all other assumptions remain constant. It is unlikely that this would occur in reality. There could be a correlation between changes in some assumptions.

The weighted average duration of the defined benefit plans is 12.4 years.

13. Liabilities

The liabilities have the following maturities:

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

31 Dec 2023	Up to 1 year €k	More than 1 year and up to 5 years €k	Over 5 years €k	Total €k
Liabilities to banks	2,370	7,755	2,577	12,702
Trade payables	3,695	0	0	3,695
Provisions with liability character	25,100	0	0	25,100
Other liabilities	19,221	0	0	19,221
Contract liabilities	25,541	0	0	25,541
Lease liabilities	2,267	1,322	42	3,631
Liabilities to non-controlling interests	1,821	0	6,591	8,412
Liabilities from participation rights	0	0	10,213	10,213
As at 31 Dec 2023	**80,015**	**9,077**	**19,423**	**108,516**

Liabilities to banks are subject to both fixed and variable interest rates of between 0.65% and 3.92% (previous year: 0.65% and 4.51%). The weighted average interest rate for 2024 is 1.91% (previous year: 1.28%)

Land charges with a value of €26,248 thousand as at the reporting date (31 December 2023: €22,696 thousand) were provided as collateral for liabilities to banks.

Trade payables include liabilities to MBB SE of €56 thousand (31 December2023 : €0 thousand).

As of the end of the reporting period, there is profit participation capital totalling €10,213 thousand (31 December 2023: €10,213 thousand), issued by Friedrich Vorwerk SE & Co. KG. The profit participation rights grant a guaranteed interest rate of 2.5% above the applicable 3-month EURIBOR. In addition, the holder of the profit participation rights participates in the profitability of the FRIEDRICH VORWERK Group in the form of a variable interest rate. The total interest rate on the profit participation rights in the reporting year was 7.3% (previous year: 6.0%). The profit participation rights can be terminated for the first time effective 31 December 2039.

The liabilities to non-controlling interests comprise profit shares. The claims to profit shares that can be withdrawn are reported as current.

14. Other liabilities

Other liabilities break down as follows:

	31 Dec 2024 €k	31 Dec 2023 €k
Current		
Value added tax	22,093	7,089
Working groups	6,627	8,946
Wage tax	1,569	1,413
Social security benefits	889	539
Non-hedge derivatives	257	0
Debtors with credit balances	255	302
Wages and salaries	121	120
Accrue expenses	13	0
Other loans	0	200
Other	16	611
Total	**31,839**	**19,221**

15. Provisions

15.1 Other provisions

Current provisions and provisions with the liability character are composed as follows:

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

	31 Dec 2022 €k	Utilisation €k	Reversal €k	Addition €k	31 Dec 2023 €k
Current provisions					
Outstanding invoices	18,239	-18,164	0	18,036	18,111
Holiday	4,593	-4,449	-22	4,882	5,004
Personnel costs	523	-48	0	76	551
Warranty costs	1,860	0	-122	624	2,361
Variable salary and commission	858	-578	-280	343	343
Accounting and audit costs	246	-246	0	398	398
Provision for onerous contracts	315	-315	0	2,093	2,093
Employer's liability insurance association	572	-394	-178	586	586
Flexitime	467	-214	0	197	450
Miscellaneous	1,667	-1,172	-128	1,740	2,107
	29,340	**-25,581**	**-731**	**28,976**	**32,004**

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

15.2 Tax provisions

Tax provisions break down as follows:

	31 Dec 2024 €k	31 Dec 2023 €k
Corporate Income Tax	3,167	3,791
Trade Tax	4,485	3,020
Carrying amount as at 31 Dec	**7,653**	**6,811**

16. Leases

Lease liabilities according to right-of-use asset class	31 Dec 2024 €k	31 Dec 2023 €k
Land and buildings	1,608	410
Technical equipment and machinery	2,756	2,494
Other equipment, operating and office equipment	12	104
Total	**4,377**	**3,008**

Taking into account the contracts recognised as finance lease liabilities, total lease liabilities are as follows as at the end of the reporting period:

Lease liabilities by maturity	31 Dec 2024 €k	31 Dec 2023 €k
Non-current	2,185	1,364
Current	2,192	2,267
Total	**4,377**	**3,631**

The following amounts were recognised in the consolidated statement of comprehensive income in connection with leases in the 2024 and 2023 financial years:

Amounts recognised in the consolidated statement of comprehensive income	2024 €k	2023 €k
Depreciation and amortisation	2,115	2,462
of which land and buildings	684	254
of which technical equipment and machinery	1,331	1,916
of which other equipment, operating and office equipment	101	292
Interest expense	71	41
Expenses for short-term leases	12,522	9,874
Total	**14,708**	**12,377**

The cash outflows for leases (including payments for short-term and low-value leases) amounts to €15,108 thousand in the 2024 financial year (previous year: €12,860 thousand).

17 Deferred taxes

Deferred tax assets and liabilities from temporary differences as at 31 December 2024 and 31 December 2023 are shown in the following table:

	31 Dec 2024 €k	31 Dec 2023 €k
Deferred tax assets	7,510	9,276
Deferred tax liabilities	24,026	15,513
Total	**-16,516**	**-6,237**

	31 Dec 2024 €k	31 Dec 2023 €k
Temporary differences from:		
Pension provisions	274	119
Intangible assets	5,732	6,259
Liabilities	1,473	2,038
Property, plant and equipment	923	1,219
Provisions	62	640
Receivables	744	731
Other	2	44
Netting	-1,700	-1,776
Deferred tax assets	**7,510**	**9,276**

	31 Dec 2024 €k	31 Dec 2023 €k
Temporary differences from:		
Receivables	19,784	10,834
Securities	27	50
Intangible assets	1	8
Property, plant and equipment	2,659	2,766
Financial assets	2,722	3,074
Pension provisions	121	0
Inventories	394	557
Other	18	0
Netting	-1,700	-1,776
Deferred tax liabilities	**24,026**	**15,513**

III. Notes to the statement of comprehensive income

1. Revenue

Revenue amounts to €498,353 thousand in the 2024 financial year (previous year: €373,355 thousand).

The following table shows a breakdown of revenue by region:

Region	2024 €k	2023 €k
Germany	488,407	361,797
Europe excluding Germany	6,083	8,645
Other	3,863	2,913
Total	**498,353**	**373,355**

12.6% of revenue (previous year: 15.2%) relates to Service & Operations.

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

As at 31 December2024 , the Group had an order backlog of €1,187.7 million, which is broken down by segment as follows:

Segment	31 Dec 2024 €k	31 Dec 2023 €k
Natural Gas	129,150	83,804
Electricity	903,830	806,711
Clean Hydrogen	44,687	14,094
Adjacent Opportunities	109,993	96,194
Total	**1,187,660**	**1,000,803**

2. Income from equity investments

	2024 €k	2023 €k
Net income from equity investments recognised in financial assets	5,903	9,353
Net income from equity investments recognised in receivables and liabilities	126	5,387
Total	**6,029**	**14,740**

Shares of the FRIEDRICH VORWERK Group in cumulative profits from working groups classified as joint ventures are reported in financial assets under equity investments. The FRIEDRICH VORWERK Group's proceeds from trade receivables from and work done for working groups are recognised under revenue. The capital paid in to a working group is reported together with any trade receivables from the working groups after deduction of capital withdrawals and cumulative losses under trade receivables or, if the net amount is negative, under other liabilities.

3. Other operating income

	2024 €k	2023 €k
Income from offsetting remuneration in kind	1,563	1,379
Income from rentals and leasing	1,081	1,014
Income from own work capitalised	728	1,234
Income from refunds	692	342
Income from insurance compensation	651	394
Income from the reversal of provisions	584	731
Income from asset disposals	88	203
Prior-period income	5	5
Income from securities	0	8
Income from other items	467	2,026
Total	**5,859**	**7,336**

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

4. Cost of materials

	2024 €k	2023 €k
Cost of raw materials and supplies	-61,748	-46,864
Cost of purchased services	-175,725	-150,009
Total	**-237,473**	**-196,874**

5. Staff costs

	2024 €k	2023 €k
Wages and salaries	-114,551	-97,976
Social security contributions	-33,537	-28,816
Other staff expenses	-1,207	-1,205
Total	**-149,295**	**-127,997**

6. Other operating expenses

	2024 €k	2023 €k
Rental agreements and leasing	-12,522	-9,874
Maintenance expenses	-10,176	-8,432
Travel costs / vehicle costs	-4,740	-4,112
Other personnel-related expenses	-1,867	-1,776
Insurance	-1,600	-1,822
Education and training	-1,268	-989
Legal and consulting	-1,020	-973
Losses of receivables and valuation adjustments on receivables	-973	-1,435
Fees and contributions	-964	-914
Costs of telephone, post and data communication	-491	-487
Expenses from derivative financial instruments	-360	-149
Office supplies	-266	-264
Advertising costs	-242	-343
Losses from the disposal of non-current assets	-148	0
Ancillary costs for monetary transactions	-92	-84
Prior-period expenses	-18	0
Exchange rate losses	-15	-19
Miscellaneous other operating expenses	-6,184	-6,818
Total	**-42,945**	**-38,492**

7. Finance income

	2024 €k	2023 €k
Interest income from bank balances	1,108	114
Other interest and similar income	154	188
Total	**1,262**	**301**

8. Finance expenses

	2024 €k	2023 €k
Bank interest	-419	-284
Interest expense from pensions	-70	-61
Interest expense from leases	-71	-41
Other interest and similar expenses	-866	-712
Total	**-1,426**	**-1,097**

At the level of Friedrich Vorwerk SE & Co. KG, there are non-controlling interests of 10.1%, which arose as part of the reorganisation of the company structure carried out in 2020. These interests accounted for a result of €3.8 million in the reporting year (previous year: €0.4 million).

9. Taxes

Detailed information on the deferred tax assets and liabilities recognised can be found in section I.4.18 b) "Deferred taxes". The income tax rate of the parent company is 29.1% (previous year: 29.1%) and is slightly below the weighted average tax rate of the FRIEDRICH VORWERK Group of 29.2% (previous year: 28.5%). The future local tax rate is applied when recognising deferred taxes.

As at 31 December 2024, the following tax loss carryforwards existed for which no deferred tax assets were recognised in the financial year, as in previous years:

	2024 €k	2023 €k
Trade Tax	24,185	17,770
Corporate Income Tax	12,801	8,942

The reconciliation of income tax expense and the accounting net profit multiplied by the applicable tax rate of the Group for the financial years 2024 and 2023 is as follows:

	2024 €k	2023 €k
Corporate Income tax	-4,317	-4,286
Trade Tax	-4,469	-2,649
Deferred taxes	-10,314	4,891
Total	**-19,101**	**-2,044**

	2024 €k	2023 €k
Consolidated net profit before income taxes	54,804	12,316
Income tax expense	-19,101	-2,044
Current tax rate	**34.9%**	**16.6%**

	2024 €k	2023 €k
Earnings before taxes (EBT)	55,300	12,733
Other taxes	-496	-417
Applicable (statutory) tax rate	29.1%	29.1%
Expected tax expense	**15,962**	**3,587**
Effects of non-deductible expenses and tax-exempt income	515	-436
Taxes relating to other periods	378	243
Effects due to the utilisation and addition of loss carryforwards	1,533	-303
Taxation of foreign permanent establishments	155	0
Other tax effects	557	-1,046
Actual income tax expense	**19,101**	**2,044**

10. Earnings per share

Basic earnings per share are calculated by dividing the profit or loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

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

	2024	2023
Result attributable to the holders of ordinary shares (in €)	35,771,309	10,148,883
Weighted average number of ordinary shares (undiluted, in shares)	20,000,000	20,000,000
Earnings per share (in €)	**1.79**	**0.51**

11. Other comprehensive income

The IFRS comprehensive income of the FRIEDRICH VORWERK Group of €35,865 thousand (previous year: €10,754 thousand) comprises earnings after taxes of €35,703 thousand (previous year: €10,273 thousand) and other comprehensive income of €162 thousand (previous year: €481 thousand). Other comprehensive income includes gains from the fair value measurement of shares of €274 thousand (previous year: €478 thousand) and actuarial losses from pension provisions of €157 thousand (previous year: €40 thousand).

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

Taxes recognised in other comprehensive income	2024	2023
	€k	€k
Items that cannot be subsequently reclassified to profit and loss		
Changes in the fair value of shares	-7	-1
Pension reserve	45	13
Total	**38**	**12**

IV Segment reporting

1. Information by segment

The segment reporting was prepared in accordance with IFRS 8 (Operating Segments), under which operating segments are defined as the components of an entity for which discrete financial information is available and under which the segment's operating results are reviewed regularly by the segment's chief operating decision maker to allocate resources to the segment and assess its performance.

The composition of the operating segments as at the end of the reporting period is as follows:

Natural gas

The Natural Gas segment comprises infrastructure services and product solutions for the transport and conversion of raw natural gas into treated natural gas for our customers. This is done through a number of steps: transporting the natural gas through high-pressure pipelines to processing in filtering and separation plants, compressor stations, storage and measurement systems, LNG terminals and gas pressure control and measurement systems.

Electricity

The Electricity segment concentrates on providing the infrastructure for the underground transport and conversion of electricity, which is generated from climate-friendly, non-fossil energy sources such as wind, solar, hydro and regenerative resources. Our expertise in electricity transport and conversion focuses on landing offshore electricity and installing high-voltage underground cables through which this electricity is transported to transmission networks. At the end of these cables are connection points in the form of transformer stations, inverters and power-to-heat systems, which connect the transmission networks to local energy distribution networks.

Clean Hydrogen

The Clean Hydrogen segment comprises product solutions and infrastructure services for the conversion of energy from climate-friendly energy sources into clean hydrogen and its transportation to consumers. This is done through a number of processing steps: from the conversion of renewable energy by electrolysis to the processing and transportation of the clean hydrogen produced through storage systems, compressor stations, pipelines and gas pressure control and measurement systems.

Adjacent Opportunities

Furthermore, in the Adjacent Opportunities segment, we concentrate on related turnkey technologies, such as the treatment and cleaning of biogenic and synthetic gases, heat extraction technologies used in district heating, solutions for the transportation of drinking and waste water and specialty solutions for the chemical and petrochemical industry.

Segment figures

The accounting policies applied in segment reporting are as described under I. 4. Segment earnings are based on the EBITDA of the individual segments, as this is the basis on which the segments are managed.

1 Jan – 31 Dec 2024	Natural Gas	Electricity	Clean Hydrogen	Adjacent Opportunities	Recon-ciliation	Group
	€k	€k	€k	€k	€k	€k
Revenue from third parties	171,756	184,439	26,319	115,839	0	498,353
EBITDA	**39,037**	**20,453**	**4,441**	**16,598**	**0**	**80,529**
EBITDA margin (in %)	22.7%	11.1%	16.9%	14.3%		16.2%
Revenue share	34.5%	37.0%	5.3%	23.2%		

1 Jan – 31 Dec 2023	Natural Gas	Electricity	Clean Hydrogen	Adjacent Opportunities	Recon-ciliation	Group
	€k	€k	€k	€k	€k	€k
Revenue from third parties	165,135	62,908	26,074	119,239	0	373,355
EBITDA	**11,229**	**9,091**	**5,446**	**6,226**	**0**	**31,992**
EBITDA margin (in %)	6.8%	14.5%	20.9%	5.2%		8.6%
Revenue share	44.2%	16.8%	7.0%	31.9%		

Reconciliation of EBITDA to consolidated net income	2024	2023
	€k	€k
Total EBITDA of the segments	**80,529**	**31,992**
Depreciation and amortisation	-21,248	-18,079
Net finance costs	-3,981	-1,181
EBT	55,300	12,733
Income tax expenses	-19,101	-2,044
Other taxes	-496	-417
Non-controlling interests	68	-124
Consolidated net income	**35,771**	**10,149**

2. Information by region

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

3. Information about main customers

In the reporting year, revenue from one customer (previous year: zero) amounted to more than 10% of the Group's revenue.

Customer	2024 €k	2023 €k
Customer A	110,795	11,137
Total	**110,795**	**11,137**

Revenue with customer A are recognised in the Electricity segment.

V. Notes to the consolidated statement of cash flows

The statement of cash flows is presented separately. It shows the changes in cash and cash equivalents at the FRIEDRICH VORWERK Group. The reported cash funds are not subject to any third-party restrictions. The Group made no payments for extraordinary transactions. Payments for income taxes and interest are reported separately. The statement of cash flows was prepared in accordance with IAS 7 and breaks down the changes in cash and cash equivalents into cash flows from operating, investing and financing activities. Cash flow from operating activities is presented using the indirect method.

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

	Liabilities to banks €k	Lease liabilities €k	Other Loans €k	Total €k
Statement of financial position as at 1 Jan 2023	**15,300**	**5,893**	**0**	
Proceeds	13,971	0	1,400	15,371
Repayments	-16,572	-2,986	-1,200	-20,758
Cash-effective changes	**-2,601**	**-2,986**	**200**	**-5,387**
Accrued interests	3	0	0	3
New leases	0	740	0	740
Derecognitions	0	-16	0	-16
Non-cash changes	**3**	**724**	**0**	**728**
Statement of financial position as at 31 Dec 2023	**12,702**	**3,631**	**200**	
Proceeds	8,000	0	0	8,000
Repayments	-2,702	-2,587	-200	-5,489
Cash-effective changes	**5,298**	**-2,587**	**-200**	**2,511**
Accrued interests	-4	0	0	-4
New leases	0	3,335	0	3,335
Derecognitions	0	-3	0	-3
Non-cash changes	**-4**	**3,332**	**0**	**3,328**
Statement of financial position as at 31 Dec 2024	**17,996**	**4,377**	**0**	

VI. Additional disclosures on financial instruments

Financial instruments break down as follows as at the end of reporting period:

31 Dec 2024 €k	Classification according to IFRS 9[1]	Carrying amount	Fair value Level 1	 Level 2	 Level 3	 Total
Assets						
Investment securities	FVTOCI	1,982	1,982			1,982
(31 Dec 2023)		2,068	2,068			2,068
Trade receivables	AC	40,475				
(31 Dec 2023)		37,431				
Other assets[2]	AC	2,156				
(31 Dec 2023)		2,119				
Non-hedge derivatives	FVTPL	69		69		69
(31 Dec 2023)		172		172		172
Cash funds	AC	174,647				
(31 Dec 2023)		56,530				
Liabilities						
Liabilities to banks	FLaC	17,996		17,790		17,790
(31 Dec 2023)		12,702		12,084		12,084
Liabilities from participation rights	FLaC	10,213		13,827		13,827
(31 Dec 2023)		10,213		13,845		13,845
Trade payables	FLaC	4,369				
(31 Dec 2023)		3,695				
Other loans	FLaC	0				
(31 Dec 2023)		200				
Other liabilities[2]	FLaC	6,627				
(31 Dec 2023)		8,946				
Provisions with liability character	FLaC	31,447				
(31 Dec 2023)		25,100				
Liabilities to non-controlling interests	FLaC	11,759				
(31 Dec 2023)		8,412				
Non-hedge derivatives	FVTPL	257		257		257
(31 Dec 2023)		0		0		0
Aggregated according to category						
Financial assets	AC	217,279				
Financial assets	FVTOCI	1,982				
Financial assets	FVTPL	69				
Financial liabilities	FLaC	82,410				
Financial liabilities	FVTPL	257				

1) AC: amortised cost; FLaC: financial liabilities at amortised cost; FVTPL: fair value through profit and loss; FVTOCI: fair value through other comprehensive income
2) Other assets and liabilities that are not financial assets or liabilities are not included.

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

Investments in equity instruments are measured in equity at fair value, which is based on the market price quoted on an active market. For the derivatives measured at fair value, the fair value is calculated based on the expected future cash flows, discounted applying the generally observable market data for the corresponding yield curves.

Cash funds, other financial assets and trade receivables predominantly have short remaining terms. Their carrying amounts as at the end of the reporting period are therefore approximately their fair value.

Trade payables, other current loans and other financial liabilities are typically short-term; the amounts recognised are approximately the fair values. The fair values of financial liabilities and liabilities from profit participation rights are calculated at the present value of the expected future cash flows. Discounting uses standard market interest rates based on the corresponding maturities and credit ratings.

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

The following tables show the measurement methods used to determine fair values.

Financial instruments measured at fair value

Financial instrument	Valuation technique	Material, unobservable input factors	Relationship between key unobservable input factors and fair value measurement
Securities	The fair value is based on the market price of equity and debt instruments as at 31 December 2024.	Not applicable	Not applicable
Interest rate swaps	The fair value is calculated as the present value of the estimated future cash flows.	Not applicable	Not applicable

Financial instruments not measured at fair value

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

VII Objectives and methods of financial risk management

1. Financial assets and liabilities

The Group's main financial liabilities are non-current and current Liabilities to banks, liabilities from participation rights, current trade payables and other non-current and current liabilities. The Group's financial assets consist mainly of cash and cash equivalents and trade receivables. The carrying amount of the financial assets recognised in the consolidated financial statements less impairments represents the maximum default risk. It amounts to €217,105 thousand as at the end of reporting period (31 December 2023: €96,029 thousand). Business relationships are only entered into with partners of good credit standing. Trade receivables relate to a diverse set of customers in the energy sector. Ongoing credit assessments are performed for the financial receivables portfolio. Payment terms of 30 days without deduction are usually granted. Impairment was not recognised for trade receivables that were past due at the end of the reporting period if no material changes in the customer’s creditworthiness were observed, and it is assumed that the outstanding amount will be paid.

For details of the maturities of financial liabilities, see II.12. “Liabilities” and II.13 “Other liabilities”.

2. Capital risk management

The Group manages its capital (equity plus liabilities less cash and cash equivalents) with the aim of achieving its financial goals while simultaneously optimising its finance costs by way of financial flexibility. In this respect, the overall strategy is the same as in the previous year.

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

The capital structure in the reporting year is as follows:

	31 Dec 2024	31 Dec 2023
Equity in €k	205,006	171,542
- in % of total capital	46.9%	55.1%
Liabilities in €k	232,553	139,734
- in % of total capital	53.1%	44.9%
Current liabilities in €k	172,012	93,730
- in % of total capital	39.3%	30.1%
Non-current liabilities in €k	60,541	46,004
- in % of total capital	13.8%	14.8%
Net gearing ratio*	-0.8	-0.2

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

3. Financial risk management

Financial risk is monitored centrally by management. The individual financial risks are reviewed at least four times per year.

The material Group risks arising from financial instruments include liquidity risks and credit risks. Business relationships are only entered into with partners of good credit standing.

Assessments from independent rating agencies, other financial information and trading records are used to assess credit, especially for major customers. In addition, receivables are monitored on an ongoing basis to ensure that the FRIEDRICH VORWERK Group is not exposed to major credit risks. The maximum default risk is limited to the respective carrying amounts of the assets reported in the statement of financial position.

Impairment on trade receivables and contract assets is determined using the simplified approach.

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

4. Market risks

Market risks can result from changes in exchange rates (exchange rate risks) or interest rates (interest rate risks). The Group's invoices are essentially issued in euro or the respective local currency, thereby largely avoiding exchange rate risks.

The Group is exposed to interest rate risks as a result of borrowing at floating interest rates. The FRIEDRICH VORWERK Group manages these risks by maintaining an appropriate ratio between fixed and floating interest rate agreements. Derivatives (e.g. interest rate swaps or interest rate futures) were only used in hedging as an exception. As at the reporting date, there were variable-interest liabilities totalling €613 thousand (previous year: €963 thousand). Hedging transactions existed in the form of six interest rate swaps with a nominal volume of €10,356 thousand and two interest rate floors with a nominal volume of €2,250 thousand. If, all else being equal and assuming corresponding average indebtedness, interest rates had been two percentage points higher (lower), pre-tax earnings would have been €16 thousand lower (higher).

5. Liquidity risk

Liquidity risk describes the risk that the Group will be unable to meet its payment obligations on maturity. The high level of cash and cash equivalents means there is no liquidity risk from financial liabilities. The Group and its subsidiaries manage liquidity risks by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and coordinating the maturity profiles of financial assets and liabilities.

IFRS 7 also requires a maturity analysis for financial liabilities. The following maturity analysis shows how the undiscounted cash flows in connection with the liabilities as at 31 December 2024 affect the Group's future liquidity situation.

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

31 Dec 2023		Undiscounted cash flows		
	Carrying amount as at 31 Dec 2023	Up to 1 year	More than 1 year and up to 5 years	Over 5 years
Type of liability	€k	€k	€k	€k
Liabilities to banks	12,702	2,606	8,046	2,624
Liabilities from participation rights	10,213	637	2,481	17,736
Trade payables	3,695	3,695	0	0
Other loans	200	200	0	0
Other financial liabilities	8,946	8,946	0	0
Liabilities to non-controlling interests	8,412	1,821	0	6,591
Lease liabilities	3,631	2,298	1,346	52
Total	**47,801**	**20,204**	**11,872**	**27,004**

If the contract partner can call a payment at different points in time, the liability relates to the earliest possible maturity date. Interest payments of floating-rate financial instruments are calculated on the basis of forward interest rates. In the case of performance-based interest, the interest rate for the reporting year is generally used as a basis, unless better information is available. The cash flows of financial and lease liabilities consist of their undiscounted payments of principal and interest.

VIII Other mandatory information

1. Executive bodies

Management Board of Friedrich Vorwerk Group SE

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

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

Supervisory Board of Friedrich Vorwerk Group SE

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

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

Dr Christof Nesemeier is also the Chairman of the Board of Directors of MBB SE, Berlin.

Dr Julian Deutz was also a member of the Board of Directors of Axel Springer Schweiz AG, Switzerland (until September 2024) and a member of the Supervisory Board of N26 AG, Berlin (until June 2024).

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

The total remuneration granted to members of the Management Board in the financial year amounted to €0.9 million (previous year: €0.6 million), while the total remuneration granted to members of the Supervisory Board amounted to €0.1 million (previous year: €0.1 million).

3. Business transactions with related companies and persons

Related parties are companies and persons who have the power to control the FRIEDRICH VORWERK Group or exercise significant influence over its financial and operating policies.

3.1 Related parties

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

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

Their remuneration was as follows:

	2024 €k	2023 €k
Salaries and other short-term benefits	932	697
Total	**932**	**697**

The Management Board was remunerated via the subsidiary Friedrich Vorwerk Management SE in the year under review.

Management Board

Until 30 September 2024, there was a rental agreement at arm's length with KLEH Immobilien GmbH & Co. KG for residential space for Friedrich Vorwerk SE & Co. The total transactions in the financial year 2024 from this rental agreement amounted to €17 thousand (previous year: €22 thousand). With effect from 1 October 2024, the property was sold to Friedrich Vorwerk SE & Co. KG for a standard market purchase price of €250 thousand. The balance as at the end of the reporting period from transactions with KLEH Immobilien GmbH & Co. KG amounted to €0 thousand (previous year: €0 thousand). KLEH Immobilien GmbH & Co. KG is attributed to the Chairman of the Management Board of Friedrich Vorwerk Group SE.

In the 2024 financial year, ALX Beteiligungsgesellschaft mbH acquired a used motor vehicle from a Group company at an arm's length purchase price of €6 thousand. The balance as at the end of the reporting period from transactions with ALX Beteiligungsgesellschaft mbH amounted to €0 thousand. ALX Beteiligungsgesellschaft mbH is attributed to the Chairman of the Management Board of Friedrich Vorwerk Group SE.

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

Notification of transactions in accordance with section 15a WpHG

Persons with management duties, especially the Management Board and the members of the Supervisory Board of Friedrich Vorwerk Group SE, and their related parties in accordance with section 15a of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act), are required to disclose their transactions involving shares of Friedrich Vorwerk Group SE or related financial instruments. Notifications of relevant transactions are published on our website at www.friedrich-vorwerk-group.de/en/investor-relations/corporate-governance/.

3.2 Related companies

Subsidiaries are considered to be related companies irrespective of whether they are included in the consolidated financial statements or not. Transactions between the company and its subsidiaries are eliminated in consolidation and are not shown in this note, or are of subordinate significance and typical for the industry. Related companies are also considered to be those companies described as associated with the above related persons.

Furthermore, MBB SE, the parent company of Friedrich Vorwerk Group SE, and the companies of MBB SE's consolidated group are also considered related parties. Transactions with these companies were conducted at arm's length conditions.

As at the end of the reporting period, there was a consultancy agreement at standard market conditions with MBB SE as the contractor. The total transactions in the financial year 2024 amounted to €560 thousand (previous year: €560 thousand). In addition, costs for D&O insurance, IT systems and other services amounting to €63 thousand (previous year: €63 thousand) were charged to the FRIEDRICH VORWERK Group by MBB SE. The total balance as at the end of the reporting period with MBB SE was €56 thousand (previous year: €0 thousand).

The FRIEDRICH VORWERK Group has commissioned DTS Systeme GmbH, an indirect subsidiary of MBB SE, to provide various IT-specific services at standard market conditions. The total of the transactions in the 2024 financial year amounted to €183 thousand (previous year: €156 thousand). As at the end of the reporting period, a total balance of €0 thousand (previous year: €0 thousand) was outstanding.

The FRIEDRICH VORWERK Group has commissioned Aumann AG, a subsidiary of MBB SE, to provide recruiting services at standard market conditions. The total of the transactions in the 2024 financial year amounted to €51 thousand (previous year: €40 thousand). As at the end of the reporting period, a total balance of €12 thousand (previous year: €0 thousand) was outstanding.

Please refer to note II.4 (Working group disclosures) for information on working groups.

4. Employees

The Group had the following employees in the financial year:

Average number of employees	2024 Headcount	2023 Headcount
Technical staff	1,252	1,129
Employees	608	552
Total	**1,860**	**1,681**

As of the reporting date	31 Dec 2024 Headcount	31 Dec 2023 Headcount
Technical staff	1,315	1,139
Employees	633	556
Total	**1,948**	**1,695**

The FRIEDRICH VORWERK Group had at the end of reporting period 129 trainees and persons in dual study programmes (previous year: 119), which are not included in the above employee figures.

5. Auditor's fees

The auditor’s fees recognised in the 2024 and 2023 financial years break down as follows:

	2024 €k	2023 €k
Audit services	211	223
Tax advisory services	0	0
Other assurance services	0	0
Other services	0	0
Total	**211**	**223**

6. Events after the end of the reporting period

Friedrich Vorwerk Group SE, via its indirect subsidiary Vorwerk Stade GmbH (formerly Vorwerk Verwaltungs GmbH), signed an agreement on 27 February 2025 to acquire the Wischhafen branch including the Stade plant of Gerhard Rode Rohrleitungsbau GmbH & Co. KG with effect from 1 April 2025. The branch is expected to generate annual revenue of around €5.0 million.

On 18 March 2025, the German Bundestag approved a comprehensive debt-financed infrastructure investment budget of half a trillion euros for the next 12 years. These investments could have a positive impact on FRIEDRICH VORWERK's business activities and growth.

7. Contingent liabilities and off-balance sheet transactions

It is standard practice within the industry, and necessary, to issue various guarantees and warranties to secure contractual obligations. These guarantees are typically issued by banks or credit insurance companies and essentially comprise contract performance, advance payment and performance guarantees. In the event that a guarantee is utilised, the banks have claims for recourse against the Group. There is only a risk of a guarantee being utilised if the underlying contractual obligations are not properly fulfilled. Such guarantees have not given rise to claims against the Group either in the financial year or in the past.

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

Furthermore, as is customary within the industry, there is joint and several liability with other partners for working groups in which interests are held by companies in which the FRIEDRICH VORWERK Group holds investments.

8. Other financial obligations

Right-of-use assets and lease liabilities were recognised in the statement of financial position for a majority of operating leases. This does not include short-term leases, leases for low-value assets or leases with variable payments.

In addition, the FRIEDRICH VORWERK Group entered into contracts to purchase property, plant and equipment in 2024 that have not been delivered and / or invoiced as at 31 December 2024.

The off-balance sheet obligations as at 31 December 2024 and in the previous period are as follows:

Other financial obligations	31 Dec 2024	31 Dec 2023
	€k	€k
Up to one year	9,140	4,317
More than one year and up to five years	29	41
Over five years	0	0
Total	**9,169**	**4,358**

9. Declaration in accordance with section 161 AktG

As a listed stock corporation, Friedrich Vorwerk Group SE is required to issue a declaration in accordance with section 161 AktG on the extent to which it complies with the recommendations of the German Corporate Governance Code of the German Government Commission. The Management Board and the Supervisory Board issued this declaration for the last time on 24 March 2025. It is part of the Combined Management Report and Group Management Report and is published on the Internet at www.friedrich-vorwerk-group.de/de/investor-relations/corporate-governance.

10. Appropriation of earnings

The Management Board and the Supervisory Board propose to distribute a dividend in the amount of €6,000,000.00 or €0.30 per entitled share and to carry the remaining amount forward to new account.

11. Group affiliation

Friedrich Vorwerk Group SE, Tostedt, prepares the consolidated financial statements for the smallest group of companies. These will be published in the electronic Federal Gazette. MBB SE, Berlin, prepares the consolidated financial statements for the largest group of companies. The consolidated financial statements are published on the website at www.mbb.com.

12. Voting rights notifications

Friedrich Vorwerk Group SE, Tostedt, did not receive any notifications in accordance with section 40 (1) WpHG in the period from 1 January to 20 March 2025.

For further details, please refer to our individual publications on the voting right notifications received on our website www.friedrich-vorwerk-group.de.

13. Exemption from disclosure requirements

In accordance with section 264b HGB, Friedrich Vorwerk SE & Co. KG, Tostedt, is exempt from the obligation to disclose its annual financial statements for the 2024 financial year .

Tostedt, 24 March 2025

Torben Kleinfeldt	Tim Hameister
CEO	CFO

Assurance of the legal representatives

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

Tostedt, 24 March 2025

Torben Kleinfeldt	Tim Hameister
CEO	CFO

Independent Auditor's Report

To Friedrich Vorwerk Group SE:

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

Audit judgements

We have audited the consolidated financial statements of Friedrich Vorwerk Group SE, Tostedt and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from 1 January to 31 December 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Friedrich Vorwerk Group SE, which is combined with the management report of the Company, for the financial year from 1 January to 31 December 2024. In accordance with the German legal requirements, we have not audited the content of the components listed in the "Other information" section of our auditor's report.

In our opinion, based on the findings of our audit:

- the accompanying consolidated financial statements comply, in all material respects, with IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to section 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the financial position of the Group as at 31 December 2024 and of its financial performance for the financial year from 1 January to 31 December 2024, and
- the accompanying combined group management report as a whole provides a suitable view of the Group's position. In all material respects, this combined group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined group management report does not cover the content of those parts of the combined group management report listed in the "Other information" section.

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

Basis for Audit Opinions

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

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In our opinion, the following matters were of most significance in our audit:

- Revenue recognition from construction contracts

We have structured our presentation of these key audit matters as follows:

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

We present the key audit matters below:

Revenue recognition from construction contracts and projects

1. A significant portion of the Group's business activities is conducted via construction contracts and projects. The recognition of revenue in accordance with IFRS 15 is dependent on the fulfilment of the performance obligation and must be evaluated on the basis of the underlying contracts. Due to its complexity, revenue recognition is an area with a significant risk of material misstatement (including the potential risk of management overriding controls) and is therefore a key audit matter. The Group's revenue amounted to €498,353 thousand in 2024. €53,880 thousand in contract assets and €80,750 thousand in contract liabilities from construction contracts and projects were reported as at 31 December 2024.
2. In order to address this risk, we critically scrutinised management's assumptions and estimates and performed the following audit procedures, among others:
    - As part of our audit, we analysed the internally defined methods, procedures and control mechanisms for project management in the bidding and execution phase of construction contracts. In addition, we assessed the design and effectiveness of the accounting-related internal controls by reviewing contract-specific transactions from their origination to their presentation in the consolidated financial statements and by testing controls.
    - We assessed the estimates and assumptions made by the legal representatives on the basis of random samples selected on a risk-oriented basis as part of our case-by-case audit. Our audit procedures included, among other things, a review of the contractual basis and contractual conditions, including contractually agreed provisions on partial deliveries or services, cancellation rights, default and contractual penalties and damages. For the selected projects, we also examined the revenue recognisable as at the reporting date and the associated cost of sales to be recognised in profit or loss based on the percentage of completion and the accounting treatment of related balance sheet items in order to assess the determination of income for the period.
    - We also conducted interviews with project management (both commercial and technical project managers) on the development of the projects, the reasons for deviations between planned costs and actual costs, the current assessment of the costs expected to be incurred until completion and the assessments of the legal representatives regarding potential contract risks.

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

3. The company's disclosures on the accounting and valuation principles applied in the context of recognising construction contracts are contained in Note I.4.17 of the Notes.

Other information

The legal representatives are responsible for the other information. The other information includes:

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

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

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

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

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

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

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

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

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

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

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

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

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

- identify and assess the risks of material misstatement of the consolidated financial statements and of the combined group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control or on the effectiveness of these systems and measures;

- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of accounting estimates and related disclosures made by the executive directors;

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined group management report or, if such disclosures are inadequate, to modify our respective audit opinions. We draw our conclusions on the basis of the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to section 315e (1) HGB;

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the combined group management report. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We are solely responsible for our audit opinions;

- evaluate the consistency of the combined group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides;

- perform audit procedures on the prospective information presented by the legal representatives in the combined group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the forward-looking statements or on the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

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

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

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

OTHER STATUTORY AND REGULATORY REQUIREMENTS

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

Audit judgement

We have performed an assurance engagement in accordance with section 317(3a) HGB to obtain reasonable assurance about whether the reproduction of the consolidated financial statements and the combined group management report (hereinafter also referred to as "ESEF documents") contained in the attached file "Vorwerk_SE_IFRS_2024" and prepared for publication purposes complies in all material respects with the requirements of section 328(1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this audit only extends to the conversion of the information contained in the consolidated financial statements and the coombined group management report into the ESEF format and therefore does not extend to the information contained in these reproductions or any other information contained in the above-mentioned file.

In our opinion, the reproduction of the consolidated financial statements and the combined group management report contained in the above-mentioned attached file and prepared for publication purposes complies in all material respects with the requirements of section 328 (1) HGB for the electronic reporting format. Beyond this audit opinion and our audit opinions on the accompanying consolidated financial statements and on the accompanying combined group management report for the financial year from 1 January to 31 December 2024 contained in the "Report on the Audit of the Combined Consolidated Financial Statements and of the Group Management Report" above, we do not express any audit opinion on the information contained in these reproductions or on the other information contained in the above-mentioned file.

Basis for the audit opinion

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

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

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

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

The legal representatives of the company are also responsible for submitting the ESEF documents together with the auditor's report and the attached audited consolidated financial statements and audited combined group management report as well as other documents to be disclosed to the operator of the Federal Gazette.

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

Group Auditor's Responsibility for the Assurance Engagement of the ESEF documents

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

- identify and assess the risks of material non-compliance with the requirements of section 328 (1) HGB, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion;

- obtain an understanding of internal control relevant to the audit of the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these controls;

- assess the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents fulfils the requirements of the Delegated Regulation (EU) 2019/815 in the version applicable at the reporting date for the technical specification for this file;

- evaluate whether the ESEF documents enable the audited consolidated financial statements and the audited combined management report to be reproduced in XHTML format with consistent content;

- assess whether the labelling of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of the Delegated Regulation (EU) 2019/815 in the version applicable on the closing date enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

OTHER INFORMATION ACCORDING TO ARTICLE 10 OF THE EU-AUDIT REGULATION

We were elected as group auditor by resolution of the Annual General Meeting on 3 June 2024. We were engaged by the Supervisory Board on 3 December 2024. We have been the group auditor of the Friedrich Vorwerk Group SE without interruption since the financial year 2019.

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

Other matters - utilisation of the audit opinion

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

RESPONSIBLE AUDITOR

The German Public Auditor responsible for the engagement is Philip Elpel.

Düsseldorf, 24 March 2025

Nexia GmbH

Wirtschaftsprüfungsgesellschaft

Steuerberatungsgesellschaft

Weyers Wirtschaftsprüfer [German Public Auditor]	Elpel Wirtschaftsprüfer [German Public Auditor]

Financial calendar

Annual Report 2024
31 March 2025

Quarterly report Q1 2025
13 May 2025

Annual General Meeting
2 June 2025

Half-year financial report 2025
14 August 2025

Quarterly report Q3 2025
13 November 2025

End of financial year
31 December 2025

Conferences

Metzler Small Cap Days, Frankfurt
2 April 2025

Berenberg European Conference, Manhattan, New York City
20 May 2025

Berenberg and Goldman Sachs German Corporate Conference, Munich
23 September 2025

German Equity Forum, Frankfurt
24-26 November 2025

Contact

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Legal notice

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