



Annual Report
2025

Profile

GESCO is a strong industrial group. Its spectrum ranges from tool steel to paper sticks, from support arm systems in industry and medical technology to complex systems for loading and unloading liquid and gaseous substances. GESCO's subsidiaries address end customer markets with their innovative products. They aim to achieve marketleading positions and above-average growth.

MEUR

495,0

sales
previous year MEUR513.8

EUR

0.96

earnings per share
previous year EUR0.42

MEUR

15.5

EBIT
previous year MEUR15.2

1,662

employees worldwide (as of the balance
sheet date) previous year 1,642




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Materials Refinement & Distribution

Within this segment, we group companies that are characterised by operational and process excellence in production, the refinement of raw or semi-finished materials and their global distribution. The vertical end markets addressed are generally very diverse, which gives the companies in this segment above-average resilience to market-specific cycles.

Doerrenberg Group



Leading European specialist in tool steel.

The company's profile

2025 sales: MEUR139.9

Staff (12/31/2025): 369

GESCO SE shareholding: 100 %

Member of the GESCO Group since: 1996

Franz Funke Zerspanungs-technik GmbH & Co. KG



Specialised in machining.

The company's profile


2025 sales: MEUR17.8

Staff (12/31/2025): 65

GESCO SE shareholding: 100 %

Member of the GESCO Group since: 1995

Pickhardt & Gerlach Group



Leading strip steel processor.

The company's profile

2025 sales: MEUR51.8

Staff (12/31/2025): 56

GESCO SE shareholding: 100 %


Member of the GESCO Group since: 2016

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Health Care & Life Science

This segment includes industrial companies whose offerings are specifically geared towards the dynamically developing healthcare, medical, pharmaceutical and food markets. Our portfolio companies in this segment are characterised by products and solutions that are unique and tailored to the specific needs of these markets.

AMTRION Group



Values in Motion.

The company's profile

2025 sales: MEUR22.1

Staff (12/31/2025): 75

GESCO SE shareholding: 100 %

Member of the GESCO Group since:
1990/2021

INEX solutions



Specialist supplier of process systems for pharmaceuticals, food, water technology and chemicals.

The company's profile


2025 sales: MEUR53.8

Staff (12/31/2025): 278

GESCO SE shareholding: 100 %

Member of the GESCO Group since:
2018

Setter Group



Quality and volume leader in the market of paper sticks.

The company's profile

2025 sales: MEUR68.5

Staff (12/31/2025): 238

GESCO SE shareholding: 100 %


Member of the GESCO Group since:
2004

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Industrial Assets & Infrastructure

The companies in this segment are all champions in their specific niches of mechanical and plant engineering, typically for global industrial infrastructure markets. The project-based nature of these company models is specifically addressed by their excellent project management capabilities. It allows a robust differentiation from competitors through technical expertise, customer proximity and speed in realising their individual needs.

Eckart Hydraulics



Leading supplier of hydraulic rotary actuators and valve actuators.

The company's profile

2025 sales: MEUR20.1

Staff (12/31/2025): 129

GESCO SE shareholding: 100 %

Member of the GESCO Group since: 2025

Kesel Group



Specialist in milling machines and clamping systems.

The company's profile


2025 sales: MEUR8.7

Staff (12/31/2025): 51

GESCO SE shareholding: 100 %

Member of the GESCO Group since: 2009

MAE Group



Global leader in levelling and joining components.

The company's profile


2025 sales: MEUR36.4

Staff (12/31/2025): 155

GESCO SE shareholding: 100 %

Member of the GESCO Group since: 1997

SVT-Group



Leading supplier of loading arms for liquefied natural gas.

The company's profile

2025 sales: MEUR72.2

Staff (12/31/2025): 277

GESCO SE shareholding: 100 %

Member of the GESCO Group since: 2002

GESCO at a glance – GESCO Group key figures (IFRS)

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		2025 01/01 – 12/31	2024 01/01 – 12/31	2023 01/01 – 12/31	2022 01/01 – 12/31	2021 01/01 – 12/31	2020 01/01 – 12/31	2019 04/01 – 12/31 short fiscal year	2018/2019 04/01 – 03/31 adjusted	2018/2019 04/01 – 03/31 as reported	2017/2018 04/01 – 03/31	2016/2017 04/01 – 03/31	2015/2016 04/01 – 03/31	2014/2015 04/01 – 03/31
Sales	T€	494,973	513,809	560,724	582,273	488,051	397,225	439,619	580,254	574,532	547,193	482,480	494,014	451,434
thereof domestic	T€	205,700	240,134	260,974	280,988	252,806	212,225	258,844	353,178	351,272	335,981	302,419	323,862	303,597
thereof abroad	T€	289,273	273,675	299,750	301,285	235,245	185,000	180,775	227,076	223,260	211,212	180,061	170,152	147,837
EBITDA	T€	33,780	36,673	59,010	67,738	62,188	33,357	44,035	68,375	73,498	57,404	49,745	53,261	46,171
EBIT	T€	15,496	15,182	35,866	49,433	44,572	16,693	23,470	42,101	47,646	33,789	22,137	31,457	27,300
Earnings before taxes (EBT)	T€	11,367	9,964	32,361	49,459	42,719	12,889	21,804	39,809	45,420	31,861	19,187	28,828	24,553
Taxes on income and earnings	T€	-1,088	-4,370	-10,220	-13,196	-13,243	-6,009	-8,076	-14,042	-15,443	-13,690	-9,458	-10,307	-10,401
Tax rate	%	9.6	43.9	31.6	26.7	31.0	46.6	37.0	35.3	34.0	43.0	49.3	35.8	42.4
Group net earnings for the year from continued operations (after minority interests)	T€	9,928	4,439	20,885	33,824	26,876	5,829	-	-	-	-	-	-	-
Earnings per share	€	0.96	0.42	1.93	3.12	2.48	0.54	-	-	-	-	-	-	-
Group net earnings for the year from discontinued operations (after minority interests)	T€	0	0	0	0	-14	-22,405	-	-	-	-	-	-	-
Earnings per share	€	0.00	0.00	0.00	0.00	0.00	-2.07	-	-	-	-	-	-	-
Group net earnings for the year from continued and discontinued operations (after minority interests)	T€	9,928	4,439	20,885	33,824	26,862	-16,576	12,386	22,582	26,598	16,099	7,890	16,127	12,350
Earnings per share ¹	€	0.96	0.42	1.93	3.12	2.48	-1.53	1.14	2.08	2.46	1.49	0.79	1.62	1.24
Investments in tangible assets ²	T€	16,992	11,356	20,136	15,577	12,670	7,907	15,838	23,354	23,838	24,638	19,788	23,974	29,525
Depreciation on tangible assets	T€	18,284	21,491	23,144	18,305	17,616	13,346	17,487	19,415	19,081	17,989	24,009	16,940	15,475
Equity ³	T€	272,621	268,949	277,654	274,706	255,734	227,770	250,428	250,567	244,261	224,265	214,095	195,773	182,803
Balance sheet total ³	T€	447,350	433,316	468,962	473,913	449,535	390,821	506,099	525,486	509,513	456,256	439,915	410,175	403,739
Equity ratio ³	%	60.9	62.1	59.2	58.0	56.9	58.3	49.5	47.7	47.9	49.2	48.7	47.7	45.3
Employees ³	No.	1,662	1,642	1,899	1,841	1,783	1,695	2,718	2,684	2,662	2,489	2,535	2,537	2,465
thereof trainees ³	No.	32	38	50	60	66	63	130	108	134	134	138	153	156
Share price (XETRA) at the end of the financial year ¹	€	14.25	13.20	18.60	24.10	25.50	18.35	18.86	22.75	22.75	28.50	24.96	24.71	25.46
Dividend per share	€	0.20 ⁴	0.10	0.40	1.00	0.98	0.00	0.23	0.90	0.90	0.60	0.35	0.67	0.58

¹ Financial years 2013/2014 to 2015/2016 adjusted according to share split 1:3 of Dec. 2016

² Excluding additions from changes in the scope of consolidation

³ As of the balance sheet date

⁴ Dividend proposal to the Annual General Meeting 2026



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Letter from the Executive

Dear Shareholders, Ladies and Gentlemen,

The 2025 financial year presented us with particular challenges – and it taught us humility. In a diversified industrial holding company such as GESCO SE, economic conditions and business prospects do not affect all subsidiaries in the same way: some of our subsidiaries had to cope with significant pressures in a challenging market environment; others seized their opportunities with impressive determination and made solid contributions to the Group’s success. This diversification is a reflection of our GESCO business model, which aims for a market-leading position for all our subsidiaries.



Andrea Holzbaur (CFO) und Johannes Pfeffer (CEO)

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Market conditions in 2025 – challenges that set the pace

2025 was still characterised by a persistently subdued industrial economy in Germany and Europe. Geopolitical uncertainty, high energy prices and a largely restrictive interest rate environment acted as a brake on investment decisions – particularly among customers in cyclical sectors. In many markets, demand was not fundamentally lower, but planning was more cautious: projects were postponed, budgets reprioritised, and inventories managed more tightly. At the same time, cost inflation and wage rises increased the pressure on margins – particularly where value-added depth and labour intensity are high.

Our subsidiaries responded with great adaptability: through consistent work on pricing and terms, with a focus on delivery capability and quality, but above all through structural improvements to their own processes. This point is crucial: 2025 was rather disappointing in terms of financial figures, but not in terms of the operational improvements achieved. It was a year in which we scrutinised many processes and made significant improvements within the framework of the GESCO Business System, thereby preparing ourselves for the next phase of growth.

GESCO Business System – First successes are becoming apparent

2025 was a year in which the GESCO Business System (GBS) continued to prove its worth as a framework for transformation. We see the GBS as an umbrella for methods, principles and best practices – particularly those based on lean management – and this is precisely where its strength lies: it transforms experiential knowledge into a repeatable and easily implementable system.

The key change we are seeing across many units in 2025 is a stronger link between strategy and operational implementation. The GBS helps not only to formulate goals but also to translate them into measurable initiatives: productivity, scrap, set-up times,



„Our strong balance sheet gives us the necessary flexibility to invest not only organically but also to seize opportunities for inorganic growth.“

Andrea Holzbaur (CFO)

material flows, stock levels, and on-time delivery. This is hard work, and progress varies from place to place. But the direction is clear: where Lean is consistently implemented, the ability to remain profitable in volatile markets increases – and to scale disproportionately as demand picks up again.

Another effect is cultural: Lean strengthens accountability where it belongs – close to the process. Teams are empowered to identify problems, solve them systematically and embed improvements. Especially in times of high costs and fluctuating demand, this empowerment is a decisive competitive advantage.

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Business Development 2025

The development of the Group's key figures in the 2025 financial year must be assessed on a case-by-case basis. On the sales side, demand remained subdued; at the same time, the quality of earnings improved in some areas, not least as a result of consistent efficiency measures.

Group sales amounted to MEUR495.0, down from MEUR513.8 in the previous year, representing a decline of 3.7%. Despite the fall in sales, EBIT rose from MEUR15.2 to MEUR15.5; accordingly, the EBIT margin (ROS) improved slightly to 3.1% from 3.0%. Group earnings after minority interests more than doubled to MEUR9.9, compared with MEUR4.4 in the previous year; earnings per share thus rose to EURO.96, compared with EURO.42 in 2024.

GESCO's financial position is also extremely sound: as at 31 December 2025, equity stood at MEUR272.6; the equity ratio was 60.9%.

These figures highlight two key points: Firstly, the Group has maintained its stability in a challenging market environment. Secondly, we have managed to improve profitability despite significant (one-off) costs and weak demand.

Milestone 2025 – Acquisition of Eckart GmbH

A particular milestone of the 2025 financial year was the acquisition of Eckart GmbH, which was announced on 1 July 2025 and took effect retroactively from 1 January 2025. Eckart, based in Schlüchtern, Hesse, specialises in the development, production and sale of hydraulic swing motors and rotary actuators, valve actuators and lift-and-swing units. The products are used in a wide range of applications in mobile machinery, such as in mining, construction machinery and intralogistics, as well as in stationary mechanical engineering applications.

Strategically, the acquisition strengthens the Industrial Assets & Infrastructure segment and fits very well with our criteria for M&A targets, particularly with regard to value creation that drives differentiation, innovative capacity and a product portfolio relevant to customer success. Eckart also has distribution centres in key markets such as the USA, China, France and Italy, and is thus well positioned internationally. The acquisition is not only a targeted addition to the portfolio, but also a logical step in GESCO SE's growth strategy, which encompasses both organic and inorganic growth.

Looking ahead

We see grounds for cautious optimism for 2026. In Germany, there are increasing signs that the economic environment could stabilise, buoyed by the prospect of falling interest rates, easing inflationary pressures and a gradual revival of industrial demand. No one should expect the situation to improve abruptly or linearly; at the same time,



„2025 was a year in which we thoroughly reviewed many processes within the GESCO Business System, implemented significant improvements, thereby preparing ourselves for the next phase of growth.“

Johannes Pfeffer (CEO)



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the direction is crucial, as a phase of waiting and seeing can once again give way to a phase of decision-making and investment.

GESCO is entering a potential recovery with a starting position that we have specifically built up: the operational improvements initiated and implemented in the subsidiaries in 2025 are not a short-term campaign, but a structural lever for productivity, quality and delivery capability. As capacity utilisation rises again, these improvements should have a disproportionately large impact – on margins and cash flow – and thus further enhance the quality of earnings. Our current GBS focus on sales and growth initiatives will also promote and support this development as early as the current financial year.

At the same time, our solid balance sheet gives us the necessary freedom to act, enabling us not only to invest organically but also to capitalise on opportunities for inorganic growth. As a long-term partner for medium-sized industrial companies, we continue to see attractive opportunities, not least due to numerous succession situations.

Against this backdrop, it may be particularly interesting to support GESCO as a shareholder right now. In the current phase, characterised by uncertainty, companies that are continuously improving and at the same time have the financial flexibility to invest counter-cyclically are attractive. GESCO combines both – systematic operational transformation within the companies and the ability to create value through targeted acquisitions.

For existing shareholders, the fact that substantial value has been built up in recent years may be little consolation given the unsatisfactory share price performance. However, this forms the basis for our confidence that we will be able to achieve significantly better results in the future and thus also bring about a turnaround in the share price.

Acknowledgements

Finally, we would like to express our sincere thanks to you – our shareholders – for your trust, patience and support. You enable us to act with a long-term perspective: to invest, to transform and to seize opportunities counter-cyclically. Our thanks also go to our employees in all subsidiaries, who have mastered the challenges of 2025 with great dedication and a high level of professionalism.

We are working to further build on the strengths of our industrial holding company – responsibly, performance-oriented and with the clear aim of creating sustainable value for you.

Warm regards from Wuppertal

Johannes Pfeffer
CEO

Andrea Holzbaur
CFO

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Report of the Supervisory Board for the fiscal year 2025

During the 2025 financial year, the Supervisory Board dealt intensively with the Company's situation and fulfilled the obligations incumbent upon it under the law, the Articles of Association and the Rules of Procedure. These include deliberations based on regular, timely and comprehensive information provided by the Executive Board, the involvement of the Supervisory Board in decisions of significant importance to the Company, and the necessary supervision of the management. The Executive Board provided the Supervisory Board with detailed information on all material matters concerning the Company, both during and outside Supervisory Board meetings, in accordance with legal requirements, in both written and oral form. The reporting covered information on economic developments, intended corporate policy, sustainability targets and other fundamental aspects of corporate planning, and also included information on the financial position of the Company and the Group (including the risk profile, risk management and compliance). Where required by law, the Articles of Association or internal regulations, the Supervisory Board took decisions on relevant business matters. Furthermore, the Chairman of the Supervisory Board maintained regular contact and exchanged information and views with the Executive Board. The Executive Board kept the Chairman of the Supervisory Board continuously and promptly informed about important developments and upcoming decisions.

In this report, the Supervisory Board provides information on its activities during the 2025 financial year. The focus of the explanations is on its ongoing dialogue with the Executive Board and the audit of the annual and consolidated financial statements.



Stefan Heimöller (Chairman), Dr. Mathias Saggau, Dr. Nanna Rapp und Jens Große-Allermann (Deputy Chairman)

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Personnel continuity on the Executive Board and changes to the Supervisory Board

A new Supervisory Board was elected at the Annual General Meeting on 25 June 2025. Mr Stefan Heimöller, Mr Jens Große-Allermann and Dr Nanna Rapp stood for re-election. Mr Klaus Möllerfriedrich, the founder of GESCO, who had been a member of the Supervisory Board since the Company's IPO in 1998, stepped down for reasons of age. Dr Mathias Saggau stood for election as Mr Möllerfriedrich's successor. All nominations were accepted with majorities ranging from 86% to 90%.

We would like to take this opportunity to thank Mr Klaus Möllerfriedrich most sincerely for his decades of commitment to GESCO SE. Without his tireless dedication, GESCO SE would not exist in its current form!

The Company's Executive Board remained unchanged in the 2025 financial year, comprising CEO Johannes Pfeffer and CFO Andrea Holzbaur.

Cooperation between the Executive Board and the Supervisory Board

There was at all times close and trusting cooperation between the Supervisory Board and the Executive Board. Throughout the reporting year, the Supervisory Board conscientiously fulfilled its supervisory and advisory duties in accordance with the law, the Articles of Association and the Rules of Procedure. This included the regular exchange of information with the Executive Board and the monitoring of the Company's management regarding legality, regularity, appropriateness and cost-effectiveness.

The Supervisory Board was directly involved in all fundamental corporate decisions. In particular, the financial position of GESCO SE and its subsidiaries was discussed in detail. The appointment of new management positions at the subsidiaries of GESCO SE was a key focus of the Supervisory Board's work, as was the monitoring of (potential) M&A transactions.

The Executive Board regularly informed the Supervisory Board, both in writing and orally, in a timely and comprehensive manner, on all relevant matters of corporate planning and strategic development, on the course of business, the situation of the Group and the individual subsidiaries, including the risk situation, as well as on risk and compliance management. The Supervisory Board was also kept continuously informed between meetings, both in writing and verbally, in detail about all projects and initiatives of particular significance to the Company. At the regular quarterly meetings, the Supervisory Board received a detailed report from the responsible officer at GESCO SE on the compliance management system as well as the internal control and risk management system. The Supervisory Board dealt, as planned, with the structure and content as well as the functionality of these systems. In all cases, the members of the Supervisory Board examined the reports submitted to them intensively and critically and contributed their own suggestions. The scope and manner of risk reporting are thus continuously updated. The topic of ESG/CSRD is becoming increasingly important and was dealt with comprehensively in the non-financial statement.

The course of business was discussed in detail with the Executive Board. Any deviations from the respective annual plans and targets were explained in full to the Supervisory Board during its meetings and analysed jointly by the Executive Board and the Supervisory Board. The Supervisory Board thoroughly reviewed the Executive Board's reports and proposed resolutions and, where required by statutory and Articles of Association provisions, cast its vote on them.

Significant strategic investments in subsidiaries were accompanied by detailed discussions based on comprehensive investment analyses. Companies that were more severely affected by the economic situation were subject to particular scrutiny by the Supervisory Board.

Changes in the management of subsidiaries were discussed in detail by the Supervisory Board and the Executive Board. In the case of new appointments, the candidates were interviewed by the Supervisory Board prior to the approval decision.

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Organisation of the Supervisory Board's work

The organisation of the Supervisory Board's work at GESCO SE remained unchanged. The Supervisory Board continues to consist exclusively of shareholder representatives. These were re-elected for the next five years at the Annual General Meeting on 18 June 2020. A new election of the Supervisory Board took place on 25 June 2025. Mr Heimöller, Mr Große-Allermann and Dr Rapp were re-elected. Dr Saggau was elected as the fourth member of the Supervisory Board. At the inaugural meeting, Mr Heimöller was elected Chairman of the Supervisory Board.

The deliberate limitation of the size of the Supervisory Board enables efficient working and in-depth discussions on both strategic and detailed matters. Consequently, the formation of Supervisory Board committees is generally dispensed with. In the 2025 financial year, no committees were formed except for the Audit Committee. Mr Große-Allermann, who possesses extensive knowledge in this area, chairs the Audit Committee, supported by Mr Möllerfriedrich, a chartered accountant (until 25 June 2025), Dr Saggau (since 25 June 2025) and Dr Rapp.

The full Supervisory Board delegates specific tasks to individual members, who prepare them and submit them to the Board for final discussion and decision. This applies in particular to M&A transactions, personnel decisions and the audit of the financial statements. The four members of the Supervisory Board contribute diverse, complementary areas of expertise, thereby ensuring appropriate professional diversification, as set out in a competence matrix published in the Corporate Governance Declaration.

Since 2023, the Supervisory Board has had access to a database containing all documents relevant to the Supervisory Board.

Meetings and resolutions of the Supervisory Board

In the 2025 financial year, a total of 13 ordinary and extraordinary Supervisory Board meetings took place. In addition, the Supervisory Board held various internal telephone and video conferences and, where necessary, took decisions by circular resolution. All members of the Supervisory Board attended all ordinary Supervisory Board meetings that took place in person.

The topics of ongoing discussions within the Supervisory Board included the economic performance of the GESCO Group, the performance of individual subsidiaries, personnel matters at the subsidiaries and GESCO SE, the achievement of targets in relation to the annual plan, and ongoing M&A projects. On a quarterly basis, a member of staff from GESCO SE reported to the Supervisory Board on the compliance management system and the internal control and risk management system. In addition, the Supervisory Board discussed the following key topics and, where necessary, passed resolutions:

- Discussion of the annual financial statements and the consolidated financial statements of GESCO SE as at 31 December 2024; adoption of the annual financial statements and approval of the consolidated financial statements as at 31 December 2024
- Report of the Supervisory Board; Corporate Governance Statement; Non-Financial Statement; Declaration of Conformity and Corporate Governance
- Preparation for and follow-up to the 2025 Annual General Meeting
- Annual planning for 2025/2026
- Supervisory Board, Executive Board and personnel matters; in particular, the election of new members to the Supervisory Board
- Internal Control, Risk and Compliance Management System
- Appointments to managing director positions at subsidiaries
- Investments in subsidiaries
- Acquisition of (shares in) companies; in particular, the acquisition of Eckart Hydraulics GmbH
- Changes to the Company structure, in particular the carve-out of CASTEON and the merger of the Eckart companies
- Employee Share Ownership Scheme 2025
- Advice on capital allocation
- Tender for auditors

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The Supervisory Board was also kept fully informed between meetings, via written reports, of all projects and initiatives of particular significance to the Company.

The Audit Committee met six times in 2025. The meetings in the first quarter focused on the work and findings of the auditor and the auditor's proposal for 2025, whilst the meetings in the fourth quarter centred on the approval of the audit of the 2025 annual financial statements, an interim report on the 2025 audit and the tender for the auditor.

Corporate Governance

The Supervisory Board has continuously monitored the further development of corporate governance standards. The Executive Board and Supervisory Board report on corporate governance at GESCO SE in their joint statement on corporate governance, which is published both on the website and in the current annual report.

In December 2025, as required, the Executive Board and Supervisory Board issued and published the statutory declaration of conformity with the German Corporate Governance Code. According to this, GESCO SE complies with the recommendations of the "Government Commission on the German Corporate Governance Code", except for the deviations listed and justified in the declaration of conformity.

All members kept abreast of current Supervisory Board issues during the reporting year through trade journals and the internet. In addition, individual members attended seminars and other training courses.

Executive Board remuneration

The remuneration system adopted in 2021 applies to all Executive Board employment contracts that have been concluded or extended since 1 July 2021 or will be concluded in the future, provided no other remuneration system is adopted. The employment contracts of all Executive Board members are accordingly based on the remuneration system adopted in 2021.

The Annual General Meeting of 30 June 2021 had approved the remuneration system presented at that time, which considered the amendments introduced by the Act Implementing the Second Shareholders' Rights Directive (ARUG II) as well as the then-new recommendations of the German Corporate Governance Code. The Annual General Meeting of 25 June 2025 also approved the remuneration system.

Detailed information on the structure of the Executive Board's remuneration is provided in the remuneration report and the notes to the financial statements of GESCO SE and the Group.

Remuneration system for the Supervisory Board

The Supervisory Board remuneration system was revised in 2020 and, except for a few Company-specific provisions, largely aligned with the requirements of the DCGK. The modified remuneration system was approved by the 2020 Annual General Meeting and incorporated into the Articles of Association.

Audit of the annual and consolidated financial statements

In accordance with statutory requirements, the auditor elected by the Annual General Meeting on 25 June 2025, Forvis Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, was appointed to audit the annual financial statements and the consolidated financial statements. The auditor has confirmed its independence to us and has also demonstrated that it is authorised to audit listed companies through successful participation in a quality control review conducted by the Chamber of Public Accountants.

The annual financial statements of GESCO SE for the financial year from 1 January to 31 December 2025, prepared by the Executive Board in accordance with the provisions of the German Commercial Code (HGB), and the management report were audited by the auditor. The auditor issued an unqualified audit opinion on 26 March 2026.

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The consolidated financial statements and the group management report of the GESCO Group for the financial year from 1 January to 31 December 2025 were prepared by the Executive Board in accordance with Section 315e of the German Commercial Code (HGB) and in accordance with International Financial Reporting Standards (IFRS) and were audited by the auditor. On 26 March 2026, the auditor issued an unqualified audit opinion on the 2025 consolidated financial statements and consolidated management report.

The key audit matters for this year's audit of the single-entity financial statements of GESCO SE were the impairment of investments in associates, the impairment of receivables from associates, management override of controls, the process of preparing the annual financial statements, the presentation of corporate transactions, the existence and accrual of investment income, the completeness and measurement of other provisions, the completeness and measurement of income tax, and the verification of the completeness and accuracy of the disclosures in the notes and the consolidated management report. The key audit matters for the consolidated financial statements were the impairment of goodwill and customer bases, management override of controls, sales recognition, segment reporting, recognition, measurement and presentation of deferred taxes, the impairment of receivables, the valuation of inventories, the process for preparing the consolidated financial statements, the presentation of corporate transactions in the annual financial statements and geopolitical risks and uncertainties. The key audit matters were agreed with the auditor prior to the commencement of the audit procedures. The Supervisory Board did not issue any specific instructions to the auditor. The key audit matters identified by the auditor already included areas of audit that the Supervisory Board had requested. There was also personal contact between the Chair of the Audit Committee and the auditor during the ongoing audit work regarding the exchange of information about the audit. During the audit and in the final phase of the audit procedures, the Audit Committee engaged in intensive discussions with the auditor regarding the status of the audit in order to further prepare for the decision of the full board. At four Audit Committee meetings on 20 November 2025, 8 December 2025, 16 January 2026 and 9 March 2026, the auditor provided the committee members with detailed information on the conduct of the audit at GESCO SE, the Group and the individual subsidiaries, and answered questions. The discussions with the auditors also covered the accounting-related internal controls established by the legal representatives within the group and the risk management system.

The complete financial statements and the accompanying audit reports from the auditor were sent to all members of the Supervisory Board in good time prior to the financial statements meeting and were included in the Supervisory Board's review process. They were also the subject of in-depth discussions at the Supervisory Board meeting on 26 March 2026. The auditors attended this meeting, reported comprehensively on the key findings of the audits and were available to the Supervisory Board to answer questions and provide further information. All questions raised by the Supervisory Board were answered comprehensively by the auditors. Following the final outcome of the review conducted by the Supervisory Board, no objections are to be raised against the annual financial statements and the management report, nor against the consolidated financial statements and the consolidated management report. Following its own review of the annual financial statements, the consolidated financial statements and the combined management report, the Supervisory Board agreed with the findings of the audit conducted by the auditors and unanimously approved the annual financial statements and the consolidated financial statements at the meeting on 30 March 2026. The 2025 annual financial statements of GESCO SE are thus adopted. The Supervisory Board endorsed the Executive Board's proposal for the appropriation of retained earnings, taking into account the Company's earnings and financial position.

Acknowledgement of the work carried out

The success of the GESCO Group depends on the people who work for it. The Supervisory Board therefore thanks the Executive Board, the managing directors of the subsidiaries and all employees of the GESCO Group for their contribution to the Group's successful development.

Wuppertal, 30 March 2026

On behalf of the Supervisory Board
Stefan Heimöller
Chairman of the Supervisory Board

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Since its IPO in 1998, GESCO has been bridging the gap between SMEs and the capital market. GESCO SE offers companies a long-term home and, through the GESCO share, provides investors with access to a portfolio of entrepreneurially managed industrial companies.

General market performance

The year 2025 was a surprisingly positive, albeit highly volatile, year for the international stock markets – the third consecutive year of growth.

The year was marked by a dramatic fall in share prices in the spring: following President Trump's inauguration and the announcement of far-reaching 'reciprocal tariffs' ('Liberation Day' on 2 April), there was a massive sell-off. The stock markets lost a good 20% within a few weeks. The partial withdrawal or significant easing of tariff measures, along with negotiations and temporary suspensions, led to an impressive recovery – in some cases of 40% or more by the end of the year.

Despite the challenges posed by tariffs and geopolitical tensions, the global economy proved resilient. In the US, economic growth stood at around 2%, whilst the decline in inflation was slow to materialise. The Federal Reserve cut key interest rates moderately but was unable to implement any of the aggressive rate cuts sought by President Trump due to persistently high core inflation and an expansionary fiscal policy – including infrastructure and defence spending.

The German stock market ultimately proved very firm in 2025. This applied to all segments. The European Central Bank (ECB) was able to ease interest rates more significantly than the Federal Reserve, as the German and European economies remained weaker, with eurozone growth of around 0.8 to 1.2%. These monetary policy measures supported cyclical and interest-rate-sensitive companies in particular.

The German benchmark index, the DAX, ended the 2025 trading year with a gain of 23.0%, whilst the MDAX and SDAX recorded increases of 19.6% and 25.3% respectively. The DAX and SDAX reached various all-time highs during the course of the year.

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Performance of the GESCO share

Following a subdued start to the 2025 financial year, the GESCO share rose by around 40% between March and May. Despite fluctuations, this price level was maintained until early September. The share then fell significantly and was unable to recover these losses by the end of the year. The share closed the reporting period with a price increase of 8.0%.

Shareholder structure

According to current surveys, GESCO SE has around 8,300 registered shareholders, some of whom hold shares in multiple custody accounts. Share ownership is distributed relatively evenly between institutional and private investors. In addition to the three shareholders who have officially declared their holdings, other investors with significant stakes of more than 1% are also represented.

The two main shareholders of GESCO SE are the investor Norman Rentrop and the entrepreneur Stefan Heimöller. Mr Heimöller has been a member of the Supervisory Board since the 2013 Annual General Meeting and took over as Chairman in June 2023. As at the balance sheet date, Mr Rentrop held 14.5% of the share capital, whilst Mr Heimöller held 14.2%. Furthermore, the Baden-Württembergische Versorgungsanstalt für Ärzte, Zahnärzte und Tierärzte holds a 3.3% stake in the share capital.

According to the regulations of Deutsche Börse AG, all shares not held by major shareholders (defined as shareholders with more than 5% of the share capital) are classified as free float. Consequently, Mr Heimöller's and Mr. Rentrop's shareholdings are deducted from the free float. Shares held by the company itself, which account for 4.5% of the share capital, are also deducted. As at the balance sheet date, the free float thus stood at 66.8%.

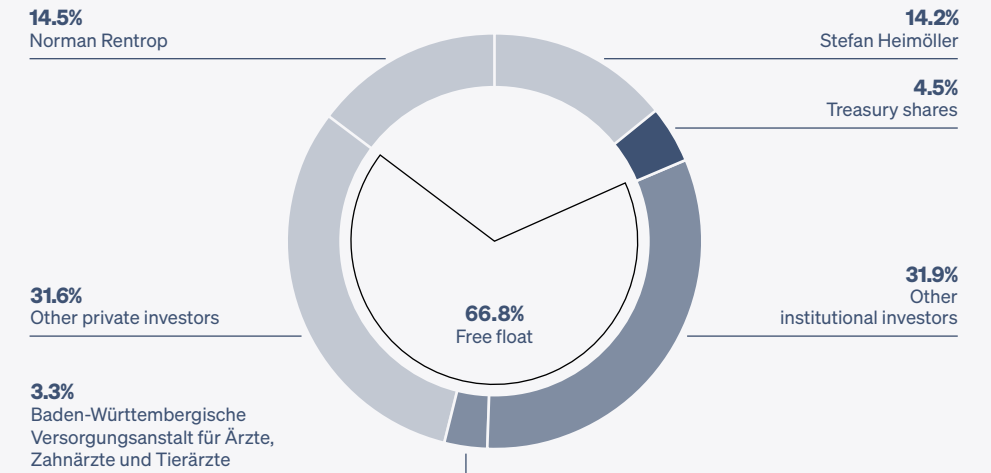
GESCO SE (excl. dividend) vs. SDAX (share price index)

Financial year 2025



Shareholder structure

Current shareholder structure



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Transparent Investor Relations

The aim of GESCO SE's investor relations activities is to pursue a fair and transparent communication policy that ensures equal treatment of all stakeholders. This is intended to strengthen the perception of the company as an attractive investment and further increase GESCO's profile on the capital market. Communication regarding business performance and corporate strategy is ongoing, timely and reliable, with the aim of strengthening investor confidence in GESCO and promoting an appropriate valuation of GESCO shares on the capital market.

In the 2025 financial year, personal contact with capital market participants played a key role. The Executive Board and Investor Relations maintained an active dialogue with investors and analysts. Numerous discussions during roadshows, investor conferences, the Annual General Meeting and one-on-one meetings led to detailed discussions on the company's development. Investor Relations utilised various formats to engage with investors, both virtually and in person.

A key objective is to expand GESCO SE's shareholder base abroad as well. These activities are to be intensified in future, as we are convinced that there are also many investors internationally who wish to invest in (German) SMEs.

In addition to the activities mentioned above, the Executive Board and Investor Relations regularly provided investors, analysts and private investors with updates on GESCO SE. In 2026, the company will once again be presented at various roadshows and capital market events. The relevant dates will be published in our financial calendar on the GESCO website under the Investor Relations section at <https://gesco.de/en/investor-relations/financial-calendar>.

Annual reports, half-yearly reports, quarterly reports, capital market releases, analyst estimates and information on the Annual General Meeting can be accessed via the Investor Relations website <https://gesco.de/en/investor-relations>. GESCO ensures that up-to-date and comprehensive information is always available and that the Company can be contacted at any time.

Since 1999, through our membership of the German Share Institute (DAI), we have supported the promotion of a shareholding culture in Germany. Furthermore, GESCO SE has been a member of the German Investor Relations Association (DIRK) since 2000 and is committed to its principles, which promote open and continuous communication.

Furthermore, we have been championing the interests of (private) shareholders for many years, in particular through our support for DSW and SdK, which are committed to improving shareholder culture in Germany.

Research

Analysts publish regular research on the GESCO share. In the past financial year, Bankhaus Metzler began covering the Company.

Analysts' ratings

Research	Target price	Analyst rating
Baader Bank	EUR22.00	Buy
Bankhaus Metzler	EUR20.00	Buy
GSC Research	EUR26.00	Buy
SMC Research	EUR26.70	Buy
Consensus	EUR23.68	Buy

You can find all current research reports on the GESCO website at: <https://gesco.de/en/investor-relations/shares>

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Designated Sponsorship

Pareto Securities AS and Baader Bank are designated sponsors.

Profit Distribution Policy

In the 2024 financial year, GESCO SE initiated a share buyback for the first time to allow its shareholders to share in the Company's success. Almost 500,000 shares were acquired as part of a voluntary public share buyback offer. There is currently no specific resolution regarding the use of the repurchased shares.

On 24 March 2025, GESCO SE presented its future strategy for the appropriation of profits. In this context, the dividend range was set at 20% to 40%. At the same time, it was decided that exceptions to this rule may be made should sufficiently attractive opportunities arise. The Executive Board defined the priorities for the future appropriation of profits as follows:

1. Organic and inorganic growth
2. Share buybacks, provided they make economic sense and contribute to value creation
3. Dividend distributions

For the 2025 financial year, the Executive Board and Supervisory Board will propose to the Annual General Meeting on 24 June 2026 the payment of a dividend of €0.20 per share for the 2025 financial year. Based on this dividend proposal, the expected dividend yield at the time of the resolution is approximately 1.4%.

Employee Share Ownership Scheme

Since its IPO in 1998, GESCO SE has offered its domestic employees the opportunity to purchase employee shares at a discounted price as part of an annual employee share ownership scheme. This scheme enables employees to build up a substantial amount of wealth over time with a moderate annual financial commitment, resulting from both capital gains and dividend payments. This contributes to employees' personal retirement provision and supports their financial security in the future.

A key advantage of the employee share ownership scheme from GESCO SE's perspective is the promotion of a corporate culture in which employees act as co-entrepreneurs. By purchasing shares, employees become not only shareholders but also active stakeholders whose interests are closely linked to the Company's success. This closer identification with the Company's mission can boost employee motivation and performance, as they have a direct financial interest in the growth and success of the GESCO Group.

Furthermore, the opportunity to acquire shares in the Company fosters an entrepreneurial mindset. Employees are more motivated to contribute innovative ideas and help improve efficiency. This culture of co-creation and responsibility increases employee retention and reduces staff turnover.

Furthermore, through this programme, GESCO makes an important contribution to promoting a culture of share ownership in Germany. By making it easier for employees to access shares, awareness of the importance of capital markets and corporate shareholdings is strengthened.

At the end of 2025, GESCO successfully completed what is now its 26th employee share ownership programme, demonstrating its sustained and ongoing support for employee share ownership. This initiative strengthens the bond between the Company and its employees.

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Information on the GESCO share¹

International Securities Identification Number (ISIN)	DE000A1K0201
(German) Securities Identification Number (WKN)	A1K020
Stock exchange symbol	GSC 1
Share capital (31 December 2025)	EUR10,839,499
Number of shares (31 December 2025)	10,839,499
Initial public offering	24.03.1998
Year-end share price (31 December 2024)	EUR13.20
Year-end price for the financial year (31 December 2025)	EUR14.25
Highest price in the reporting year (28 May 2025)	EUR18.50
Lowest price in the reporting year (3 February 2025)	EUR13.05
Market capitalisation (31 December 2025)	MEUR154.5
Free float (31 December 2025)	66.8%
Market capitalisation of free float (31 December 2025)	MEUR103.2
Transparency standard	Prime Standard
Indices	CDAX All-Share Index Prime All Share Prime Industrial Classic All Share Prime Industrial Diversified

¹ All price data is based on the XETRA closing price.

Stock exchanges

- XETRA
- Frankfurt (Regulated Market)
- Tradegate BSX (Open Market/OTC)
- Düsseldorf (Open Market/OTC)
- Hamburg-Hanover (Open Market/OTC)
- Munich (Open Market/OTC)
- Stuttgart (Open Market/OTC)

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Corporate governance declaration in accordance with Sections 289f, 315d HGB financial year 2025

In this declaration, the Executive Board and Supervisory Board report on the Company's corporate governance in accordance with Sections 289f and 315d of the German Commercial Code (HGB) and in accordance with Principle 22 of the German Corporate Governance Code (hereinafter also referred to as the "DCGK" or "Code").

The Executive Board and Supervisory Board of GESCO SE are committed to corporate governance focused on sustainability. The business model is designed for the long term, and all measures are geared towards the goal of sustainable positive development. The Executive Board and Supervisory Board of GESCO SE identify with the Code's objective of promoting sound, trustworthy corporate governance oriented towards the interests of shareholders, employees and customers. Section 161 of the German Stock Corporation Act (AktG) requires an annual declaration of conformity regarding compliance with the Code's recommendations. The preamble to the Code expressly provides for the possibility of a justified deviation from the Code's recommendations. This is intended to enable companies to take account of industry- or company-specific particularities. Accordingly, deviations from the Code are not to be viewed as negative per se, but may, particularly in the case of smaller companies, be in the interests of good corporate governance.

In accordance with the schedule, the Executive Board and Supervisory Board issued the legally required declaration of compliance in December 2025 and made it permanently available to shareholders on the Company's website (www.gesco.de). This declaration is based on the currently valid version of the Code dated 28 April 2022.

The declaration of conformity dated December 2025 forms part of this statement on corporate governance. Historical declarations of conformity are also available to the public on our website at

www.gesco.de/investor-relations/corporate-governance-compliance. The Articles of Association of GESCO SE are also available on the website under this heading.

Compliance Management System

The GESCO Group addresses compliance risks such as corruption, antitrust violations or criminal activity with a suitable compliance management system, which in particular comprises a group-wide Code of Conduct, accompanying guidelines and work instructions, an online information system (Rulebook) for GESCO Group employees, accompanying training courses, case-specific spot checks and a whistleblowing system for employees and external parties. It is the responsibility of the managing directors of the subsidiaries to embed the respective requirements and principles within their companies. The Code of Conduct for GESCO Group employees can be viewed on the website at <https://gesco.de/investor-relations/corporate-governance-compliance>, along with further information on the whistleblowing system that has been established.

The protection of human rights and the environment is one of the fundamental prerequisites for the economic activities of the companies within the GESCO Group. The companies of the GESCO Group have therefore adopted a policy statement in which they set out their strategy for the protection of human rights and certain environmental assets, and formulate their expectations regarding respect for human rights and certain environmental assets towards their employees and suppliers. The policy statement also describes in detail how the companies of the GESCO Group fulfil their legal obligations to protect human rights and certain environmental assets, and which

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risks they pay particular attention to in this regard, given the nature of their specific business activities.

To ensure the protection of these assets is as effective as possible, the GESCO Group has established a complaints system through which (potential) violations of human rights and specific environmental assets can be reported, provided that these (potential) violations have been committed by companies within the GESCO Group or their suppliers.

The complaints system has been online at <https://gesco.de/en/responsibilities/human-rights-and-environmental-risks> since the end of 2023.

Shareholders and Annual General Meeting

Shareholders exercise their rights at the Annual General Meeting and cast their votes there. Each share in GESCO SE entitles the holder to one vote. GESCO SE publishes all documents relevant to the agenda in good time prior to the Annual General Meeting on its website www.gesco.de under the heading 'Investor Relations'. As part of the invitation to the Annual General Meeting, the Company expressly urges shareholders to exercise their voting rights. To facilitate the exercise of voting rights by shareholders, the Company appoints a proxy who votes at the Annual General Meeting in accordance with the shareholders' instructions. Via an online tool, the Company enables shareholders, amongst other things, to order admission tickets, cast postal votes and authorise the Company's proxy. The Company regards the highest possible attendance at the Annual General Meeting as a significant contribution to shareholder democracy and to decision-making at the Annual General Meeting that reflects the will of the majority of shareholders. GESCO SE publishes the invitation to the Annual General Meeting, as well as reports and information required for the passing of resolutions, in accordance with the provisions of stock corporation law. Furthermore, this information is available on the Company's website. Since its IPO in 1998, the Company has published the voting results on its website on the very day of the Annual General Meeting.

The Annual General Meeting on 25 June 2025 took place in person as usual. The Executive Board and Supervisory Board have expressed their intention to hold future Annual General Meetings as in-person events as well, provided external circumstances permit.

Executive Board and Supervisory Board

The Executive Board is responsible for managing the Company, while the Supervisory Board monitors the management and advises the Executive Board. The Executive Board and the Supervisory Board work closely and in a spirit of trust within the scope of their legally defined duties. The Executive Board informs the Supervisory Board regularly, promptly and comprehensively about corporate planning, the earnings and financial situation, risk management, strategy development and acquisition plans. A list of transactions requiring approval defines those Executive Board decisions that require the approval of the Supervisory Board.

Neither in the reporting year nor in the previous year were any payments or benefits granted to members of the Supervisory Board for services rendered personally, such as advisory or intermediary services. No conflicts of interest arose among members of the Executive Board or members of the Supervisory Board.

Executive Board

The Executive Board manages GESCO SE on its own responsibility and conducts the Company's business. The members of the Executive Board conduct the Company's business jointly in accordance with the law, the Articles of Association and the rules of procedure adopted by the Supervisory Board. The Executive Board develops the Company's strategic direction, coordinates it with the Supervisory Board and implements it. In addition, the Executive Board defines the objectives, draws up the plans and oversees the Company's internal control and risk management system as well as its financial reporting. Furthermore, the Executive Board prepares the quarterly reports or quarterly announcements, the half-yearly financial report and the separate financial statements of GESCO SE and the consolidated financial statements. The Executive Board bases its actions and decisions on the interests of the Company.

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The Rules of Procedure for the Executive Board, issued by the Supervisory Board, govern the responsibilities within the Executive Board and set out the details of the Executive Board's working procedures. The Rules of Procedure also govern the details of the Executive Board's reporting to the Supervisory Board. Furthermore, they specify which decisions of the Executive Board require the approval of the Supervisory Board. The age limit for the Executive Board is 65 years.

In the reporting year, the Executive Board consisted of CEO Johannes Pfeffer and CFO Andrea Holzbaur.

Relevant disclosures on corporate governance practices

The members of the Executive Board conduct the Company's business with the diligence of a prudent and conscientious manager, in compliance with statutory provisions, the Articles of Association and the Rules of Procedure of the Executive Board.

Furthermore, the GESCO Code of Conduct sets out the fundamental rules and principles governing our actions, derived from our corporate identity, including our conduct towards customers, business partners, competitors, other third parties and the public. The GESCO Code of Conduct is available on our website at <https://gesco.de/en/investor-relations/corporate-governance-compliance>.

GESCO SE does not have any relevant corporate governance practices that go beyond these requirements.

Long-term succession planning for the Executive Board

The Supervisory Board, together with the Executive Board, is responsible for long-term succession planning for the Executive Board. The Supervisory Board regularly addresses succession planning for the Executive Board, also independently of any specific events. Considering the requirements of the German Stock Corporation Act, the Code and the target figure set by the Supervisory Board for the proportion of women on the Executive Board, the Supervisory Board draws up a requirements profile setting out the key characteristics and qualifications of candidates eligible for Executive Board positions. The departments expected to be filled and the Company's

strategic planning also influence the requirements profile. In the event that a new appointment or replacement is required on the Executive Board, the Supervisory Board conducts structured interviews with selected candidates, based on which the new appointment or replacement is made. Where necessary, the Supervisory Board is supported by external consultants in developing the job profiles and selecting suitable candidates.

Supervisory Board

The Supervisory Board appoints the Executive Board, monitors its management and advises it on the running of the Company. Detailed information on the work of the Supervisory Board during the reporting year is contained in the Supervisory Board's report.

The Supervisory Board of GESCO SE is deliberately kept small. This has proved to be extremely effective, as both strategic issues and detailed matters can be discussed in depth by the full Supervisory Board. It is a particular strength that all members of the Supervisory Board are equally involved in all matters. Beyond the Audit Committee required by law, the formation of further committees is therefore not considered appropriate. Accordingly, the Supervisory Board of GESCO SE had no further committees during the reporting year. In this respect, the Executive Board and the Supervisory Board declare a deviation from Recommendation D.5 of the German Corporate Governance Code (DCGK).

The Supervisory Board regularly assesses, during internal meetings, how effectively it and the Audit Committee fulfil their duties. Should any shortcomings or potential for improvement be identified, these are promptly addressed or developed.

In accordance with the provisions of the law and the Articles of Association, and in line with Recommendation D.1 of the DCGK, the Supervisory Board has adopted rules of procedure, which are available on the website at <https://gesco.de/en/investor-relations/corporate-governance-compliance>. The Chairman coordinates the work of the Supervisory Board, chairs its meetings and represents the interests of the Supervisory Board externally.

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During the reporting year, the Supervisory Board comprised Mr Stefan Heimöller (Chairman), Mr Jens Große-Allermann (Deputy Chairman), Dr Nanna Rapp, Mr Klaus Möllerfriedrich (until the Annual General Meeting on 25 June 2025) and Dr Mathias Saggau (from the Annual General Meeting on 25 June 2025). During the reporting period, the Audit Committee comprised Mr Jens Große-Allermann (Chairman), Dr Nanna Rapp, Mr Klaus Möllerfriedrich (until the Annual General Meeting on 25 June 2025) and Dr Mathias Saggau (from the Annual General Meeting on 25 June 2025).

In the Supervisory Board's view, it is appropriate for at least two members of the Company's Supervisory Board to be independent within the meaning of the Code. In the Company's opinion, all four members of the Supervisory Board currently meet this criterion. Mr Heimöller currently holds a 14.2% stake in the Company's share capital. His company, Platestahl, is a supplier to two GESCO companies. Platestahl is also a customer of one of these companies. In our view, Mr Heimöller's involvement does not undermine his independence, but rather reflects his active commitment to responsibility. His significant financial interest in the Company's long-term success ensures that he performs his supervisory duties with a long-term perspective and a high degree of seriousness. Dr Rapp, who has been a member of the Supervisory Board of GESCO SE since 2015, has no financial or personal ties to the Company or its shareholders, so that, in our view, she is also de facto independent. Mr Jens Große-Allermann and Dr Mathias Saggau likewise have no financial or personal ties to the Company or its shareholders, so that both are to be regarded as independent.

All members of the Supervisory Board possess the professional qualifications required of a financial expert pursuant to Section 100(5) of the German Stock Corporation Act (AktG). Taken as a whole, the members of the Supervisory Board are familiar with the sector in which GESCO SE operates.

Composition of the Supervisory Board and diversity on the Supervisory Board, Executive Board and among senior executives

In accordance with Recommendation C.1, sentence 1 of the German Corporate Governance Code (DCGK), the Supervisory Board should set out specific objectives for its composition and draw up a competence profile for the body as a whole. In doing so, the Supervisory Board should pay attention to diversity.

For the Supervisory Board of GESCO SE, diversity is defined not solely by gender or nationality, but also and particularly by professional diversity and a well-balanced mix of expertise from different specialist fields.

The areas of expertise to be covered by the Supervisory Board of GESCO SE include, in particular, accounting, auditing and monitoring the effectiveness of internal control systems ('Financial Expert'), capital markets experience, business expertise and experience, as well as broad-based expertise in strategic, operational and financial business functions. The Supervisory Board considers these areas of expertise to be fully covered by the current composition of the board and represented as follows:

Area of expertise	Heimöller	Große-Allermann	Dr. Rapp	Dr. Saggau
Management/supervisory experience	x			x
Risk management & compliance	x	x	x	x
Industry-specific experience	x	x	x	x
Finance	x	x	x	x
Human Resources	x	x	x	x
Production	x		x	
Capital market		x		x
M&A	x	x	x	x
Strategy	x	x		
International experience		x	x	
Sustainability/ESG/CSRD	x			
IT/Digitalisation/AI			x	x

The age limit for members of the Supervisory Board stipulates that the term of office of a Supervisory Board member generally ends upon expiry of the regular term of office following the member's 70th birthday. Details regarding the election and term of office of Supervisory Board members, the constitution of the Supervisory Board, its meetings and decision-making, as well as the rights and duties of its members, are governed by the Articles of Association of GESCO SE.

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Working methods of the Audit Committee

As required by law, the Audit Committee monitors the financial reporting process, the effectiveness of the internal control system (ICS) established for financial reporting purposes, the effectiveness of the risk management system, the effectiveness of the internal audit function and the statutory audit (in particular the independence of the statutory auditor). The Audit Committee discusses with the auditor the assessment of audit risk, the audit strategy and planning and the audit results.

Target quotas for the proportion of women

The “Act on the Equal Participation of Women and Men in Management Positions in the Private Sector and the Civil Service”, which came into force on 1 May 2015, requires the definition of target quotas for the proportion of women on the Supervisory Board, the Executive Board and in the two highest levels of management, as well as the specification of deadlines for achieving these target quotas. The Executive Board and Supervisory Board most recently defined corresponding targets in June 2025 and, as in previous years, will report on the status of target achievement in the annual corporate governance statement and, where necessary, on any adjustments to the targets.

The companies of the GESCO Group expressly and unreservedly pursue a policy of equal opportunities in their day-to-day practice. Regardless of legal obligations, this is a matter of course. The companies make every effort to attract female applicants, support the applications of interested women, take part in initiatives such as ‘Girls’ Days’ and seek dialogue with schools and universities. All this is done not because of pressure to meet quotas, but out of conviction and the need to fill vacancies with qualified candidates. The companies of the GESCO Group have a vital interest in positioning themselves as attractive employers.

The Supervisory Board of GESCO SE has set a target quota of 25% for the proportion of women on the Supervisory Board. This quota is currently being met.

For the Executive Board, the Supervisory Board of GESCO SE has set a target quota of 30%. This quota is currently being met.

The deadline for the next review of target achievement is set for 30 June 2030.

Comprehensive and transparent communication

GESCO SE informs shareholders, the capital market, the media and the general public simultaneously and with identical content about all relevant events and the Company’s financial performance. Financial reports, announcements, the financial calendar, Annual General Meeting documents and a wide range of other information are available on the Company’s website at www.gesco.de/en/investor-relations.

Shareholdings of board members

GESCO SE immediately publishes transactions in shares and debt instruments of the Company or related financial instruments by the persons named in Article 19 of the Market Abuse Regulation, in particular members of the executive bodies and persons closely associated with them, in accordance with the statutory provisions. The transactions reported to GESCO SE are published on the Company’s website at www.gesco.de/en/news/press-releases. In October 2025, CEO Johannes Pfeffer carried out reportable share purchases. No other reportable transactions were declared.

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Remuneration Report/Remuneration System

The current remuneration system for members of the Executive Board in accordance with Section 87a(1) and (2), first sentence, of the German Stock Corporation Act (AktG), which was approved by the Annual General Meeting on 25 June 2025, as well as the resolution passed by the Annual General Meeting on 18 June 2020 pursuant to Section 113(3) of the German Stock Corporation Act (AktG) regarding the remuneration of the members of the Supervisory Board is publicly available on the website at <https://gesco.de/en/investor-relations/corporate-governance-compliance>. The remuneration report and the auditor's note pursuant to Section 162 of the German Stock Corporation Act (AktG) are made publicly available in the published annual reports at <https://gesco.de/en/investor-relations/financial-reports>.

Financial reporting and audit

The separate financial statements of GESCO SE are prepared in accordance with the German Commercial Code; the consolidated financial statements of GESCO SE have been prepared in accordance with International Financial Reporting Standards (IFRS) since the 2002/2003 financial year. The separate financial statements and the consolidated financial statements were audited by Forvis Mazars GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft – Steuerberatungsgesellschaft, Düsseldorf. The auditor responsible is Mr Heiko Wittig.

Similarly, the audits of the separate financial statements of the subsidiaries were carried out by Forvis Mazars GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft – Steuerberatungsgesellschaft, Düsseldorf. The audit of the foreign sub-subsidiaries was predominantly entrusted to international network partners of our domestic auditor.

In accordance with statutory requirements, the auditor is appointed by the Annual General Meeting for a term of one financial year. At the Annual General Meeting on 25 June 2025, the Annual General Meeting, on the recommendation of the Supervisory Board, appointed Forvis Mazars GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft - Tax Consultancy, Düsseldorf, as the auditor of the annual and consolidated financial statements for the 2025 financial year, as well as the auditor for any review of the condensed financial statements and the interim management report

as at 30 June 2025. Based on this resolution, the Chairman of the Supervisory Board commissioned the auditor for the separate and consolidated financial statements. No audit or review of the half-yearly financial report and/or the quarterly reports for the first and third quarters took place in the reporting year.

GESCO SE, Wuppertal

Securities Identification Number A1K020

ISIN DE000A1K0201

Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG)

The Executive Board and Supervisory Board of GESCO SE declare in accordance with Section 161 AktG that the recommendations of the "Government Commission on the German Corporate Governance Code" in the version dated 28 April 2022, published in the official section of the Federal Gazette on 27 June 2022, have been complied with since the last declaration of compliance was issued in December 2024, with the following exceptions:

- **A.1: Systematic identification and assessment of risks and opportunities as well as the environmental and social impact of the company's activities and consideration of environmental and social objectives in corporate strategy and planning**

GESCO SE identifies and assesses risks and opportunities as well as the environmental and social impact of its business activities and takes environmental and social objectives into account in its corporate strategy and planning. However, the implementation of CSRD in Germany is currently an ongoing process that has not yet been finalised by the legislator. This means that the companies concerned do not have finalised requirements to be observed. Against this background, we declare a deviation from this recommendation of the Code as a precautionary measure. GESCO SE intends to fully comply with the recommendations in the future.

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■ A.3: Coverage of sustainability-related objectives in the internal control and risk management system

GESCO SE has integrated sustainability criteria into its corporate strategy, defined sustainability targets and key figures and published a Sustainability Code declaration in accordance with the CSR Directive Implementation Act. The incorporation of sustainability-related targets into the internal control system, including the definition of processes and systems for recording and processing sustainability-related data, is an ongoing process that is progressing successively, not least due to the fact that the CSRD implementation has not yet been finalised by the legislator. Against this background, we declare a deviation from this recommendation of the Code as a precautionary measure. GESCO SE intends to fully comply with the recommendations in the future.

■ A.5: Description of the main features of the overall internal control and risk management system and statement on appropriateness and effectiveness

The content of recommendation A.5 goes well beyond the legal requirements of Sections 289 para. 4 and 315 para. 4 HGB. GESCO SE therefore currently continues to describe the key features of the internal control system with regard to the accounting process and the risk management system in the combined management report, as required by law. In the future, GESCO SE intends to expand its reporting in accordance with the more extensive recommendation.

■ D.4: Formation of a nomination committee

The Supervisory Board of GESCO SE consists of four members. Due to the small size of the Board, both overarching strategic issues and detailed questions can be discussed and decided on intensively by the full Supervisory Board without any loss of efficiency. We therefore do not consider it expedient to form committees over and above the Audit Committee required by law. Rather, we see a strength in the fact that all members of the Supervisory Board are equally involved in all issues.

■ F.2, 1st half-sentence: Publication of financial information (90-day period)

Personnel changes in the company and the associated increased coordination effort with the auditor mean that the consolidated financial statements and the Group management report cannot be published within 90 days of the end of the financial year. Publication in accordance with the GCGC is planned for the 2025 financial year.

■ G.18: Remuneration of the Supervisory Board

The remuneration system for the Supervisory Board of GESCO SE approved by the Annual General Meeting on 29 May 2024 includes a fixed component as well as a performance-related component based on Group net income after minority interest. Any Group net losses are carried forward to the next year and offset against positive amounts. We are convinced that this arrangement is in line with a sustainable and entrepreneurial mindset and should also fulfil the focus on the long-term development of the company required by the Code. However, as it cannot be ruled out that other opinions may be held in this regard, we declare a deviation from this recommendation of the Code as a precautionary measure.

The Executive Board and Supervisory Board of GESCO SE declare in accordance with Section 161 AktG that the recommendations of the “Government Commission on the German Corporate Governance Code” published in the official section of the Federal Gazette on 27 June 2022 in the version dated 28 April 2022 will be complied with from December 2025 with the following exceptions:

■ A.3: Coverage of sustainability-related objectives in the internal control and risk management system

GESCO SE has integrated sustainability criteria into its corporate strategy, defined sustainability targets and key figures and published a Sustainability Code declaration in accordance with the CSR Directive Implementation Act. The inclusion of sustainability-related targets in the internal control system, including the definition

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of processes and systems for recording and processing sustainability-related data, is an ongoing process that is being implemented successively, not least because the CSRD implementation has not yet been finalised by the legislator. Against this background, we declare a deviation from this recommendation of the Code as a precautionary measure. GESCO SE intends to fully comply with the recommendations in the future.

■ **A.5: Description of the main features of the overall internal control and risk management system and statement on appropriateness and effectiveness**

The content of recommendation A.5 goes well beyond the legal requirements of Sections 289 para. 4 and 315 para. 4 HGB. GESCO SE therefore currently continues to describe the key features of the internal control system with regard to the accounting process and the risk management system in the combined management report, as required by law. In the future, GESCO SE intends to expand its reporting in accordance with the more extensive recommendation.

■ **D.4: Formation of a nomination committee**

The Supervisory Board of GESCO SE consists of four members. Due to the small size of the Board, both overarching strategic issues and detailed questions can be discussed and decided on intensively by the full Supervisory Board without any loss of efficiency. We therefore do not consider it expedient to form committees over and above the Audit Committee required by law. Rather, we see a strength in the fact that all members of the Supervisory Board are equally involved in all issues.

■ **F.2, 1st half-sentence: Publication of financial information (90-day deadline)**

The consolidated financial statements and Group management report as well as the financial information during the year are published within the deadlines set by Deutsche Börse for the Prime Standard. The company considers these time frames for its financial reporting to be appropriate in relation to its size and nature.

■ **G.18: Remuneration of the Supervisory Board**

The remuneration system for the Supervisory Board of GESCO SE approved by the Annual General Meeting on 29 May 2024 includes a fixed component as well as a performance-related component based on Group net income after minority interest. Any Group net losses are carried forward to the next year and offset against positive amounts. We are convinced that this arrangement is in line with a sustainable and entrepreneurial mindset and should also fulfil the focus on the long-term development of the company required by the Code. Nevertheless, as it cannot be ruled out that other views may be held on this, we declare a deviation from this recommendation of the Code as a precautionary measure.

Wuppertal, December 2025

GESCO SE

For the Supervisory Board
Stefan Heimöller
(Chairman of the Supervisory Board)

For the Executive Board
Johannes Pfeffer
(CEO)

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Remuneration report

This remuneration report pursuant to Section 162 of the German Stock Corporation Act (AktG) presents the remuneration of the members of the Executive Board and the members of the Supervisory Board of GESCO SE for the 2025 financial year.

1 Remuneration of the members of the Executive Board

1.1 Overview

Founded in 1989, GESCO SE is a long-term investor that acquires economically sound small and medium-sized industrial companies (SMEs) to hold and develop them for the long term. The subsidiaries operate independently. They are integrated into the GESCO Group's reporting and risk management system. GESCO SE is a successful partner for industrial SMEs and has developed into a dynamic group consisting of market and technology leaders. This development was made possible by a clear and focused business model based on identifying and exploiting growth potential. SMEs form the backbone of the German economy, and GESCO bridges the gap between SMEs and the capital market.

The focus is on business models with high intrinsic value and distinctive features, which are continuously developed with the support of the Holding Company. The aim is to identify sustainable growth potential and secure the future viability of the Group. Through this approach, GESCO SE creates added value for all stakeholders, including shareholders, employees, customers, suppliers, business partners and the communities in which the companies operate.

This requires an experienced management team (Executive Board) that acts responsibly and manages the resources provided by the shareholders efficiently. The current remuneration system for the Executive Board was approved by the Supervisory Board on 13 May 2021. The remuneration system complies with the applicable provisions of the German Stock Corporation Act (AktG) in its current version following the implementation of the Second Shareholder Rights Directive (ARUG II) and takes into account the recommendations of the German Corporate Governance Code (DCGK) in the version dated 28 April 2022.

This remuneration report was prepared jointly by the members of the Executive Board and the Supervisory Board of the Company and reviewed by the auditor in accordance with the legal requirements with regard to its formal completeness.

The current Chief Executive Officer (CEO), Johannes Pfeffer, has held his position since 1 October 2024. Chief Financial Officer (CFO) Andrea Holzbaur was appointed with effect from 26 September 2022. Mr Pfeffer's (CEO) employment contract runs until 30 September 2028. Ms Holzbaur's (CFO) contract, which initially ran until 30 September 2025, was extended by four years to 30 September 2029 during the reporting period.

1.1.1 Performance-related remuneration

The performance-related remuneration elements (**variable remuneration**) consist of a one-year component, the Short Term Incentive (**STI**), and a multi-year element, the Long Term Incentive (**LTI**). Both elements are linked to consolidated earnings after minority interests ("consolidated earnings"). At the end of the financial year,

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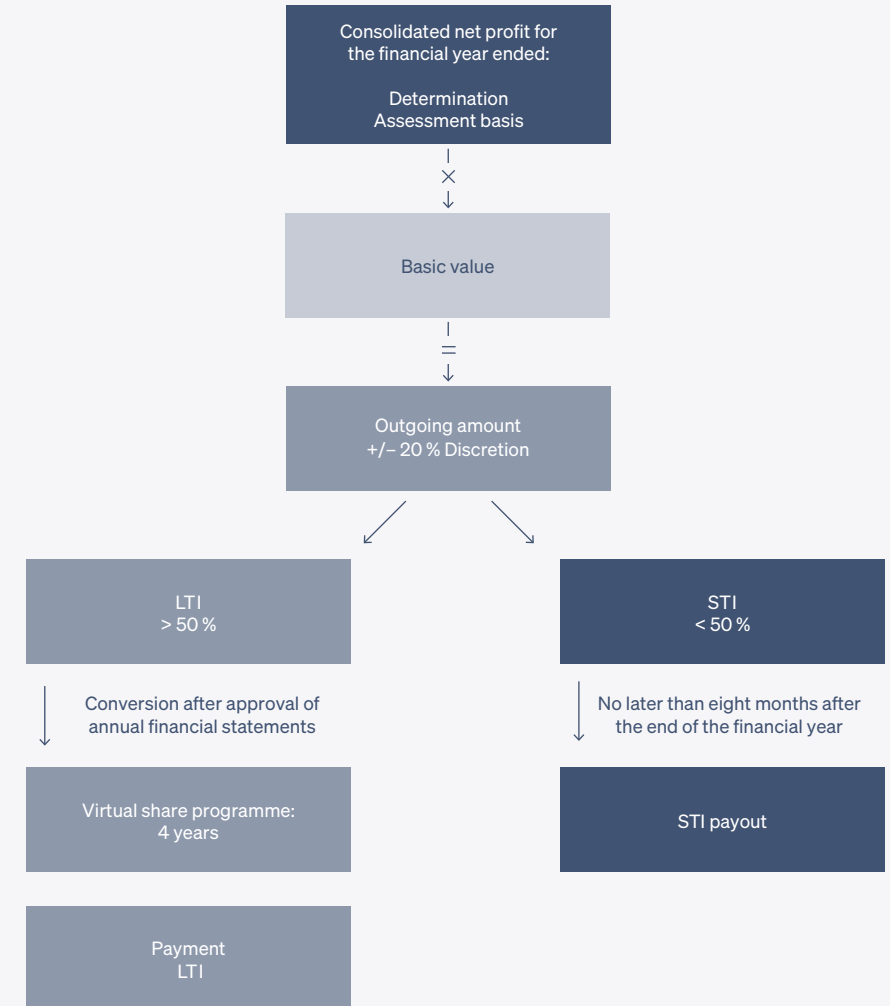
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consolidated earnings reported in the approved consolidated financial statements is determined. The determined consolidated earnings then serves as the basis for the variable remuneration (**assessment basis**). The assessment basis is then multiplied by an individual percentage (**base amount**) for each member of the Executive Board to obtain the individual starting amount for each member of the Executive Board (**starting amount**). This base amount for variable remuneration is determined by the Supervisory Board after the end of the financial year, whereby the Supervisory Board has the discretion to increase or decrease the base amount by 20%. The base amount is limited to 100% of the annual fixed salary ("**Cap 1**") but may also be zero. If a member of the Executive Board is not employed for the entire financial year, the variable remuneration is reduced proportionally to the length of employment in the relevant financial year. While a smaller proportion of the base amount, and thus of the base amount, is attributable to the STI, the proportion of the LTI is always greater than the proportion of the STI in order to place emphasis on the long-term development of the Company. The portion of performance-related remuneration granted as STI is paid to the members of the Executive Board no later than eight months after the end of the financial year. The portion of the base amount attributable to the LTI is granted in the form of a virtual share programme with a term of four years (**share-based component**).

The majority of variable remuneration is granted as LTI in the form of virtual shares with a term of four years. The amount of variable remuneration attributable to the LTI is divided by the average XETRA closing price of GESCO shares on the consecutive trading days in the last three months prior to the date of approval of the consolidated financial statements for the relevant year in order to obtain the initial number of virtual shares (**virtual shares**). This number of virtual shares (rounded to the nearest whole number) is recorded as a memorandum item. At the end of the four years, the Virtual Shares are multiplied by the average XETRA closing price of GESCO shares on the consecutive trading days in the last three months prior to the date of approval of the consolidated financial statements for the fourth financial year, plus the dividend accrued during the four years. The amount thus determined is paid out up to the maximum remuneration (Cap II, see Section B.).

Overview of variable remuneration



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The remuneration system supports the corporate strategy and the sustainable and long-term development of the Company by placing particular emphasis on promoting a long-term and sustainable orientation of the Executive Board's actions. In particular, the alignment of the variable remuneration components with the Group's net income takes into account the fact that the inclusion of other quantitative targets in the remuneration of a holding Company is subject to potentially large and not always predictable fluctuations and should therefore be avoided. At the same time, this basis for calculating variable remuneration reflects the greatest possible alignment with the interests of shareholders, the Company as a whole and employees. The introduction of a multi-year, share-based remuneration component also serves this purpose and aims to reflect the alignment between strategy, strategy implementation and shareholder interests in the best possible way.

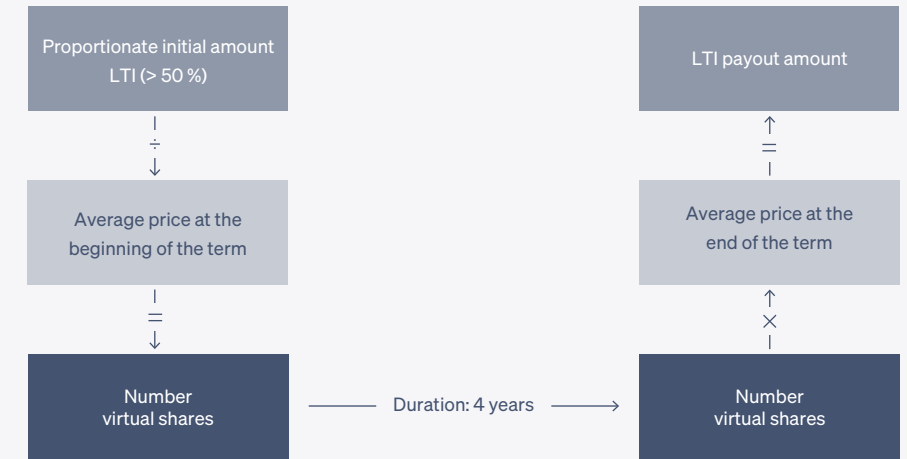
The remuneration system is designed to be clear and understandable. At the same time, incentives to take disproportionate risks are avoided. The Supervisory Board pursues the particular goal of offering the members of the Executive Board appropriate and competitive remuneration in order to ensure that qualified Executive Board members remain with GESCO in the future and that new Executive Board members can be recruited for the Company.

1.1.2 Compliance with maximum remuneration and principles of remuneration determination

In accordance with the remuneration system, the maximum possible total remuneration (**Cap II**) that a member of the Executive Board can receive for a financial year is limited to TEUR950 for Mr Pfeffer and TEUR850 for Ms Holzbaur until September 2025 and TEUR800 from October 2025 onwards.

Compliance with the maximum remuneration for the 2025 financial year can only be verified in 2030 after the LTI 2025 has been settled. Compliance will then be reported in the remuneration report for the 2029 financial year.

Functionality of the LTI (virtual share programme)



The remuneration system falls within the remit of the Supervisory Board. In this context, the Supervisory Board ensures that remuneration is appropriate in comparison with other companies and with its own workforce. The remuneration system was approved by the Annual General Meeting on 25 June 2025 with 89.00% of the votes.

The granting of variable remuneration is generally subject to a malus and clawback provision, particularly in the event of a serious breach of the Executive Board's duties of care. There has been no such breach of duty for the 2025 financial year.

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1.2 Application of the remuneration system in the 2025 financial year

1.2.1 Non-performance-related remuneration (fixed remuneration)

In 2025, the fixed remuneration will comprise three components: the annual fixed salary, fringe benefits and pension benefits. The annual fixed salary will be paid in 12 monthly instalments. In addition to the annual fixed salary, the members of the Executive Board will receive fringe benefits, which mainly include the private use of company cars, contributions to professional associations and subsidies for health insurance. The pension benefits for the CEO and CFO each amount to 20% of the annual fixed salary. In this case, the members of the Executive Board can decide whether the pension is to be paid by the Company or whether the amount is to be paid as part of the monthly salary and the member of the Executive Board arranges the pension themselves. For reasons of transparency, the amount attributable to pension benefits is shown separately, even if it is paid in the form of a monthly payment.

1.2.2 Variable remuneration

1.2.2.1 Target achievement in 2025

The key metric for variable remuneration (the STI and the LTI) is consolidated earnings. For the 2025 financial year, this amounts to TEUR9,927.5 for Mr Pfeffer and Ms Holzbaur. For Mr Pfeffer and Ms Holzbaur, the base amount of variable remuneration for 2025 is calculated by multiplying the respective base amount of 0.95% (Mr Pfeffer) and 0.75% or 0.70% from October 2025 (Ms Holzbaur). Of this, 49.20% will be paid out as STI in 2026 and 50.80% will be granted as LTI.

The following table shows the respective calculation of variable remuneration:

in TEUR	Johannes Pfeffer	Andrea Holzbaur
Consolidated earnings 2025	9,927.5	9,927.5
Individual base amount	0.95%	0.75%/0.70% ¹
Initial amount	94.3	73.2
of which		
STI	49.20%	46.4
LTI	50.80%	37.2

¹ 0,75% until 25 September, 0,70% from 25 October

Mr Pfeffer's total variable remuneration for 2025 amounts to TEUR94.3, of which TEUR46.4 will be paid out as STI in 2026 and TEUR47.9 is attributable to the LTI.

Ms Holzbaur's total variable remuneration for 2025 amounts to TEUR73.2, of which TEUR36.0 will be paid out as STI in 2026 and TEUR37.2 will be allocated to the LTI.

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1.2.2.2 LTI 2025

In accordance with the remuneration system, the majority of the variable remuneration is converted into a share-based component. This is granted in the form of virtual shares and has a term of four years. The amount of variable remuneration attributable to the LTI is divided by the average XETRA closing price of GESCO shares on the consecutive trading days in the last three months prior to the date of approval of the consolidated financial statements for 2025. This number of virtual shares (rounded to the nearest whole number) is recorded as a memorandum item.

For Mr Pfeffer, TEUR47.9 is attributable to the LTI and for Ms Holzbaur TEUR37.2. These amounts are divided by the average XETRA closing price in the last three months prior to the adoption of the consolidated financial statements for 2025 in order to obtain the number of virtual shares. As the remuneration report was prepared before the consolidated financial statements were adopted, the average XETRA closing price is determined and the virtual shares are calculated after the remuneration report has been prepared.

1.2.2.3 Number of virtual shares from LTI 2024

The number of virtual shares from LTI 2024 was calculated in 2025 after the adoption of the consolidated financial statements for 2024 (and after the preparation of the remuneration report for 2024). The average XETRA closing price in the last three months prior to the adoption of the consolidated financial statements for 2024 was EUR14.00.

Mr Pfeffer is allocated TEUR36.2 in the LTI 2024. Divided by the average XETRA closing price of EUR14.00, Mr Pfeffer was allocated 2,585 virtual shares under the LTI 2024. Ms Holzbaur's LTI 2024 amounted to TEUR16.9, which corresponds to 1,208 virtual shares. Mr Rumberg's LTI 2024 for his term of office up to and including June 2024 amounted to TEUR14.0, which corresponds to 999 virtual shares.

1.2.3 Benefits in the event of departure and payment cap

In the event of the dismissal of a member of the Executive Board, the annual fixed salary, performance-related bonus and pension benefits shall be granted at most until the expiry of the fixed term of the contract. In the event of dismissal, the Company may release the member of the Executive Board from the obligation to perform his or her services, taking into account any existing holiday entitlements, provided that the employment relationship is otherwise properly settled until the expiry of the employment contract.

All payments and fringe benefits to the Executive Board during the period after the end of their term of office may not exceed a total of two years' remuneration (based on the total remuneration for the past financial year and, if applicable, also on the expected total remuneration for the current financial year) and, in any case, may not exceed the remuneration for the remaining term of the employment contract (payment cap). Both the provisions in the event of departure and the payment cap are applicable under the remuneration system.

1.3 Remuneration granted and owed in 2025

The remuneration of the Executive Board pursuant to Section 162 (1) sentence 1 AktG for 2025 is shown separately in the following tables for the members of the Executive Board active in the 2025 financial year. The tables contain all amounts actually received by the Executive Board during the reporting period ("remuneration granted") and all remuneration legally due but not yet received ("remuneration owed").

Short-term variable remuneration (STI) is considered "remuneration due" because the underlying performance has been fully achieved by the balance sheet date. Thus, the STI is reported for the reporting year, even though payment is not made until after the end of the respective reporting year.

In contrast, the LTI does not represent "granted" or "remuneration owed" as the bonus payment depends on the parameters after the four-year term has expired. After the four-year term has expired, any remuneration from the LTI 2025 will be owed and reported in accordance with the above provisions in the remuneration report for the 2029 financial year.

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Granted and owed

in TEUR	Johannes Pfeffer		Andrea Holzbaur	
	Absolute	Relative	Absolute	Relative
Non-performance-related remuneration	496.0	91.4%	395.1	91.6%
Annual fixed salary	400.0	73.7%	320.0	74.2%
Fringe benefits	16.0	2.9%	11.1	2.6%
Pension benefits	80.0	14.7%	64.0	14.8%
Variable remuneration	46.4	8.6%	36.0	8.4%
STI	46.4	8.6%	36.0	8.4%
LTI	0.0	0.0%	0.0	0.0%
Total 2025	542.4	100.0%	431.1	100.0%

2 Remuneration of the members of the Supervisory Board

2.1 Overview and principles of remuneration determination

At the end of the financial year on 31 December 2025, the Supervisory Board consists of a total of four members, including the Chairman of the Supervisory Board and his deputy.

The members of the Supervisory Board receive a fixed annual remuneration (**fixed remuneration**), which is payable at the end of the respective financial year. In addition, performance-related remuneration (**variable remuneration**) is possible. This is based on consolidated earnings after minority interests (**consolidated earnings or assessment basis**). If the Supervisory Board forms committees, the members of the Supervisory Board shall receive additional fixed annual remuneration (**committee remuneration**) for each position on a committee that meets at least once a year.

As with the remuneration system for the Executive Board, this remuneration for the members of the Supervisory Board supports the sustainable development of the Company by providing a performance-related incentive for the performance of Supervisory Board duties.

Every four years, the Annual General Meeting decides on the remuneration of the members of the Supervisory Board and on the remuneration system. The corresponding resolution may also confirm the current remuneration. If the Annual General Meeting does not approve the proposed remuneration system, a revised remuneration system shall be presented at the next Annual General Meeting at the latest.

The system currently applicable to members of the Supervisory Board was approved by the Annual General Meeting on 29 May 2024 with 82.55% of the votes cast.

2.2 Application of the remuneration system

2.2.1 Remuneration elements

The remuneration of the members of the Supervisory Board can consist of up to three elements. The fixed remuneration and the committee remuneration are function-dependent, while the variable remuneration depends on consolidated earnings. If a member of the Supervisory Board does not belong to the board or a committee for the entire financial year, the remuneration is granted on a pro rata basis.

2.2.1.1 Fixed remuneration

Since the 2020 financial year, the members of the Supervisory Board have received a fixed annual remuneration, which is payable at the end of the respective financial year. It amounts to TEUR50 per annum for each member. For the Chairman of the Supervisory Board, it amounts to TEUR75 per annum and for the Deputy Chairman TEUR55 per annum.

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2.2.1.2 Variable remuneration

In addition, the members of the Supervisory Board receive performance-related remuneration. For a full year of membership, this amounts to 0.15% of consolidated earnings (per Supervisory Board member) and is payable after the annual and consolidated financial statements have been adopted or approved. If the basis for assessment is negative, it is carried forward to the next year and offset against positive amounts on an annual basis.

Consolidated earnings of TEUR9,927.5 results in performance-related remuneration of TEUR15.0 p.a. per Supervisory Board member for 2025. Due to the change in the Supervisory Board in June 2025, two Supervisory Board members will receive performance-related remuneration on a pro rata basis according to their membership of the Supervisory Board.

2.2.1.3 Committee remuneration

If the Supervisory Board forms committees, the members of the Supervisory Board receive an additional fixed annual remuneration of EUR3,000 for each position on a committee that meets at least once a year. For the chairpersons of committees, this remuneration amounts to EUR5,000.

Another component of the remuneration is the reimbursement of training costs for the members of the Supervisory Board.

Furthermore, the Company reimburses the members of the Supervisory Board, but not as part of their remuneration, for reasonable expenses incurred in the performance of their duties and any value added tax attributable to their remuneration and reimbursement of expenses. The Company includes the activities of the members of the Supervisory Board in the coverage of a financial loss liability insurance policy it has taken out. The premiums for this insurance are paid by the Company.

2.2.2 Maximum remuneration

The total annual remuneration for each individual member is limited to twice the sum of the fixed remuneration and committee remuneration.

2.3 Remuneration in 2025

The remuneration granted and owed to the members of the Supervisory Board in accordance with Section 162 (1) sentence 1 AktG in 2025 is shown in the table below:

in TEUR	Fixed remuneration	% of total	Variable remuneration	% of total	Committee remuneration	% of total	Total
S. Heimöller	75.0	83.4%	15.0	16.6%	0.0	0.0%	90.0
J. Große-Allermann	55.0	73.4%	15.0	20.0%	5.0	6.7%	75.0
N. Rapp	50.0	73.5%	15.0	22.0%	3.0	4.4%	68.0
K. Möllerfriedrich	24.0	73.6%	7.2	22.0%	1.4	4.4%	32.7
M. Saggau	26.0	73.5%	7.8	22.0%	1.6	4.4%	35.2
Total	230.0	76.4%	59.9	19.9%	11.0	3.7%	300.9

3 Comparison of changes in remuneration and earnings performance at GESCO

The following overview shows the average remuneration of GESCO Group employees and GESCO's performance in 2025. The table also compares the average remuneration of employees and earnings development with the remuneration of the current members of the Executive Board and Supervisory Board in 2024. The remuneration granted and owed within the meaning of Section 162 (1) sentence 1 of the German Stock Corporation Act (AktG) is decisive in this respect.

The note "continued" corresponds to the presentation in the 2021 consolidated financial statements in this respect and no longer takes into account the subsidiary sold in February 2021.

01 To our shareholders

Letter from the Executive

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Corporate governance declaration

Remuneration report

02 Non-Financial Group Report

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04 Finances

05 Further information

in TEUR	2025	2025 vs. 2024	2024	2024 vs. 2023	2023	2023 vs. 2022	2022	2022 vs. 2021	2021
Remuneration of the Executive Board									
Johannes Pfeffer since 1 October 2024	542	235%	162		-		-		-
Andrea Holzbaur since 26 September 2022	431	22%	352	-16%	418	235%	125		-
Ralph Rumberg until 30 June 2024	-		294	-57%	684	-17%	823	4%	793
Kerstin Müller-Kirchhofs until 30 April 2022	-		-		-		298	-59%	729
Remuneration Supervisory Board									
Stefan Heimöller	90	10%	82	-16%	97	-8%	106	51%	70
Jens Große-Allermann	75	12%	67	-25%	89	-16%	106	63%	65
Dr Nanna Rapp	68	13%	60	-29%	84	-19%	104	60%	65
Klaus Möllerfriedrich	33	-45%	60	-38%	96	-26%	129	43%	90
Dr Mathias Saggau	35	n/a	-		-		-		-
Remuneration Employees									
Average remuneration for employees	76	10%	69	3%	67	2%	66	5%	63
Performance GESCO Group									
Group revenue (continuing operations) (IFRS)	494,973	-4%	513,809	-8%	560,724	-4%	582,273	19%	488,051
Consolidated earnings after minority interests (total) (IFRS)	9,928	124%	4,439	-79%	20,885	-38%	33,824	26%	26,862
Consolidated earnings after minority interests (continuing operations) (IFRS)	9,928	124%	4,439	-79%	20,885	-38%	33,824	26%	26,876
Net earnings GESCO SE (HGB)	7,581	-37%	11,993	53%	7,827	-71%	26,970	-12%	30,662

4 Outlook from a remuneration perspective

No changes are planned for 2026 with regard to the remuneration or remuneration system for the members of the Executive Board and Supervisory Board.

02 Non-Financial Group Report

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General disclosures ESRS 2

Basics for preparation

1. General basis for preparation of the non-financial group report (BP-1)

The following Non-Financial Group Report (hereinafter “NFGR”) relates to the GESCO Group (hereinafter “GESCO” or “GESCO Group”) and its fully consolidated subsidiaries in accordance with Sections 315b and 315c of the German Commercial Code (HGB). Based on our dual materiality analysis, the reporting extends to the upstream and downstream value chains, as far as this applies to the respective concepts, measures, key performance indicators and targets. Further information can be found in the relevant thematic chapters.

In the Non-Financial Report, GESCO reports annually on significant developments relating to the Company’s sustainability performance. In the following chapter, the Company publishes the Non-Financial Report in accordance with the German Commercial Code (Sections 315c in conjunction with 289c to 289e HGB). The Non-Financial Report has been prepared with partial application of the first sentence of the ESRS as a framework in accordance with Section 289d HGB.

A reconciliation of the material issues pursuant to Sections 315c in conjunction with Section 289c (2) HGB and material topics for GESCO with the ESRS topics has been conducted.

In accordance with Section 289c (4) of the German Commercial Code (HGB), the social issues referred to in paragraph 2 were not addressed in any policy, as GESCO did not identify any material impact, risk or opportunity within the scope of the materiality

analysis. During the reporting period, there were no material risks arising from the Company’s own business activities or from business relationships, products and services that were highly likely to have a serious adverse impact on the non-financial aspects pursuant to Sections 315c in conjunction with Section 289c of the German Commercial Code (HGB). Similarly, there were no management-relevant key figures, i.e. the most significant non-financial performance indicators within the meaning of Sections 315c in conjunction with Section 289c(3) of the German Commercial Code (HGB). As part of the environmental information, this NFGR contains the disclosures required under Article 8 of Regulation 2020/852 (EU Taxonomy Regulation) for GESCO in the **EU Taxonomy** chapter.

Eckart GmbH was acquired with retroactive effect from 1 January 2025. At the end of 2024, the GESCO subsidiary AstroPlast Kunststofftechnik GmbH & Co. KG and two long-standing business divisions of Doerrenberg Edelstahl GmbH (foundry and steelworks) were sold, which accordingly leads to changes in the content of the reporting for the 2025 fiscal year.

To provide a transparent insight into the GESCO Group’s sustainability-related issues, no information has been omitted from the following NFGR on grounds of confidentiality or to protect intellectual property.

2. Disclosures in relation to specific circumstances (BP-2)

The reporting period for all qualitative statements and quantitative indicators runs from 1 January 2025 to 31 December 2025, in line with the financial reporting.

The time horizons stated correspond to the ESRS definition: short-term corresponds to the reporting period, medium-term corresponds to a period of one to five years, and long-term to a timeframe of more than five years.

The extent to which the individual guidelines, measures, targets and indicators also relate to the value chain or individual components of the value chain is set out in the following chapters.

Estimates are used for reporting the footprint and certain key performance indicators in the ESRS. The energy data used to calculate Scope 1 and 2 emissions is collected for the months of January to October and extrapolated to the end of the year based on monthly and prior-year figures, as the data from the reporting period is not available until the end of the reporting period (see E1-5). Estimates are also used to calculate Scope 3 emissions, based on internal assessments by on-site experts as well as purchase and sales volumes (see E1-6 and E5-5). The social information in S1 is partly based on extrapolations for administrative and sales locations without their own production facilities (see S1-6). Where further statements within the NFGS apply only to a subset of the scope of consolidation, this is indicated. It is also clearly stated when individual key figures are based on estimates, and the methodological approach is explained accordingly.

The divestments at the end of 2024 enabled a significant reduction in consumption and greenhouse gas emissions, and this also had a considerable impact on the materiality analysis. The acquisition of Eckart GmbH in mid-2025 resulted in an opposite effect.

The list of disclosure requirements under ESRS 2 IRO-2, as well as the list of data points relating to further EU legislation, are set out in [the annex to the NFGS](#). This also applies to the overview of the core elements of due diligence, which was prepared in accordance with ESRS 2 GOV-4. The list of disclosure requirements, which (in some cases) refer to disclosures outside the separate non-financial group statement, is set out in the table below.

Disclosure requirement	Location
GOV-1	Statement on Corporate Governance
GOV-3	Remuneration report
SBM-1	Strategy, Business Model and Value Chain

In line with the Quick-Fix relief measures, we have decided to apply the phase-in arrangement in the following section on 'Workers in the value chain' (S2) within the context of this sustainability report. We intend to continue addressing the relevant issues in future reporting periods and to gather the necessary information to ensure comprehensive and transparent reporting in the future.

Respect for human rights and a commitment to social justice contribute to a more sustainable society. This responsibility encompasses fair wages, safe working conditions and compliance with human rights standards – both within our own operations and among our suppliers. Particularly in global supply chains, we actively identify and minimise risks such as forced labour, child labour and discrimination. As part of the double materiality analysis conducted, we have identified an IRO that could influence our business activities in this area.

Risk: Damage to reputation due to child or forced labour in the supply chain

The existence of child or forced labour in the supply chain can lead to significant reputational damage for our Company. Such practices are at odds with our values and the public's expectations regarding social responsibility and ethical conduct. If our Company is associated with reports of exploitative labour practices, this could not only undermine the trust of customers, investors and partners, but also lead to a decline in sales figures and a negatively perceived brand.

Procedures for engaging workers in the value chain regarding impacts (S2-2)

The GESCO Group has established communication channels that enable direct interaction with employees.

Procedures for addressing negative impacts and channels for raising concerns (S2-3)

Although regular dialogue with workers in the upstream and downstream value chain is not currently possible, GESCO takes an initiative-taking approach to engaging with workers in the value chain. In addition, a whistleblowing system is in place, enabling employees and stakeholders in the value chain to provide direct feedback on any grievances. Subsidiaries also conduct regular supplier audits to directly promote dialogue.

Reporting channels

GESCO has established a complaints system that enables affected parties to report breaches. This system serves as an early warning mechanism to prevent potential breaches at an early stage and, where necessary, to take effective remedial action. Complaints can be submitted via the websites of the companies in the GESCO Group and are processed systematically.

Measures relating to workers in the value chain (S2-4)

The GESCO Group has developed a human rights strategy that includes concrete measures to minimise human rights and environmental risks. Our responsibility extends not only to our own sites but also to the suppliers within our group. A comprehensive risk analysis has been conducted to evaluate potential risks in the supply chain and to define escalation levels for risk mitigation.

Objectives relating to workers in the value chain (S2-5)

GESCO SE has set itself the goal of continuously analysing and minimising human rights and environmental risks. In accordance with the Supply Chain Due Diligence Act (LkSG), GESCO will introduce a central procurement policy incorporating sustainability criteria and train its procurement staff accordingly.

Governance

1. The role of the administrative, management and supervisory bodies in sustainability management (GOV-1)

Executive Board, Supervisory Board and Management

Entrepreneurial thinking shapes the actions of the Executive Board and Supervisory Board. Together, they are increasingly prioritising corporate governance based on sustainability. Regular dialogue between the Executive Board of GESCO SE, the Business Directors of GESCO SE and the Managing Directors of the subsidiaries, as well as their teams, serves to analyse and further develop strategic and sustainability-related issues.

The Executive Board is responsible for preparing the annual financial statements, including the Non-Financial Report.

The Executive Board implements the corporate strategy and key corporate guidelines approved by the Supervisory Board and embeds sustainable practices into day-to-day business operations. It regularly informs the Supervisory Board of progress and challenges. The Supervisory Board approves the strategy, monitors its implementation and ensures that sustainability is regarded as a principal component of the corporate strategy. Where necessary, it may take corrective action. GESCO SE values specialist knowledge and expertise within its management and supervisory bodies and promotes these through further training and the exchange of experience within the Executive Board. The members of the Executive Board are executives with proven expertise in implementing sustainable practices and integrating environmental, social and governance (ESG) aspects into business processes.

The Supervisory Board, on the other hand, has a monitoring and advisory role: the members of the Supervisory Board oversee compliance with corporate policy, ensure that sustainable objectives are considered, and provide support as advisors with specialist knowledge, best-practice examples and insights to drive further development.

GESCO SE pursues several approaches to continuously expand the expertise within the governing bodies:

- Training programmes: Specific training programmes on sustainable practices, risk management and corporate governance are conducted to deepen the bodies' knowledge.
- External experts: GESCO SE engages external experts to address tasks and current challenges in the areas of sustainability and corporate governance.

More detailed role descriptions of the Executive Board and Supervisory Board, as well as fundamental information regarding their areas of activity (details on corporate governance practices, composition, planning, diversity, etc.), are set out in the **Corporate Governance Declaration**.

Based on the CSRD-compliant materiality analysis, the Executive Board and Supervisory Board had defined the strategic Group targets by the end of 2024. Since the 2025 fiscal year, the management of ESG objectives has been integrated into the GESCO Business System (GBS). Consequently, alongside the Executive Board, the Senior Leadership Team (SLT) – comprising the Executive Board, Managing Directors, Business Directors and the Finance Director – bears responsibility for monitoring and managing the ESG objectives.

Further information on the GBS and the new strategic direction is described in Section **1. Strategy, Business Model and Value Chain (SBM-1)**.

The setting and monitoring of the subsidiaries' sustainability targets is integrated into the monthly meetings between the Executive Board, Business Directors and Managing Directors.

Overall responsibility for sustainable development lies with the Executive Board of GESCO SE. In 2025, monitoring processes were established for the strategies, measures and targets set out in the reporting.

Composition of the Executive Board of GESCO SE

	Total	Male	Female
Members of the Executive Board	2	1 (50%)	1 (50%)

Composition of the Supervisory Board of GESCO SE

	Total	Male	Female
Members of the Supervisory Board	4	3 (75%)	1 (25%)
of whom are employees	0	0	0
of which independent members	3 (75%)	2 (67%)	1 (100%)

Sustainability organisation

The subsidiaries of GESCO SE generally have the opportunity and responsibility to identify their own priorities and to establish appropriate policies and processes for managing sustainability-related issues in line with these priorities. GESCO SE supports all such efforts, including those that go beyond compliance with legal standards and regulations, provided they are economically justifiable. This is also enshrined in the Group's Code of Conduct.

Until 2024, the subsidiaries acted independently with regard to making resource management and the product and service portfolio more sustainable, employee responsibility (including safe and fair working conditions), and in the areas of climate protection and energy management. From the start of 2025, a monthly key performance indicator (KPI) reporting format was established at Group level, which also incorporates sustainability metrics. This enables GESCO to set up centralised control processes for specific elements (e.g. reduction targets for energy consumption or resource conservation within its own operations and in the downstream value chain).

Since the beginning of 2025, the coordination of annual key figure collection has been conducted on an ongoing, decentralised basis via the ESG coordinators appointed by the Managing Directors of the respective subsidiaries, using a reporting tool. The collected data is reported to the ESG team. An authorisation management system has been established within the reporting software, through which the commercial managers review and approve the data input from the subsidiaries during the data consolidation process. At holding company level, clear personnel resources are allocated to the Finance department for consolidation and auditing. ESG coordination at group level consolidates the data, checks it on a random basis and takes account of changes in the group structure. As part of ESRS preparation, quality standards for individual complex data points are being developed centrally on an ongoing basis. To optimise and ensure data quality step by step, GESCO has established clear guidelines for data collection and drawn up detailed audit specifications. In the reporting year, the key figures of all significant companies within the financial consolidation scope were recorded in accordance with CSRD/ESRS.

A further focus is on the management of risks in the supply chain and the resulting due diligence obligations. Information on this can be found in the chapter **'Stakeholder Interests and Perspectives' (SBM-2)** and **'Disclosures in Relation to Specific Circumstances' (BP-2)**.

2. Governance in relation to ESRS G1

Business conduct, also referred to as the ethical and principled management of corporate affairs, forms the foundation of a successful company. GESCO's corporate culture, its values and principles guide our interactions with various stakeholders in day-to-day business, protect our reputation and build trust as the basis for cooperation. As described above, the expertise of the executive and administrative bodies regarding aspects of corporate governance is ensured.

GESCO is committed to lawful and ethical business practices. Its principles include, amongst other things, a strict prohibition on corruption and bribery, as well as the protection of whistleblowers reporting potential misconduct. It is GESCO's firm belief that, wherever the Company operates, business must be conducted in accordance with the law and with integrity. GESCO operates in accordance with responsible corporate

governance, which is based, among other things, on a lived corporate and compliance culture as well as GESCO's values. In this way, the Company promotes reliable business conduct founded on long-term economic success and safeguards its reputation. The corporate culture is communicated and promoted through events, training sessions and internal communication channels.

At GESCO, compliance aims to effectively embed and practise adherence to guidelines in day-to-day business. The Company expects all employees in all countries, regardless of their position in the hierarchy, to comply with laws and internal regulations and to behave with integrity and in an exemplary manner. Compliance, rule-abiding and ethical conduct also encompasses the responsible treatment of employees, customers, suppliers and other business partners, as well as society and the environment.

GESCO does not tolerate any breaches of anti-corruption and antitrust laws and is committed to fair competition.

3. Information provided to and sustainability matters addressed by the administrative, management and supervisory bodies (GOV-2)

The Supervisory Board and the Executive Board address the material impacts, risks and opportunities relating to sustainability aspects in different ways. The Audit Committee of the Supervisory Board is presented once a year with an assessment of the Group's current risk portfolio and the current status of risk management implementation.

At the meeting in February 2026, the Supervisory Board and the Audit Committee examined in detail the annual and consolidated financial statements prepared by the Executive Board. In this context, the NFGR was also discussed. The NFGR is presented to the Supervisory Board once a year.

When making decisions on major transactions, the Executive Board and Supervisory Board regularly take IROs into account and weigh them up against one another by assessing the advantages and disadvantages of each transaction. We take sustainability aspects into account when evaluating potential acquisitions, allocating operating expenditure, deciding on capital expenditure, and in research and development.

4. Integration of sustainability-related performance in incentive schemes (GOV-3)

During the reporting period, the sustainability-related performance of the administrative, management and supervisory board bodies was neither assessed nor considered in the remuneration policy or variable remuneration. At present, the Executive Board and the Supervisory Board have not envisaged any sustainability-related remuneration conditions.

Further information on remuneration within the GESCO Group can be found in the remuneration report.

5. Statement on due diligence (GOV-4)

Further details on this can be found in the notes (Due Diligence Index).

6. Risk management and internal controls over sustainability reporting (GOV-5)

Since 2021, the GESCO Group has been able to build on existing structures when implementing the ESRS requirements. Nevertheless, the application of the complex European framework presents challenges, particularly in relation to data quality and availability and the interpretation of individual requirements that are insufficiently specific. As in previous years, this led to significant adjustments to the existing reporting structure during the reporting year. The diversity of business models within an investment Company comprising ten corporate groups and a total of seventeen production sites in Germany and abroad further complicates the adoption of a uniform approach and data collection. Added to this were difficulties regarding the availability of information, caused by insufficient data from suppliers and customers, data protection regulations and confidentiality agreements.

To address these challenges in the context of data collection, GESCO is engaging with its stakeholders (**stakeholder involvement**). To manage the differences in business models, the companies were divided into three segments (**referring to strategy, business model and value chain**). The segments are aligned with the target customer sectors. This approach allows for better coverage of similar areas across the subsidiaries. Data collection is also based on a two-stage process, in which a coordinator from the respective GESCO subsidiary was first appointed to input the data into a tool. The data must then be approved by the relevant commercial manager. There are also shared responsibilities when it comes to reporting: the ESG team bears primary responsibility, whilst the Executive Board and Supervisory Board are consulted during the process for a supplementary review and strategic decisions.

The non-financial reporting is an essential component of both external and internal corporate communications and contributes to transparency towards all stakeholders. An ESG risk management framework and internal control system (ICS) are crucial to ensuring the quality and integrity of reporting. These procedures help to identify, assess and manage risks that could impact the Group's sustainability objectives. As part of its risk and opportunity management, GESCO identifies current and potential risks and opportunities arising from its own business activities. Emerging issues are incorporated into GESCO's risk management framework. The relevant risks, including those relating to sustainability, in the areas of the environment, social issues and corporate governance are identified by the responsible parties in the subsidiaries and the holding company, and are assessed and managed on a quarterly basis. GESCO's internal control system is designed to cover the entire business process, with particular emphasis on financial reporting and, consequently, on sustainability-related issues. The control environment consists of internal standards, processes, internal guidelines and the organisational structure, which form the basis for the implementation of internal control throughout the organisation. This enables the internal control system to conduct its functions.

Risks include, for example, ensuring data quality and the completeness of disclosures. Responsibilities for data collection are clearly defined to ensure that the relevant data is recorded and reported correctly. The scope and structure of reporting are determined centrally across the Group, and the relevant IT systems or templates are provided centrally.

To prevent misuse and safeguard data integrity, the Company has introduced dual-control procedures. The responsible risk manager within the Group is tasked with validating the reported results. The management and supervisory bodies are informed and involved at least once a year as part of the NFGR audit and on an ad hoc basis as required.

Our strategy

1. Strategy, Business Model and Value Chain (SBM-1)

With its diversified business model in the field of industrial services and manufacturing, GESCO, as a private equity firm, invests in medium-sized companies that offer technical products and solutions, particularly in the mechanical engineering and industrial sectors. Collectively, the GESCO Group serves a wide range of sectors: mechanical and plant engineering, toolmaking, the confectionery and hygiene industries, the chemical and petrochemical sectors, as well as the oil and gas industry, healthcare, semiconductors, food & beverage, the automotive industry, energy & environment, and the manufacture and maintenance of rail vehicles are just a few of the sectors.

Overall, the portfolio companies of the GESCO Group are divided into three segments:

Materials Refinement & Distribution

- Doerrenberg Group
- Franz Funke Zerspanungstechnik GmbH & Co. KG
- Pickhardt & Gerlach Group

Health Care & Life Science

- AMTRION / United MedTec Holding GmbH (UMT)
- INEX - solutions GmbH
 - Sommer & Strassburger GmbH & Co. KG (under the umbrella of INEX - solutions GmbH)
 - Hubl GmbH (under the umbrella of INEX - solutions GmbH)
- Setter Group

Industrial Assets & Infrastructure

- Eckart Hydraulics GmbH
- MAE Group
- Kesel Group
- SVT GmbH

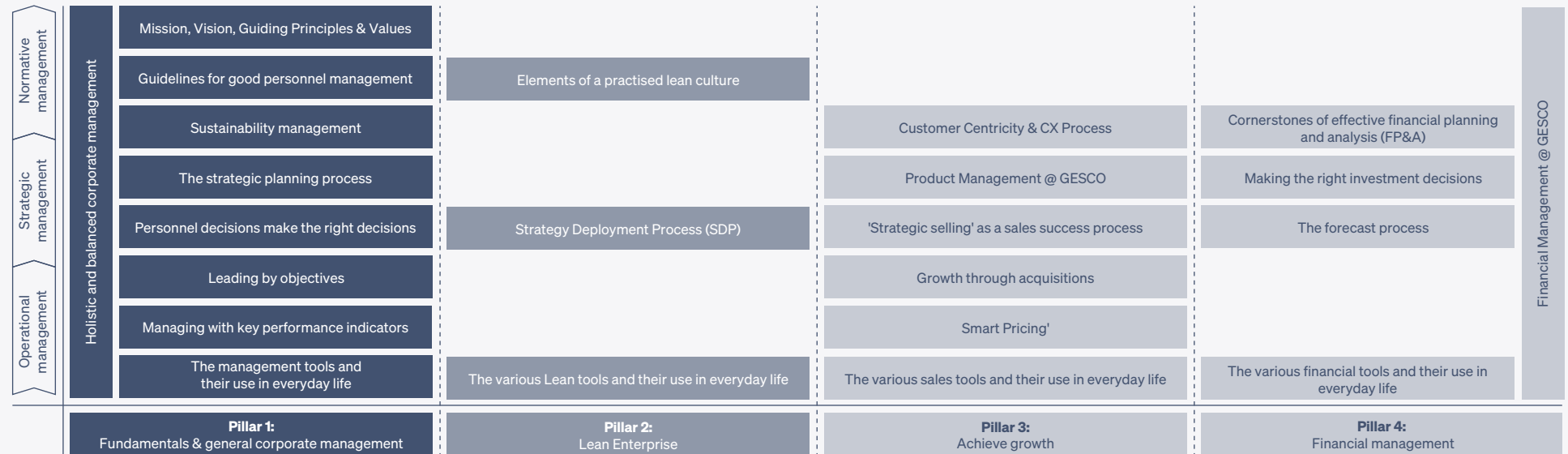
The differences between the companies were considered during the process, in particular during the double materiality analysis, for example when processing the longlist¹ and during the stakeholder survey, where segment- and Company-specific impacts, risks and opportunities were identified and assessed. In addition, globalisation strategies are defined for each subsidiary. Further information on the business model can be found in the Group Management Report under the section **'Group Fundamentals'**.

¹ In materiality analysis, a long list is an initial, comprehensive compilation of potentially relevant sustainability issues, which are subsequently prioritised during the assessment process. It serves as a starting point for identifying the most material issues for the Company.

GESCO has developed a framework for itself and its portfolio companies: the GESCO Business System (GBS). The GBS is a coherent, integrated and modular collection of concepts, methods and tools designed to standardise and professionalise the management of these companies. Its sole aim is to make each individual Company – and thus GESCO as a whole – more successful, valuable and sustainable. The GBS provides simple yet effective guidelines to the question “how do we run our businesses?”. It is not intended to limit the independence and decision-making autonomy of the subsidiaries regarding the questions “where do we operate?” or “what do we do?”, but rather to support, guide and empower them on their own unique path to success.

With the GBS, GESCO pursues a systematic, long-term approach in line with the guiding principle “Method drives success”. The management and leadership guidelines and processes that are essential and indispensable for business success are defined across four key pillars.

Structure of the GBS



The fundamental system of GESCO SE is structured as follows:

Fundamental system



In keeping with the duality between the subsidiaries' operational autonomy on the one hand and the requirement for professional leadership on the other, all subsidiaries can and should define their own corporate mission, vision and values. Only the six guidelines and principles are binding across the Group.

GESCO SE's business activities comprise several key components that work together to increase the value of its portfolio companies:

Identification and acquisition: Identifying and acquiring technologically promising companies from the industrial SME sector. In addition to financial KPIs, ESG factors are also assessed and incorporated into the overall evaluation.

Corporate governance: Contributing expertise and assuming responsibility for strategic direction. German SMEs in particular often lack a coherent ESG strategy, which has been or is being implemented in the subsidiaries with the support of the holding company.

Process optimisation: Optimising production and business processes to increase efficiency. In recent years, many production and business processes have already been analysed and optimised. These include, for example, new layout planning, shop floor management systems, the use of AI solutions and much more. In the 2025 fiscal year, work began on analysing all processes from a lean perspective. Where these analyses have been completed, efficiency has been significantly increased. In addition to shorter lead times, this also results in an even more resource-efficient use of the resources deployed.

Innovation and Development: Identifying market needs and promoting targeted investment in research and development. The continuous improvement of products and product features also promotes the resource-efficient use of input factors.

Sales and Marketing: Expand sales channels and marketing strategies.

Leveraging synergies: Enabling joint procurement strategies, best practices, the exchange of technologies, and so on.

These components form an integrated value chain that promotes the long-term growth and stability of the GESCO portfolio companies.

Our business model is designed to empower our employees through fair working conditions, including health and safety, as well as through our commitment to diversity, equal opportunities, inclusion and belonging. This approach enables our employees to pursue a career that aligns with their individual aspirations, skills and passions.

Overall, the GESCO Group strives to conduct its business as efficiently as possible, thereby conserving resources. The products manufactured – provided they are not consumables such as paper sticks – meet the highest standards of durability. Where appropriate, a circular economy is pursued. Where waste generation is unavoidable, every subsidiary of the GESCO Group operates on the basis of a certified waste management system. With high recycling rates, GESCO supports the overarching goal of minimising the use of primary raw materials. The process of separating, selling and reusing scrap materials helps to minimise waste. Waste generated during the production process is recycled and reused in the form of plastic, paper and wood shavings.

Even within the inherently sustainable business model of cotton bud production, the subsidiary Setter relies on the use of pre-consumer recycled material as a secondary raw material for the production of cotton buds to further reduce its CO₂-footprint. At the subsidiary Funke, production residues (scrap) are increasingly either fed back into its own production process or used elsewhere in the value chain, for example by suppliers. Where it makes economic sense, more resource-efficient materials (e.g. sugarcane paper instead of paper made from wood) are used. These exemplary measures reflect the principles of remanufacture and repurpose and contribute to the sustainable use of resources.

Value chains

Value chains illustrate the individual steps that products must go through in order to ultimately be sold with added value. They describe the paths products take from raw material until they are delivered to customers, including additional services, and how they are handled at the end of their life cycle.

The products offered by GESCO's portfolio companies are often part of complex value chains, such as metal parts, surface treatment materials, and tool or machine components. Due to the heterogeneity of the products and production processes, the portfolio companies each have their own value chains, which, however, cannot be described as typical GESCO value chains. The upstream value chains comprise raw material producers or manufacturers of semi-finished products, which are then further processed at GESCO subsidiaries. In the downstream value chains, the products are further processed or sold to customers. The customers of the portfolio companies are businesses; sales are conducted individually depending on the business model.

As part of the **materiality analysis**, the various upstream and downstream value chains of the subsidiaries within the individual GESCO segments were analysed. The latter serve as clusters for all Group companies that undergo a similar value creation process and are sufficiently homogeneous in structure, particularly with regard to their customer markets.

This NFGR covers both the upstream and downstream value chains. On the one hand, information from the survey conducted under the Supply Chain Due Diligence Act (LkSG) is available for the upstream value chain; on the other hand, the ten largest customers and suppliers by sales per segment – and thus the downstream value chain – were considered as part of the stakeholder analysis. The latter were examined for compliance, occupational safety, environmental protection, quality, ethics and financial stability. The integration of the value chain within the framework of sustainability efforts is of high relevance to GESCO as a group of manufacturing companies in the sectors of Materials Refinement & Distribution, Health Care & Life Science, and Industrial Assets & Infrastructure. At the same time, the value chain, with all its stakeholders, is complex and fragmented. In order to ensure precise management of impacts, risks and opportunities, as well as the information to be reported, key components within the value chain were therefore identified, to which reporting under the NFGR is limited.

In an internal workshop between the ESG team and business directors, the stages of the value chain and their associated stakeholders were defined and visualised. Due to the diversity of their products and production processes, the companies within the GESCO group each have their own value chains, which cannot be classified as typical standard value chains. The upstream value chains comprise raw material suppliers and manufacturers of intermediate products, which are then further processed within the companies of the GESCO Group. The downstream value chain involves the finalisation of products or their sale to customers. The GESCO Group's customers are exclusively business customers. All ancillary processes within the value chain are organised differently depending on the business model.

As a globally active group operating with a complex, international and dynamic supplier network, GESCO is aware of its own social and environmental responsibilities within the value chains. The collaborative partnership between the subsidiaries and their business partners along the value chain is of the utmost importance to all GESCO companies in order to ensure the supply of materials and components as the basis for their own products.

In both the upstream and downstream value chains, the shortage of skilled workers poses a potential risk. Furthermore, there are potential negative impacts on the workforce due to physical and mental strain caused by work, as well as through workplace accidents. In the extraction of raw materials and the production of fossil fuels, negative environmental impacts play a role. In particular, the production of metals generates massive quantities of greenhouse gases through high energy consumption. This presents a potential opportunity: green steel or other low-emission precursors reduce the greenhouse gas footprint in Scope 3, which can positively influence demand for such products.

2. Interests and views of stakeholders (SBM-2)

Stakeholder engagement

GESCO maintains a dialogue with its stakeholders to understand their concerns and incorporate them into strategic decisions and integrates the perspectives of affected stakeholders through structured consultations, in particular through stakeholder surveys. These surveys help to identify the relevant concerns and expectations of stakeholders and incorporate their views into the sustainability strategy. When implementing due diligence obligations and conducting risk analyses, the expertise of external consultants is also considered to ensure a well-founded assessment of risks and opportunities. This ongoing dialogue is regarded as part of the commitment to transparency and accountability.

In 2025, the process for systematically involving the identified stakeholders in the strategy and business model was further refined.

The Executive Board is regularly informed of the stakeholders' views and interests regarding the Company's sustainability-related impacts during meetings to report on the process of complying with the CSRD.

The incorporation of stakeholder perspectives into the materiality analysis process is described in the following section on [materiality analysis](#).

Stakeholder	Forms of dialogue
Owners (shareholders)	Annual General Meeting, Annual Results Press Conference, conference calls, investor days; capital markets events and conferences; roadshows; one-on-one meetings; teleconferences; email contact
Management/Executive Board and senior management	Discussions (with the works council, individual employees, within the SLT), intranet
Employees	(Performance) reviews, discussions with internal safety officers, health and safety committee, staff meetings, works council meetings, employee surveys, intranet, site visits, whistleblowing system, suggestion scheme
Communities (locations)	Direct dialogue
Competitors/market peers	Industry associations, conferences, trade fairs
Potential applicants	Job interviews, trade fairs, website, recruitment consultants
Customers (active)	Direct dialogue, negotiations, customer service
External suppliers	Purchasing discussions, negotiations
Banks/investors	Capital market events and conferences; roadshows; one-on-one meetings and conference calls

Stakeholder engagement and interests (ESRS 2 SBM-2) in relation to the Company's own workforce (ESRS S1-2)

The perspective of employees is gathered through various channels and considered in GESCO's HR strategy. HR managers, for example, work in a spirit of trust with elected employee representatives as well as local works councils or representatives. Further details are provided in the sub-section 'Dialogue with and interests of the company's own workforce (ESRS S1-2)'.

Involvement and interests of stakeholders (ESRS 2 SBM-2) in relation to workers in the value chain (ESRS S2)

The GESCO Group identifies, to the best of its ability, potential and actual breaches of decent working conditions, human rights and environmental regulations within its own supply chains. For annual identification as part of the sustainability assessment, GESCO uses freely available information and surveys of suppliers.

The analyses are circulated internally to management teams and other relevant departments. Group companies investigate any reports received. Appropriate preventive measures and, where necessary, remedial actions are implemented. These are intended to help mitigate, or ideally prevent, adverse impacts arising from GESCO's business activities. In doing so, GESCO aims to implement corporate due diligence obligations with regard to human rights risk analysis. Issues such as child labour, workers' rights, the environment and personal self-determination are at the forefront of this. Countries where the risk of violations is heightened are monitored particularly closely.

The protection of human rights and the environment is one of the fundamental prerequisites for the economic activities of the companies within the GESCO Group. The companies of the GESCO Group have therefore adopted a policy statement in which they set out their strategy for the protection of human rights and certain environmental assets and formulate their expectations regarding respect for human rights and certain environmental assets towards their employees and suppliers. The policy statement also describes in detail how the companies of the GESCO Group fulfil their legal obligations regarding the protection of human rights and certain environmental assets, and which risks they pay particular attention to in this regard, given the nature of their specific business activities.

To ensure the protection of these assets is as effective as possible, the GESCO Group has established a complaints system through which you can report (potential) violations of human rights and specific environmental assets, provided that these (potential) violations have been committed by companies within the GESCO Group or their suppliers.

The aim of the complaints system is to enable GESCO Group companies, through the reports and complaints, to act against impending human rights and environmental violations before people or specific environmental assets actually suffer harm (early warning system). If a violation of human rights or the relevant environmental assets has already occurred, the complaints system helps, where possible, to prevent further violations of the same kind or to minimise the consequences of the damage (remedial measures).

3. Material impacts, risks and opportunities and their interaction with our strategy and business model (SBM-3)

Below we provide an overview of the material IROs identified as part of our materiality analysis. We describe these in detail in the respective thematic chapters. We explain the methodology of our double materiality analysis under **"Description of the procedures for identifying and assessing material impacts, risks and opportunities (IRO-1)"**.

Furthermore, no company-specific IROs were identified that go beyond the topics prescribed by the ESRS.

With regard to the identified material risks and opportunities, there were no events in the reporting year that led to material impacts on our earnings, financial, asset and liquidity position beyond the provisions for environmental protection reported under **E2** ¹. We do not anticipate any significant changes for the next reporting period.

Thanks to our robust business model comprising three heterogeneous segments operating in vastly different markets, and our clear positioning as a powerful group of market and technology leaders, we are well positioned even in economically challenging times.

The following points characterise GESCO's strategy and business model in terms of resilience, relating to the Group's ability to manage significant impacts and risks and to capitalise on significant opportunities:

- Cross-sector diversification: operations in climate-friendly technologies, mechanical and plant engineering, and automation technology. This means lower dependence on individual markets and greater resilience.
- Sustainable focus: A focus on green technologies (e.g. green steel, LNG, rail transport) strengthens competitiveness and long-term market position.
- Adaptability: The ability to respond quickly to market trends and develop innovative products and services. This is crucial to GESCO's resilience.

- Employee retention: Fair pay, further training and occupational safety promote satisfaction and loyalty, and thus productivity and resilience.
- Financial benefits: Sustainable business practices facilitate access to sustainable forms of financing, thereby improving liquidity and financial strength.

Materiality analysis

1. Description of the process to identify and assess material impacts, risks and opportunities (IRO-1)

In 2024, GESCO conducted a double materiality analysis for the first time, considering the requirements of the European ESRS framework, and repeated this in the 2025 reporting year. GESCO assigned various roles to the individuals involved in the preparation and drafting of the report. The ESG team at GESCO SE (Sustainability Managers) was responsible for planning, coordinating and conducting the double materiality analysis. The Executive Board assumes overall responsibility and approves the planning, methodology and results of the materiality analysis, as well as the report. The ESG team at GESCO SE explains the materiality analysis process, the roles and responsibilities of the individuals involved, and the results to the Supervisory Board. The Supervisory Board also reviews the NFGFR at the end.

The dual materiality analysis is based on several steps:

1. Firstly, the context of the **corporate strategy** and **business models** is captured through existing business model analyses (Canvas/SWOT analyses). A centralised and a decentralised risk analysis were also implemented to identify both abstract and concrete human rights and environmental impacts, risks and opportunities, including financial risks related to environmental, social and governance issues. This analysis considers the specific activities and geographical circumstances of the subsidiaries in order to identify potential impacts, risks and opportunities, as well as interactions between the affected stakeholders and the Company's operational, financial and sustainability-related aspects. The risk analysis extends to direct suppliers and their upstream supply chains.

2. This was followed by a **stakeholder analysis**, in which relevant stakeholders were identified and classified through a quantitative assessment of their influence and impact. These were incorporated into the double materiality analysis. As not all identified stakeholders could be directly involved, GESCO integrated stakeholder representatives (Business Directors and Managing Directors of the individual subsidiaries) into the process. These representatives were deemed suitable both to contribute their own perspectives and to represent the views of the stakeholders they represent.
3. The next objective was to draw up a longlist representing **all potentially material ESG issues** for the holding company and subsidiaries. To produce a so-called medium list, a systematic survey of stakeholder representatives was conducted. The survey served to qualitatively validate the longlist, subsequently narrow down the issues, and identify the associated impacts, risks and opportunities.
4. To assess the potential impacts both qualitatively and quantitatively, thresholds and an evaluation framework were defined based on the following **ESRS criteria**:
 - Extent: Severity of the impacts on people and the environment.
 - Scope: Geographical and quantitative extent of the impacts.
 - Irreversibility: The extent to which negative impacts can be remedied.
 - Probability: An assessment of how likely it is that the identified impacts will occur.

5. The **potential negative impacts** were prioritised according to their severity and, where applicable, their probability of occurrence, in order to target measures specifically at the most relevant sustainability risks. This prioritisation helped to focus resources on the most urgent issues and to develop appropriate preventive and remedial measures. Positive impacts were also considered according to their relative magnitude and scope.
6. The **assessment of identified risks and opportunities** was conducted according to the following criteria:
 - **Magnitude:** The (potential) magnitude of the fiscal impact is assessed on a scale defined in line with GESCO's risk management framework.
 - **Probability:** The probability that an identified risk will occur, or an opportunity will be realised is assessed on a scale from 0% to 100%.
7. In order to disclose in the NFGR only the information that is of particular significance to the GESCO Group, its stakeholders and the report's audience, a **quantitative materiality** threshold was defined on the basis of statistical analysis methods and a percentage-based assessment relative to the maximum values of the ratings; all IROs falling below this threshold were excluded from the reporting. In addition, qualitative criteria were used to assess the relevance of the identified IROs: the threshold was set on the basis of a qualitative assessment to objectively determine which IROs should be classified as reportable from a corporate perspective. Findings from previous process steps, including stakeholder feedback and analysis of the value chains, were incorporated into this process. Furthermore, human rights-related impacts in particular were immediately classified as material. Whilst the impact threshold is based on quantifiable, statistical analyses and the final qualitative evaluation, the financial materiality threshold was aligned with risk management thresholds in order to draw on existing structures and thereby adequately assess financial stability risks.

A total of nineteen material IROs were identified, comprising four positive and seven negative impacts, five risks and three financial opportunities. The results of the double materiality analysis were validated by stakeholder representatives to ensure that all relevant IROs are included in the reporting.

As part of the recently conducted materiality analysis, we had all impacts, risks and opportunities validated by the Managing Directors and commercial managers of the subsidiaries.

As part of the materiality analysis described above, GESCO identified the IROs that are material to it.

The entire value chain was considered when identifying the IROs. As the GESCO Group consists exclusively of a group of companies in the manufacturing sector, the focus was, in addition to its own business operations, particularly on the upstream value chain and, within that, on direct (i.e. Tier 1) suppliers, supported by the analysis and due diligence obligations arising from the LkSG.

Thematic description of the procedures for identifying and assessing significant impacts, risks and opportunities (ESRS 2 IRO-1)

Risk assessment

The GESCO Group's manufacturing sites are largely located in Germany and are therefore subject to strict standards and laws. By complying with these requirements and implementing rigorous processes, GESCO classifies the environmental impact of its business operations as low. Each month, the subsidiaries are surveyed on environmental risks, which are subsequently assessed according to severity and likelihood of occurrence and reported to the Executive Board. The Group's energy and resource consumption are considered to be the main environmental risks. GESCO has not identified any business activities that are incompatible with a transition to a climate-neutral economy.

Climate protection (ESRS E1)

In the 2025 fiscal year, we conducted climate scenario analyses for seventeen production sites and assessed them according to the three scenarios SSP126, SSP245 and SSP585. In doing so, GESCO continued to address potential risks and opportunities arising from ongoing climate change as part of its materiality analysis in 2025.

GESCO has identified climate-related risks, physical risks and climate-related transition events for production sites worldwide.

Environmental protection and pollution (ESRS E2)

The analysis focused on the production sites of the subsidiaries with regard to environmental protection and pollution.

Water resources (ESRS E3)

With regard to E 3, water consumption and water withdrawal were assessed at the Group's production sites and in the value chains upstream. It is evident that the processes within the GESCO Group are not water-intensive. However, the issue of water consumption plays a greater role indirectly, particularly at the subsidiaries Setter and the companies in the Materials Refinement & Distribution segment, as massive quantities of water are used in the paper manufacturing process as well as in the processing and production of metals and steel. On the other hand, water discharges and the use of marine resources could be excluded, as no specific IROs were identified. No separate consultations on water resources in affected communities were included in the analysis.

Biodiversity and Ecosystems (ESRS E4)

Systemic, physical and transitional risks were considered, such as risks relating to impacts on the extent and condition of ecosystems, as well as direct impacts on biodiversity loss.

With regard to E4, soil sealing in connection with production sites was assessed. Other issues could be excluded as there were no specific use cases.

No analysis was conducted to determine the extent to which GESCO sites are located in or near biodiversity-sensitive areas.

Resource use and circular economy (ESRS E5)

The risks in the area of circular economy were identified through a practical analysis within the subsidiaries. This was based on process reviews along the value chain with supplier and customer representatives in the individual companies, as well as evaluations of material separation, recycling rates and take-back practices. This revealed differing risk profiles depending on the business model: in material-intensive areas (e.g. Setter, Funke, Doerrenberg, INEX), opportunities and risks arising from the use of secondary materials, scrap separation and marketing, and paper-based substitutes were identified. In mechanical engineering, the lack of take-back and recycling schemes was identified as a significant risk in terms of waste generation and demand for primary raw materials, whilst retrofitting/overhauls (SVT, MAE, Kesel) were assessed as effective measures for extending service life and reducing waste. The results were incorporated into the risk assessment, with a focus on the availability and quality of secondary materials, the returnability of products, the recyclability of assemblies, and organisational gaps in end-of-life processes.

Governance (ESRS G1)

The management of risks and opportunities is a central aspect of GESCO's strategy. The Group has introduced rigorous processes to identify, assess and manage significant risks and opportunities relating to its corporate governance.

Corruption and bribery, which fall under G1 Corporate Governance, are key issues for GESCO. This also includes the negative impact on fair business practices and global competition. These issues are of vital importance for ensuring compliance and maintaining the Group's integrity worldwide across all activities and locations.

2. Disclosure requirements in ESRS covered by the non-financial statement (IRO-2)

The following table lists the disclosure requirements that we followed when preparing the sustainability report based on our materiality analysis:

Standard	Description	Disclosure Requirements	Scope of reporting	Designation of DRs	References
ESRS 2	General disclosures	BP-1	Basis for preparation	General basis for preparation of sustainability statements	Page 40
ESRS 2	General disclosures	BP-2	Guidelines for the preparation	Disclosure relating to specific circumstances	Page 40
ESRS 2	General disclosures	GOV-1	Governance	The role of the administrative, management and supervisory bodies	Page 42
ESRS 2	General disclosures	GOV-2	Governance	Information and sustainability issues addressed by the Company's administrative, management and supervisory bodies	Page 44
ESRS 2	General disclosures	GOV-3	Governance	Incorporation of sustainability-related performance into incentive schemes	Page 45
ESRS 2	General disclosures	GOV-4	Governance	Statement on due diligence	Page 45
ESRS 2	General disclosures	GOV-5	Governance	Risk management and internal controls for sustainability reporting	Page 45
ESRS 2	General disclosures	SBM-1	Strategy	Strategy, business model and value chain	Page 46
ESRS 2	General disclosures	SBM-2	Strategy	Stakeholder interests and views	Page 51
ESRS 2	General disclosures	SBM-3	Strategy	Key impacts, risks and opportunities and their interaction with strategy and business model	Page 52
ESRS 2	General disclosures	IRO-1	Management of impacts, risks and opportunities	Description of the process for identifying and assessing material impacts, risks and opportunities	Page 53–73
ESRS 2	General disclosures	IRO-2	Management of impacts, risks and opportunities	Disclosure requirements contained in ESRS and covered by the Company's sustainability statement	Page 56
ESRS E1	Climate change	GOV-3	Governance	Incorporation of sustainability performance into incentive schemes	Page 45
ESRS E1	Climate change	E1-1	Strategy	Climate Change Transition Plan	Page 70
ESRS E1	Climate Change	SBM-3	Strategy	Key impacts, risks and opportunities and their interaction with strategy and business model	Page 52
ESRS E1	Climate change	E1-2	Management of impacts, risks and opportunities	Concepts relating to climate protection and adaptation to climate change	Page 70
ESRS E1	Climate change	E1-3	Management of impacts, risks and opportunities	Measures and resources relating to climate strategies	Page 70
ESRS E1	Climate change	E1-4	Key figures and targets	Targets relating to climate protection and adaptation to climate change	Page 71
ESRS E1	Climate change	E1-5	Key figures and targets	Energy consumption and energy mix	Page 71
ESRS E1	Climate change	E1-6	Key figures and targets	Gross GHG emissions from Scope 1, 2 and 3 categories, as well as total GHG emissions	Page 73
ESRS E1	Climate change	E1-9	Key figures and targets	Expected financial impacts of significant physical and transition risks, as well as potential climate-related opportunities	Phase-In
ESRS E2	Environmental pollution	E2-1	Management of impacts, risks and opportunities	Concepts relating to environmental pollution	Page 74
ESRS E2	Environmental pollution	E2-2	Management of impacts, risks and opportunities	Measures and resources relating to environmental pollution	Page 75
ESRS E2	Environmental pollution	E2-3	Key figures and targets	Targets relating to environmental pollution	Page 76



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Standard	Description	Disclosure Requirements	Scope of reporting	Designation of DRs	References
ESRS E2	Environmental pollution	E2-4	Key figures and targets	Air, water and soil pollution	Page 76
ESRS E2	Environmental pollution	E2-6	Key figures and targets	Expected financial impacts of risks and opportunities related to environmental pollution	Phase-In
ESRS E3	Water and marine resources	E3-1	Management of impacts, risks and opportunities	Concepts relating to water and marine resources	Page 76
ESRS E3	Water and marine resources	E3-2	Management of impacts, risks and opportunities	Measures and resources relating to water and marine resources	Page 77
ESRS E3	Water and marine resources	E3-3	Indicators and targets	Targets relating to water and marine resources	Page 77
ESRS E5	Resource use and circular economy	E5-1	Management of impacts, risks and opportunities	Concepts relating to resource use and the circular economy	Page 78
ESRS E5	Resource use and circular economy	E5-2	Management of impacts, risks and opportunities	Measures and resources relating to resource use and the circular economy	Page 79
ESRS E5	Resource use and circular economy	E5-3	Key figures and targets	Targets relating to resource use and the circular economy	Page 80
ESRS E5	Resource use and circular economy	E5-4	Key figures and targets	Resource Inputs	Page 80
ESRS E5	Resource use and circular economy	E5-5	Key figures and targets	Resource outflows	Page 81
ESRS S1	Own workforce	S1-1	Management of impacts, risks and opportunities	Policies relating to the Company's workforce	Page 85
ESRS S1	Own workforce	S1-2	Management of impacts, risks and opportunities	Processes for engaging the Company's workforce and employee representatives regarding impacts	Page 86
ESRS S1	Own workforce	S1-3	Management of impacts, risks and opportunities	Procedures for addressing adverse impacts and channels through which the Company's workforce can raise concerns	Page 86
ESRS S1	Own employees	S1-4	Management of impacts, risks and opportunities	Action taken regarding significant impacts on the Company's workforce and approaches to managing significant risks and capitalising on significant opportunities relating to the Company's workforce, as well as the effectiveness of these measures	Page 86
ESRS S1	Own workforce	S1-5	Key figures and targets	Targets relating to addressing significant adverse impacts, promoting positive impacts, and managing significant risks and opportunities	Page 87
ESRS S1	Own workforce	S1-6	Key figures and targets	Characteristics of the Company's workforce	Page 88
ESRS S1	Own workforce	S1-7	Key figures and targets	Characteristics of the Company's external workforce	Phase-In
ESRS S1	Own workforce	S1-11	Key figures and targets	Social security	Phase-In
ESRS S1	Own workforce	S1-13	Key figures and targets	Key figures for further training and skills development	Page 89
ESRS S1	Own workforce	S1-14	Key figures and targets	Health and safety indicators	Page 89
ESRS S1	Own workforce	S1-15	Key figures and targets	Key figures for work-life balance	Phase-In



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Standard	Description	Disclosure Requirements	Scope of reporting	Designation of DRs	References
ESRS S1	Own workforce	S1-16	Key figures and targets	Remuneration figures (pay gaps and total remuneration)	Page 89
ESRS S1	Own workforce	S1-17	Key figures and targets	Incidents, complaints and serious impacts relating to human rights	Page 90
ESRS S2	Workforce in the value chain	SBM-2	Strategy	Stakeholder interests and perspectives	Page 51
ESRS S2	Workforce in the value chain	SBM-3	Strategy	Impacts, risks and opportunities and their interaction with strategy and business model	Page 52
ESRS S2	Workforce in the value chain	S2-1	Management of impacts, risks and opportunities	Concepts relating to workers in the value chain	Page 52
ESRS S2	Workforce in the value chain	S2-2	Management of impacts, risks and opportunities	Procedures for engaging workers in the value chain regarding impacts	Page 41
ESRS S2	Workers in the value chain	S2-3	Management of impacts, risks and opportunities	Procedures for addressing adverse impacts and channels through which workers in the value chain can raise concerns	Page 42
ESRS S2	Workers in the value chain	S2-4	Management of impacts, risks and opportunities	Action taken in relation to material impacts on workers in the value chain and approaches to managing material risks and capitalising on material opportunities relating to workers in the value chain, as well as the effectiveness of these actions	Page 42
ESRS S2	Workers in the supply chain	S2-5	Key performance indicators and targets	Targets relating to the management of significant adverse impacts, the promotion of positive impacts, and the management of significant risks and opportunities	Page 42
ESRS G1	Corporate governance	GOV-1	Governance	The role of the administrative, management and supervisory bodies	Page 42
ESRS G1	Corporate governance	G1-1	Managing impacts, risks and opportunities	Corporate culture and corporate governance concepts	Page 92

The table below contains all data points arising from other EU legislation, as listed in ESRS 2 Appendix B. It indicates where the data points can be found in our report and which of these data points have been classified as 'non-material'.

Disclosure Requirements	Data point	Topic of the disclosure requirement	SFDR Reference	Pillar 3 reference	Benchmark Regulation Reference	EU Climate Law reference	Materiality	Reference
ESRS 2 GOV-1	21d	Board's gender diversity	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (27), Annex II		substantial	Page 42
ESRS 2 GOV-1	21e	Percentage of board members who are independent			Delegated Regulation (EU) 2020/1816, Annex II		significant	Page 42
ESRS 2 GOV-4	30	Statement on due diligence	Indicator number 10, Table 3 of Annex 1				material	Page 45
ESRS 2 SBM-1	40d-i	Involvement in activities related to fossil fuels	Indicator number 4, Table 1 of Annex 1	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on environmental risk and Table 2: Qualitative information on social risk	Delegated Regulation (EU) 2020/1816, Annex II		not material	
ESRS 2 SBM-1	40d-ii	Activities related to the manufacture of chemicals	Indicator number 9, Table 2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		not significant	
ESRS 2 SBM-1	40d-iii	Involvement in activities related to controversial weapons	Indicator number 14, Table 1 of Annex 1		Delegated Regulation (EU) 2020/1818 (29), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		not significant	
ESRS 2 SBM-1	40d-iv	Involvement in activities relating to the cultivation and production of tobacco			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		not significant	
E1-1	14	Transition plan for achieving climate neutrality by 2050				Regulation (EU) 2021/1119, Article 2(1)	essential	Page 70
E1-1	16g	Companies exempt from the benchmarks agreed in Paris		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book - Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12(1) (d) to (g), and Article 12(2)		material	Page 70
E1-4	34	GHG emission reduction targets	Indicator number 4, Table 2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book - Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		material	Page 71
E1-5	38	Energy consumption from fossil fuels broken down by source (climate-intensive sectors only)	Indicator number 5, Table 1, and Indicator number 5, Table 2, of Annex 1				significant	Page 71



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Disclosure Requirements	Data point	Topic of the disclosure requirement	SFDR Reference	Pillar 3 reference	Benchmark Regulation Reference	EU Climate Law reference	Materiality	Reference
E1-5	37	Energy consumption and energy mix	Indicator number 5, Table 1 of the Annex				significant	Page 71
E1-5	40-43	Energy intensity in relation to activities in climate-intensive sectors	Indicator number 6, Table 1 of Annex 1				significant	Page 71
E1-6	44	Gross GHG emissions from Scope 1, 2 and 3 categories, as well as total GHG emissions	Indicators 1 and 2, Table 1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Articles 5(1), 6 and 8(1)		material	Page 73
E1-6	53-55	Intensity of gross GHG emissions	Indicator number 3, Table 1 of Annex 1	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		material	Page 73
E1-7	56	Removal of greenhouse gases and CO ₂ allowances				Regulation (EU) 2021/1119, Article 2(1)	not material	
E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Not reported (phase-in option)	
E1-9	66a 66c	Breakdown of monetary amounts by acute and chronic physical risk/ location where significant assets with material physical risk are held		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk.			Not reported (phase-in option)	
E1-9	67c	Breakdown of the carrying amount of its properties by energy efficiency class		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraph 34; Template 2: Banking book – Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral			Not reported (phase-in option)	
E1-9	69	Degree of the portfolio's exposure to climate-related opportunities			Delegated Regulation (EU) 2020/1818, Annex II		Not reported (phase-in option)	
E2-4	28	Quantity of each pollutant listed in Annex II of the EPRTR Regulation (European Pollutant Release and Transfer Register) emitted into air, water and soil	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				significant	Page 76
E3-1	9	Water and marine resources	Indicator number 7 Table #2 of Annex 1				essential	Page 77
E3-1	13	Specific concept	Indicator number 8, Table 2 of Annex 1				significant	Page 77



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Disclosure Requirements	Data point	Topic of the disclosure requirement	SFDR Reference	Pillar 3 reference	Benchmark Regulation Reference	EU Climate Law reference	Materiality	Reference
E3-1	14	Sustainable oceans and seas	Indicator number 12, Table 2 of the Annex				not material	Page 77
E3-4	28c	Total volume of water recovered and reused	Indicator number 6.2, Table 2 of Annex 1				not significant	
E3-4	29	Total water consumption in m ³ per net sales from own activities	Indicator number 6.1 Table #2 of Annex 1				not material	
ESRS 2 SBM-3 E4	16a-i		Indicator number 7, Table 1 of Annex 1				not material	
ESRS 2 SBM-3 E4	16b		Indicator 10, Table 2 of Annex 1				not material	
ESRS 2 SBM-3 E4	16c		Indicator number 14, Table 2 of Annex 1				not material	
E4-2	24b	Sustainable practices or approaches in land use and agriculture	Indicator number 11 Table #2 of Annex 1				not significant	
E4-2	24c	Sustainable practices or approaches in the field of oceans/seas	Indicator number 12, Table 2 of Annex 1				not significant	
E4-2	24d	Strategies for combating deforestation	Indicator number 15, Table 2 of Annex 1				not significant	
E5-5	37d	Non-recycled waste	Indicator number 13, Table 2 of Annex 1				significant	
E5-5	39	Hazardous and radioactive waste	Indicator number 9, Table 1 of Annex 1				not significant	
ESRS 2 SBM-3 S1	14f	Risk of forced labour	Indicator number 13, Table 3 of Annex I				not significant	
ESRS 2 SBM-3 S1	14g	Risk of child labour	Indicator number 12, Table 3 of Annex I				not significant	
S1-1	20	Commitments in the field of human rights policy	Indicator number 9, Table 3, and Indicator number 11, Table 1, of Annex I				significant	Page 85
S1-1	21	Regulations on due diligence in relation to matters covered by the fundamental Conventions 1 to 8 of the International Labour Organisation			Delegated Regulation (EU) 2020/1816, Annex II		substantial	Page 85
S1-1	22	Procedures and measures to combat human trafficking	Indicator number 11, Table 3 of Annex I				essential	Page 85
S1-1	23	Concept or management system for the prevention of accidents at work	Indicator number 1, Table 3 of Annex I				essential	Page 85
S1-3	32c	Handling of complaints	Indicator number 5, Table 3 of Annex I				significant	Page 86



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Disclosure Requirements	Data point	Topic of the disclosure requirement	SFDR Reference	Pillar 3 reference	Benchmark Regulation Reference	EU Climate Law reference	Materiality	Reference
S1-14	88b 88c	Number of fatalities and number and rate of accidents at work	Indicator number 2, Table 3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		essential	Page 89
S1-14	88e	Number of days lost due to injuries, accidents, fatalities or illness	Indicator number 3, Table 3 of Annex I				significant	Page 89
S1-16	97a	Unadjusted gender pay gap	Indicator number 12, Table 1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		significant	Page 89
S1-16	97b	Excessive remuneration of members of the management bodies	Indicator number 8, Table 3 of Annex I				significant	Page 89
S1-17	103a	Cases of discrimination	Indicator number 7, Table 3 of Annex I				significant	Page 90
S1-17	104a	Failure to comply with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines	Indicator number 10, Table #1, and Indicator number 14, Table #3, of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		significant	Page 90
ESRS 2 SBM3 S2	11b	Significant risk of child labour or forced labour in the supply chain	Indicators 12 and 13, Table 3 of Annex I				significant, facilitated	Page 51
S2-1	17	Commitments in the field of human rights policy	Indicator number 9, Table 3, and Indicator number 11, Table 1, of Annex 1				significant, made use of concessions	Page 41
S2-1	18	Concepts relating to the workforce in the value chain	Indicator number 11 and No. 4, Table 3 of Annex 1				significant, made use of relief measures	Page 41
S2-1	19	Non-compliance with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12(1)		significant, facilitated	Page 41
S2-1	19	Regulations on due diligence in relation to matters covered by the fundamental Conventions 1 to 8 of the International Labour Organisation			Delegated Regulation (EU) 2020/1816, Annex II		material, made use of simplifications	Page 41
S2-4	36	Human rights issues and incidents within the upstream and downstream value chain	Indicator number 14, Table 3 of Annex 1				material, facilitated	Page 42



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Disclosure Requirements	Data point	Topic of the disclosure requirement	SFDR Reference	Pillar 3 reference	Benchmark Regulation Reference	EU Climate Law reference	Materiality	Reference
S3-1	16	Human rights obligations	Indicator number 9, Table 3 of Annex 1, and Indicator number 11, Table 1 of Annex 1				not significant	
S3-1	17	Non-compliance with the United Nations Guiding Principles on Business and Human Rights, the ILO principles and the OECD Guidelines	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12(1)		not significant	
S3-4	36	Human rights issues and incidents	Indicator number 14, Table 3 of Annex 1				not significant	
S4-1	16	Concepts relating to consumers and end-users	Indicator number 9, Table 3, and Indicator number 11, Table 1, of Annex 1				not significant	
S4-1	17	Non-compliance with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines	Indicator number 10, Table 1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12(1)		not significant	
S4-4	35	Human rights issues and incidents	Indicator number 14, Table 3 of Annex 1				not material	
G1-1	10b	United Nations Convention against Corruption	Indicator number 15, Table 3 of Annex 1				significant	Page 92
G1-1	10d	Protection of whistleblowers	Indicator number 6, Table 3 of Annex 1				essential	Page 92
G1-4	24a	Fines for breaches of anti-corruption and bribery regulations	Indicator number 17, Table 3 of Annex 1			Delegated Regulation (EU) 2020/1816, Annex II)	significant	Page 94
G1-4	24b	Standards for combating corruption and bribery	Indicator number 16, Table 3 of Annex 1				essential	Page 93

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EU taxonomy

Fundamentals

Under the EU Action Plan on Sustainable Finance, redirecting capital flows towards sustainable investments is a key objective. Against this backdrop, Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the EU Taxonomy Regulation), which, as a uniform and legally binding classification system, defines which economic activities in the EU are considered 'environmentally sustainable'. The results of this classification must be reported annually on a Company-specific basis. In 2021 and 2022, Article 9 of the EU Taxonomy Regulation initially defined criteria for the EU taxonomy environmental objectives 'Climate Change Mitigation' (CCM) and 'Climate Change Adaptation' (CCA). In June 2023, the criteria for the remaining four environmental objectives (3–6) were adopted: 'Sustainable use and protection of water and marine resources' (Water and Marine Resources (WTR)), 'Transition to a circular economy' (Circular Economy (CE)), 'Pollution prevention and (PPC)) and 'Protection and restoration of biodiversity and ecosystems' (BIO). In the reporting year 2025, GESCO made use of the exemptions provided for in the new Delegated Act (EU) 2026/73 of 4 July 2025.

An economic activity is considered taxonomy-eligible if it falls within the description of the economic activity. A taxonomy-eligible economic activity is considered taxonomy-compliant if it makes a significant contribution to at least one of the six environmental objectives without significantly undermining another environmental objective; nor does it contravene the minimum social standards. To ensure compliance with the minimum social standards, Article 18 of the EU Taxonomy Regulation stipulates that the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, including the fundamental principles and rights set out in the eight core conventions laid down in the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work (ILO core labour standards), and from the International Bill of Human Rights, must be followed.

In the 2025 reporting year, GESCO SE reports taxonomy-eligible sales and OpEx. To identify taxonomy-eligible business activities and assess taxonomy compliance, GESCO conducted the following steps in the 2024 reporting year, which were updated in the 2025 reporting year.

1. Conducting a detailed portfolio screening for each subsidiary to identify taxonomy-eligible economic activities. Enabling activities and transitional activities were also considered here.
2. Requesting sales, CapEx and OpEx figures from the commercial managers of the subsidiaries
3. Assessment of taxonomy compliance based on the substantial contribution.
4. Assessment of taxonomy compliance based on the DNSH criteria
5. Assessment of minimum social protection at the level of economic activities

Based on these audit principles, GESCO has identified the following EU taxonomy economic activities as eligible for its subsidiaries:

Environmental objective		Economic activity	Description
CCM Climate protection	6.16.	Infrastructure for low-carbon shipping	With its hydrogen loading arms, SVT makes an important contribution to the operation of infrastructure for transshipment and modal shift in ports
CCM Climate protection	7.6.	Installation, maintenance and repair of renewable energy technologies	SVT conducted maintenance on its equipment in 2025
CCM Climate change	9.2.	Market-oriented research, development and innovation	In 2025, SVT incurred expenditure on R&D activities for product innovations. This relates in particular to the new Symetric NEO loading arm, which can be used, amongst other things, for the loading of CO ₂ and thus makes a significant contribution to enabling Carbon Capture and Storage (CCS) processes.
CE Circular economy	5.2.	Sale of spare parts	SVT, Amtrion and Eckart sell standard spare parts for their loading and support arms as well as hydraulic swing motors.

The following activities with potential taxonomy eligibility were identified; however, they fall below the 10% materiality threshold and were therefore not assessed for taxonomy compliance in the reporting year: CCM 3.1 Manufacture of renewable energy technologies (INEX: filter/membrane housings for synthetic fuels/biogas), CCM 3.2 Manufacture of equipment for the production and use of hydrogen (SVT: loading arms), CCM 3.4 Manufacture of batteries (PGW: EMONI component), CCM 3.19 Manufacture of components for rail vehicles (MAE: wheel set presses), CCM 4.1 Electricity generation using photovoltaics (PV systems at MAE, SVT, PGW), CCM 6.4 Operation of personal mobility/cycling logistics facilities (bike leasing), CCM 6.5 Transport by motor vehicle (company vehicles), CCM 6.6 Road freight transport (commercial vehicles), CCM 7.2 Renovation of existing buildings (Setter, SVT), CCM 7.3 Installation/maintenance/repair of energy-efficient appliances (MAE), CCM 7.5 Installation/maintenance/repair of measurement, regulation and control devices for building energy efficiency (Eckart: Solar-Log), as well as CE 5.5 Product-as-a-Service/outcome-based models (Kesel: leasing programmes). These activities are continuously monitored with regard to materiality and potential future compliance checks.

The review of taxonomy compliance for the remaining reported economic activities revealed that none of the taxonomy-eligible economic activities could meet all criteria. The reason for this is, on the one hand, that not all of GESCO's subsidiaries were able to fully meet the minimum social safeguards. On the other hand, not all technical assessment criteria could be demonstrated.

Accounting method

The performance indicators were determined on the basis of the IFRS applicable to the consolidated financial statements and consider all fully consolidated Group companies. The performance indicators are based on the respective definitions set out in Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021, Annex 1.1.1 (Sales), 1.1.2 (CapEx) and 1.1.3 (OpEx).

Sales

Sales is reported and defined as taxonomy-eligible sales (numerator) divided by the total sales of the GESCO consolidated financial statements in accordance with IFRS within the meaning of Article 2(5) of Directive 2013/34/EU (denominator). Taxonomy-eligible sales means that part of net sales from goods or services, including intangible goods, which is associated with taxonomy-eligible economic activities during the fiscal year.

CapEx

The denominator of CapEx is the sum of capital expenditure, which comprises the following items:

- IAS 16 Tangible assets, paragraph 73, subparagraph (e), points (i) and (iii);
- IAS 38 Intangible Assets, paragraph 118, subparagraph (e), items (i);
- IAS 40 Investment Property, paragraph 76, subparagraphs (a) and (b) (for the fair value model);
- IAS 40 Investment Property, paragraph 79(d), subparagraphs (i) and (ii) (for the cost model);
- IAS 41 Agriculture, paragraph 50, subparagraphs (b) and (e);
- IFRS 16 Leases, paragraph 53(h).

The numerator of CapEx comprises portions of the capital expenditure included in the denominator relating to:

- assets or processes associated with taxonomy-eligible / taxonomy-compliant economic activities
- The expansion of taxonomy-compliant economic activities or the conversion of taxonomy-eligible economic activities into taxonomy-compliant economic activities ("CapEx Plan")
- The acquisition of output from taxonomy-eligible / taxonomy-compliant economic activities and individual measures through which the target activities are conducted in a low-carbon manner or greenhouse gas emissions are reduced.

In the reporting year, there was no CapEx plan within the meaning of Annex I, No. 1.1.2.2. of Delegated Regulation (EU) 2021/2178.

No significant taxonomy-eligible capital expenditure was identified in the 2025 reporting year.

OpEx

Total operating expenses (OpEx denominator) during the fiscal year comprise direct non-capitalised costs for research and development, building renovation, short-term leases, repair and maintenance, and other expenses related to the day-to-day maintenance of Tangible assets.

The OpEx numerator comprises parts of the operating expenses included in the denominator relating to:

- Assets or processes associated with taxonomy-eligible / taxonomy-compliant economic activities
- The expansion of taxonomy-compliant economic activities or the conversion of taxonomy-eligible economic activities to taxonomy-compliant economic activities ("CapEx Plan")
- The acquisition of output from taxonomy-eligible / taxonomy-compliant economic activities and individual measures through which the target activities are conducted in a low-carbon manner or greenhouse gas emissions are reduced.

The metric is defined as taxonomy-eligible OpEx (numerator) divided by the total OpEx (denominator) of the GESCO Group.

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Proportion of sales, CapEx and OpEx from goods or services associated with taxonomy-eligible or taxonomy-compliant economic activities – Disclosure for fiscal year 2025 (summary KPI)

KPIs	Total	Proportion of taxonomy-compliant activities	Taxonomy-compliant activities	Proportion of taxonomy-compliant activities	Breakdown of taxonomy-compliant activities by environmental objective							Proportion of enabling activities	Proportion of transitional activities	Unassessed / non-material activities	Taxonomy-compliant activities in the previous fiscal year (2024)	Proportion of taxonomy-compliant activities in the previous fiscal year (2024)
					Climate action	Adaptation to climate change	Water	Circular economy	Environmental pollution	Biodiversity						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
Sales	€494,972,652.18	10.9%	€0.00	0.0%	6.9%	0.0%	0.0%	3.9%	0.0%	0.0%	0.0%	0.0%	5.7%	€0.00	0.0%	
CapEx	€16,992,452.95	0.0%	€0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.8%	€0.00	0.0%	
OpEx	€8,205,010.97	12.3%	€0.00	0.0%	6.9%	5.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.7%	€0.00	0.0%	

Proportion of sales from products or services associated with taxonomy-compliant or taxonomy-oriented economic activities – Disclosure for fiscal year 2025 (breakdown by activity)

Economic activities	Code	Taxonomy-compliant KPIs (proportion of taxonomy-compliant sales)	Taxonomy-compliant KPI (monetary value of sales)	Taxonomy-compliant KPI (proportion of taxonomy-compliant sales)	Environmental objective of taxonomy-compliant activities							Enabling activity	Transitional activity	Proportion of taxonomy-eligible activities that comply with the taxonomy
					Climate protection	Adaptation to climate change	Water	Circular economy	Environmental pollution	Biodiversity				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
CCM Climate protection	6.16.	6.90%	EUR0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	EUR0.00	EUR0.00	0.0%	
CE Circular economy	5.2.	3.95%	EUR0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	EUR0.00	EUR0.00	0.0%	
Total compliance by target					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
Total KPI value (turnover)		10.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	

Proportion of operating expenses (OpEx) arising from products or services linked to taxonomy-compliant or taxonomy-oriented economic activities – Disclosure for fiscal year 2025 (breakdown by activity)

Economic activities	Code	Taxonomy-compliant KPIs (proportion of taxonomy-compliant OpEx)	Taxonomy-compliant KPI (monetary value of OpEx)	Taxonomy-compliant KPI (proportion of taxonomy-compliant OpEx)	Environmental objective of taxonomy-compliant activities								Enabling activity	Transitional activity	CCA Adaptation to climate change-eligible activities that comply with the taxonomy
					Climate protection	Adaptation to climate change	Water	Circular economy	Environmental pollution	Biodiversity					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)		
CCM Climate protection	7.6.	6.93%	EUR0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	EUR0.00	EUR0.00	0.0%		
Taxonomy-compliant share of taxonomy-eligible activities	9.2.	5.38%	EUR0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	EUR0.00	EUR0.00	0.0%		
Total compliance by target					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%					
Total KPI value (turnover)		12.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		

Climate change (E1)

GESCO SE aims to meaningfully reduce environmental impacts through the core business of its subsidiaries and thereby make important contributions to society as a whole. For 2025, the focus was on the further development of sustainability management, the reduction of energy consumption through the use of renewable energies, and the transition to more sustainable materials and processes. The Managing Directors of the subsidiaries see the greatest negative impacts of business activities on sustainability issues in the area of energy and resource consumption. As energy consumption in the course of business activities is also the main driver of GESCO's greenhouse gas emissions, the reduction of energy consumption goes hand in hand with targeted decarbonisation.

Our material impacts, risks and opportunities related to climate change (E1 SBM-3)

The GESCO Group has not yet conducted a resilience analysis within the meaning of the CSRD. Nevertheless, its strategy is geared towards climate change resilience: through cross-sector diversification into climate-friendly technologies, mechanical and plant engineering, and automation, GESCO reduces dependencies and increases resilience. The key impacts, risks and opportunities (IROs) relating to climate change were identified via a double materiality analysis rather than a resilience analysis, based on portfolio and process assessments, regulatory requirement analyses (e.g. ESRS/EU Taxonomy), energy and emissions data, and stakeholder feedback from the subsidiaries.

IRO	Value chain			Time horizon		
	Upstream	Own operations	Downstream	<1 year	1–5 years	>5 years
Impact 1 (actually negative): Increase in greenhouse gas emissions due to the use and harvesting of wood in the supply chain	■				■	
Impact 2 (actually positive): The products manufactured by the Group already support climate-friendly industries and create transition technologies			■			■
Impact 3 (actually negative): Negative impacts on climate change due to high energy consumption in the manufacture of paper sticks		■		■		
Impact 4 (actually negative): High energy consumption in the production of paper in the upstream supply chain	■				■	
Risk 1: Economic impacts arising from the use of energy- and CO ₂ -intensive cast and steel products in the manufacturing processes of subsidiaries operating in the Materials Refinement & Distribution and Industrial Assets & Infrastructure segments	■			■		
Risk 2: Further rises in energy prices are putting pressure on the subsidiaries' cost structures and having a negative impact on their margins		■		■		

Impact 1 (actually negative): Increase in greenhouse gas emissions due to the use and harvesting of wood in the supply chain

The use of natural resources such as wood for paper production contributes to an increase in greenhouse gas emissions and thus exacerbates the climate crisis. Paper is the most important raw material for Setter, and its sustainable sourcing is crucial to reducing our climate-related impacts.

Impact 2 (actually positive): The products manufactured within the Group already support climate-friendly industries and create transition technologies.

The products manufactured within the Group are already actively supporting climate-friendly industries and promoting the use of transition technologies. Subsidiaries such as MAE, with its wheel set presses for rail vehicles, and SVT, with its hydrogen loading arms, are helping to drive forward environmentally friendly sectors such as rail transport and decarbonisation. Furthermore, many of our products are key components in the development of innovative technologies aimed at mitigating climate change. Technologies such as CCS (Carbon Capture Storage), battery technology, e-mobility and 3D printing/robotics are examples of how our company's solutions make a valuable contribution to strengthening a sustainable and independent economy.

Impact 3 (actually negative): Negative impact on climate change due to high energy consumption in the manufacture of paper sticks

The production of paper sticks at Setter is an energy-intensive process, as it requires significant amounts of heat and electrical energy for the various processing steps, including the preparation of the raw material. This energy intensity has a direct impact on our Company's carbon footprint.

Impact 4 (actually negative): High energy consumption in paper production within the upstream supply chain

The production of paper as a raw material is also an energy-intensive process that has a significant negative impact on the environment. The high energy consumption stems from the need to provide massive quantities of heat and electrical energy for various processing stages, such as the preparation of raw materials, pulp extraction and the drying of paper webs. This energy-intensive production leads to increased greenhouse gas emissions and places a burden on the environment.

Risk 1: Economic impacts arising from the use of energy- and CO₂-intensive cast iron and steel products in the manufacturing processes of subsidiaries operating in the Materials Refinement & Distribution and Industrial Assets & Infrastructure segments

Almost all of the subsidiaries require steel for the manufacture of their machinery, plant and intermediate products. In manufacturing, steel is one of the most energy-intensive metals. A rise in energy prices or future CO₂ pricing could significantly increase production costs, which would put pressure on the subsidiaries' profit margins. These financial burdens are particularly critical as they jeopardise GESCO's competitiveness in an increasingly environmentally conscious market and could undermine the Company's financial stability. This risk is a climate-related transition risk.

Risk 2: Further rises in energy prices are straining the cost structures of the subsidiaries and having a negative impact on their margins.

The persistently high energy prices are leading to additional costs – particularly for subsidiaries with energy-intensive manufacturing processes. A further rise in energy prices or consistently high prices represent a business risk and have a negative impact on margins. This risk is also a climate-related transition risk.

Transition plan for climate change mitigation (E1-1)

Sustainable business practices in the context of climate change mitigation are an essential component of GESCO's sustainability strategy. Despite the priority given to reducing greenhouse gas emissions, there is currently no up-to-date transition plan with clear, long-term targets. As a first step, GESCO plans to incorporate the results of the climate scenario analysis carried out (see chapter 'Thematic description of the procedures for identifying and assessing material impacts, risks and opportunities (ESRS 2 IRO-1)') into a comprehensive transition plan in accordance with the CSRD, EU Taxonomy and EUDR over the next two years, with a view to 2026. This plan is to include concrete measures to reduce greenhouse gas emissions and consider both regulatory requirements and stakeholder expectations.

Policies in connection with climate change mitigation and climate change adaptation (E1-2)

To date, GESCO has not formulated any group-wide concepts on the subject of climate change mitigation and climate change adaptation. Nevertheless, the subsidiaries have addressed this issue individually and have taken measures or formulated plans. In line with the operational autonomy of the subsidiaries, it is their responsibility to prioritise efficient and effective sustainability initiatives within the context of their individual sustainability strategies. There is a shared conviction that economically sustainable behaviour secures future success, and that taking environmental factors into account avoids follow-up costs and increases process efficiency. GESCO is in continuous dialogue with the subsidiaries regarding the further development of their respective sustainability strategies.

Actions and resources in relation to our climate change policies (E1-3)

Due to GESCO's diverse business model, no group-wide measures have been implemented to date. GESCO's subsidiaries are implementing specific measures across their own key areas of focus to put their climate strategies into practice. Clear responsibilities for compliance with environmental regulations are established within the companies, particularly with regard to the certification systems in use; internal controls and regular training ensure implementation within the decentralised operating model. To reduce their energy-related footprint, individual companies source 100% green electricity (including AMTRION, Kesel and SVT), conduct regular energy audits and are expanding photovoltaic installations on roofs and open spaces, with the result that more than half of the companies now use their own renewable electricity. Operational efficiency measures include the switch to LED lighting, the introduction of company car policies with a higher proportion of electric and hybrid vehicles (including AMTRION, INEX, MAE, SVT), and the expansion of charging infrastructure at sites (including PGW, INEX). In production, plant efficiency and process quality are being specifically improved. MAE, for example, is improving thermal insulation by installing a cold storage seal; Setter uses machine waste heat for space heating. Looking ahead, Overall Equipment Effectiveness (OEE) will be established group-wide as a key performance

indicator for availability, performance and quality, in order to systematically optimise energy-intensive plants. The specific impacts of these decarbonisation levers have not yet been quantified but are to be determined within future transition plans.

Targets in connection with climate change mitigation and climate change adaptation (E1-4)

Within the GESCO Group, targets for climate change mitigation and climate change adaptation are set decentrally by the subsidiaries and adapted to their different business models and risk profiles. The Executive Board and Supervisory Board define group-wide key targets for this purpose and prioritise their implementation as part of the strategy and budget processes. Across the board, the Group pursues three key objectives: reducing energy-related consumption across all companies and increasing the share of renewable energy in the Group's electricity mix to 80% by 2030. To implement this, specific, measurable targets are derived within the companies. Concrete emission reduction targets have not yet been defined for the reporting year 2025 but are also to be established as part of the development of a transition plan.

Our energy consumption and energy mix (E1-5)

The climate intensity of our business activities is generally classified according to NACE codes. The GESCO Group operates primarily in two climate-intensive sectors: steel and metal processing, and the manufacture of paper products. In metal processing, energy-intensive core processes dominate the overall balance, including rolling, which requires high levels of electrical energy due to significant mechanical loads; welding and finishing, which involve precise temperature control and high process heat; and surface treatment through polishing, grinding and sandblasting, which require mechanical and, in some cases, thermal energy. In addition, cutting, bending, punching and grinding are further electricity-intensive processing steps that influence the energy balance. In paper manufacturing – classified as an energy-intensive sector under EU Regulation (EC) No 1893/2006 – significant energy consumption occurs particularly in the production of paper products, such as those for confectionery and hygiene applications. Beyond the actual manufacturing process, energy use in transport and logistics – for both raw materials (e.g. steel and alloys) and finished products – contributes further to the overall energy intensity. This sector- and process-specific

breakdown forms the basis for a robust assessment of energy intensity and serves as a starting point for efficiency improvements.

The figures for reported consumption are based on higher heating values (HHV). To assess the comparability of the figures, the following changes in the Group structure must be considered: AstroPlast GmbH & Co. KG was still included in the energy balance for the 2024 reporting year and, with a high proportion of nuclear energy, had a significant impact on the energy mix. This Company was sold on 31 December 2024 and is therefore no longer included in the 2025 calculation. Furthermore, the sale of part of the Doerrenberg company, also on 31 December 2024, has eliminated a very energy-intensive process. The steel foundry division had a particular impact on total energy consumption in 2024. However, due to the high proportion of renewable energy at Doerrenberg, the proportion of fossil and renewable energy sources has also changed significantly. In the 2025 reporting year, Eckart GmbH was included for the first time as a new subsidiary. The sub-subsidiaries Tremblay and BAV were additionally surveyed or extrapolated in the 2025 reporting year. As the production sites of the subsidiaries are geographically distinct, double counting is ruled out. There is no energy generated on-site and sold to third parties, nor are there any internal energy flows or 'sales' within the organisational boundaries. In principle, only final energy consumed is recorded. The electricity mix is broken down into fossil, nuclear and renewable sources, considering contractually guaranteed certificates of origin (green electricity tariffs).

Energy consumption and energy mix¹

	Unit	2025	2024	Change in %
Fuel consumption from coal and coal products	kWh	0	0	N/A
Fuel consumption from crude oil and petroleum products	kWh	540,311	890,740	-39.3
Fuel consumption from natural gas	kWh	20,013,547	27,904,853	-28.3
Fuel consumption from other fossil sources	kWh	1,459,180	180,807	+707.0
Consumption of purchased or received electricity, heat, steam and cooling from fossil sources	kWh	7,584,051	1,841,265	+311.2
Total energy consumption from fossil fuels	kWh	29,584,051	30,817,665	-4.0
Share of fossil fuels	%	64	49	+14.9
Consumption from nuclear sources	kWh	768,391	4,863,359	-84.2
Share of nuclear sources	%	2	8	-6.1
Fuel consumption for renewable sources	kWh	205,674	882,299	-76.7
Consumption of purchased/received electricity, heat, steam and cooling from renewable sources	kWh	15,425,798	26,156,461	-41.0
Consumption from self-generated renewable energy	kWh	313,677	189,698	+65.4
Total consumption of renewable energy	kWh	15,945,150	27,228,458	-41.4
Share of renewable energy	%	34	43	-8.8
Total energy consumption	kWh	46,297,592	62,909,482	-26.4

¹ As data for the end of 2025 is not yet available, consumption figures for five subsidiaries have been estimated for the one to three-month period. The year-end figures were assumed based on data from the previous year and projections for the current year. The company Tremblay was fully extrapolated due to data availability. A number of reclassifications were also made in accordance with ESRS, which also resulted in significant changes compared with the previous year. The sales companies operating abroad are not included, but they do not have any significant energy consumption either.

Energy generation

	Unit	2025	2024	Change in %
Renewable energy generation	kWh	349,654	226,229	+35.3
Non-renewable energy generation	kWh	0	0	N/A

Self-generated energy from renewable sources comprises the energy generated on-site via the companies' PV systems. The data is derived from direct measurements of the companies' own systems.

Energy intensity

	Unit	2025	2024	Change in %
Net sales from activities in climate-intensive sectors	TEUR	343,466	377,542	-9.9
Net sales (other)	TEUR	150,354	136,619	+9.1
Total net sales (annual financial statements)	TEUR	493,820	514,081	-4.1
Total energy consumption from climate-intensive sectors per net sales from climate-intensive sectors	kWh/EUR	0.13	0.16	-18.7

Total energy consumption is defined as the sum of all purchased and self-generated energy quantities used during the reporting period in the climate-intensive sectors. Net sales in climate-intensive sectors can be linked to the total sales in the annual financial statements through quantitative reconciliation. Energy intensity is calculated by dividing total energy consumption by sales.

Greenhouse gas emissions (gross and net) in the categories of Scope 1, 2 and 3 GHG emissions from categories 1, 2 and 3 (E1-6)

Between the reporting periods of 2024 and the balance sheet date of 2025, significant changes have occurred in the GESCO Group's value chain which have a material impact on greenhouse gas emissions and their calculation. As at 31 December 2024, the subsidiary AstroPlast and two divisions of Doerrenberg were sold. Both units were energy-intensive and had a particular impact on Scope 2 emissions. The Doerrenberg 'steel foundry' division also had a significant impact on total energy consumption in 2024. The carbon footprint for 2024 was therefore adjusted to exclude AstroPlast's data. Due to the complexity of the Doerrenberg split, the 2024 data was not adjusted to exclude the divested parts of Doerrenberg. In the 2025 fiscal year, Eckart GmbH was acquired and consolidated for the first time. The sub-subsidiaries Tremblay and BAV were additionally surveyed or extrapolated. These structural changes mean that the GHG footprint for 2024 and 2025 is only comparable to a limited extent. To ensure methodological consistency, the CO₂ factors in all surveyed categories were harmonised to the 2024 factor levels. However, the main sources of the CO₂ factors have not changed. They are primarily calculated by the Department for Energy Security & Net Zero and EXIOBASE v3.8.2.

For individual subsidiaries, not all consumption data was available at the end of 2025. The missing monthly figures were validated and extrapolated based on reliable data from the previous year and current trend projections. Distribution companies abroad are not included in the emissions calculation, but do not generate any significant emissions. Overall, the reported GHG emissions for 2025 reflect both the changed consolidation basis and the standardised methodology; deviations from 2024 result primarily from portfolio effects (divestments/investments) and not from methodological changes.

Greenhouse gas emissions

	2025	2024	Change in %
Scope 1 – Gross GHG emissions			
Emissions by category	[t CO ₂ e]	[t CO ₂ e]	
1.1 Stationary combustion	4,395	6,167	-28.7
1.2 Mobile combustion	657	676	-2.9
1.3 Process emissions	0	0	N/A
1.4 Fugitive emissions	2	58	-96.9
Scope 2 – Gross GHG emissions			
2 Purchased energy (market-based)	3,538	8,268	-57.2
2 Purchased energy (site-based)	7,191	8,334	-13.7
Scope 3 – Gross GHG emissions			
3.4 Transport and distribution (upstream)	29,624	8,880	+233.6
3.5 Waste generated during operations	2,062	1,441	+43.1
3.6 Business travel	1,331	1,019	+30.6
3.7 Employee commuting	1,978	1,786	+10.8
3.9 Transport and distribution (downstream)	11,382	21,512	-47.1
Total emissions (market-based)	54,968	58,141	-5.5
Total emissions (site-based)	58,621	49,873	+17.5

No data was collected for the Scope 3 categories 'Purchased goods and services', 'Capital goods', 'Downstream use of sold products' and 'Use of sold products' due to insufficient data availability and tracking.

The Scope 3 category "Energy-related emissions (upstream)" was excluded, as grid losses in power lines or in fuels do not occur on a significant scale. As there is no direct control over the operational processes of the rented or leased tangible assets in the upstream value chain, data collection for the Scope 3 category "Rented/Leased Tangible Assets (Upstream)" was excluded.

No data was collected for the category “Disposal of sold products at the end of their useful life”, as machinery and plant are durable and consist largely of steel components that are recycled. Similarly, products such as turned brass parts from Funke are recycled at the end of their useful life.

Leasing machinery or plant to customers does not feature in any of our subsidiary’s business models; therefore, the Scope 3 category ‘Rented/Leased Fixed Assets (Downstream)’ was excluded from the data collection.

As GESCO is not a franchisee and does not acquire shares or equity interests, the categories ‘Franchise’ and ‘Investments’ were also excluded from the data collection.

Greenhouse gas intensity

	2025	2024	Change in %
	[CO ₂ eq/TEUR]	[CO ₂ eq/TEUR]	
Total GHG emissions (site-based) per net sales	343,466	377,542	-9.0
Total GHG emissions (market-based) per net sales	150,354	136,619	+10.0

Environmental pollution (E2)

As part of its reporting on the use of substances of concern and their impact on the environment, GESCO has identified processes at ECKART and PGW that require the use of substances that may pollute water. ECKART and PGW have developed comprehensive strategies, measures and targets to prevent water pollution and ensure their environmental responsibility. Both companies pursue an integrated safety and environmental policy based on continuous improvement and legal requirements.

Material impacts, risks and opportunities relating to air, water and soil pollution (E2)

IRO	Value chain			Time horizon		
	Upstream	Own operations	Downstream	<1 year	1–5 years	>5 years
Impact (potentially negative): Water pollution caused by the use of hazardous substances in production		■				■

Impact: Water pollution caused by the use of hazardous substances in production

The use of hazardous substances in production has the potential to cause significant negative environmental impacts. For example, manufacturing at PGW and Eckart generates contaminated water that must be disposed of appropriately. The use of cyanide-based processes at PGW is subject to strict legal requirements due to its status as a major accident site, which increases the likelihood of water pollution. In Germany, a major-accident establishment is an industrial facility that falls within the scope of the Major Accidents Ordinance (12th BImSchV) due to the storage or use of hazardous substances above certain quantity thresholds. These establishments are subject to strict safety requirements for prevention and damage mitigation. Furthermore, Eckart uses perchloroethylene to degrease products prior to painting, which poses a significant risk to people and the environment in the event of direct contact. Should substances enter the water cycle in the event of leaks or technical faults, this could have a significant impact on the surrounding environment.

Policies in connection with water pollution (E2-1)

A central element of both companies’ approaches to handling water-polluting substances is the implementation of closed-loop systems that prevent direct contact between chemicals and the environment, particularly groundwater.

At Eckart, perchloroethylene is used in an automated degreasing process that takes place entirely within a closed unit, with vapours being extracted and evacuated before the cleaning units are opened.

PGW has similar systems in its electroplating facilities, where process wastewater is treated centrally in an on-site wastewater treatment plant before being discharged into the municipal sewerage system. PGW is a subsidiary of Gesco AG operating in the steel finishing sector. Through the safety report pursuant to Section 9 of the Major Accidents Ordinance (StörfallV), it considers the heightened safety requirements applicable to operational areas where hazardous substances are handled in significant quantities. It operates electroplating facilities for the finishing of strip steel and must ensure that its operational processes do not pose any serious risks to employees, the environment or the local community. As part of its safety management system, PGW adheres to strict safety principles focusing on plant safety, occupational health and safety, and hazard prevention management. The company policy, established by the management, serves as a guideline for all employees in the safe performance of their work and commits them to striving for continuous improvements in the areas of safety, health and environmental protection, as well as to complying with all legal requirements.

GESCO does not currently have a central corporate strategy in this regard, as this is an extremely specific issue that affects only PGW and ECKART – that is, just two of its ten subsidiaries.

Actions and resources related to water pollution (E2-2)

Both companies also rely on comprehensive training programmes to raise awareness and train their employees in the handling of hazardous substances and the prevention of environmental risks. These programmes include annual training sessions on the safe handling of chemicals as well as emergency drills to respond to potential incidents.

In ECKART's production processes, perchloroethylene is used in a closed, automated system to degrease products prior to painting. This process is designed to ensure that there is no direct contact between employees and the substance or the environment. Perchloroethylene is handled exclusively in sealed containers, which are filled into and removed from the system under vacuum conditions. Degreasing takes place in a separate, enclosed cleaning chamber using perchloroethylene vapour. Before the chamber is opened, it is evacuated to reduce the vapour concentration to below 1 g/m³ to ensure safe handling. In addition, spill trays and the use of so-called Safe-Tainers provide further protection. The Company conducts regular training sessions, which take place at least once a year in accordance with the provisions of the GefStoffV (Hazardous Substances Ordinance). The last training session took place on 9 September 2025 and is documented in the training log. Furthermore, the use of perchloroethylene is monitored through regular qualitative checks, which assess acid absorption capacity and alkalinity reserve on a monthly basis. An annual solvent analysis is also conducted. External calibrations of the limit value transmitters and tests in accordance with Section 29 of the Federal Emission Control Act (BlmSchG) and the Hazardous Substances Ordinance (AwSV) are conducted for the entire plant, with all results duly documented.

In the area of hazard source analysis, PGW has systematically investigated potential safety risks in its operational areas. In doing so, hazard sources such as mechanical failure, material mix-ups or inadequate training measures were identified. The safety relevance of the plant components was determined using information on hazardous substances in accordance with Annex I of the StörfallV, with the operational units where there is a risk of a major accident being described in detail. Particular attention was paid to the electroplating facilities, which present an elevated risk, especially with regard to the handling of acutely toxic substances such as cyanides, nickel sulphates and other chemicals. PGW has also implemented a comprehensive emergency management system, which includes an alarm and emergency response plan. This plan sets out responsibilities, describes the procedures for raising the alarm and defines the measures that must be taken to mitigate risks in an emergency. Given the location



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of the operational area within an industrial estate, it was concluded that, in the event of an incident, potential impacts on neighbouring areas and the environment cannot be ruled out with certainty. However, sufficient preventive measures have been taken to minimise these risks.

The safety reports also addressed the management of hazardous substances in the relevant storage areas. PGW emphasises the importance of the correct storage and handling of hazardous substances to avoid an increased risk of incidents and implements organisational and technical safety measures to this end. At present, no domino effect is apparent for PGW in neighbouring businesses and facilities, meaning that incidents at PGW do not increase the likelihood of an incident in neighbouring areas.

Targets related to water pollution (E2-3)

Both companies aim to continue to prevent any incidents involving water-polluting substances. This also includes the objective of training 100% of employees who come into contact with these substances through their work, as well as continuing to comply with all regulatory limits.

Air, water and soil pollution (E2-4)

As part of its reporting on the use of substances that may pose a risk to water and their impact on the environment, Eckart, as part of the GESCO Group, provides information on the use of perchloroethylene in its production processes. Perchloroethylene, a chemical substance frequently used in industrial applications, is a colourless and odourless liquid. It is non-flammable and non-explosive, but poses potential health risks, including possible carcinogenicity, and is classified as toxic to aquatic organisms with long-term effects. The facility has a total capacity of 500 litres of perchloroethylene, with annual consumption amounting to approximately 160 litres of fresh product. This quantity is replenished and checked annually. The risks to employees and the environment can therefore be assessed as exceptionally low, a view supported by the fact that there have been no incidents to date.

The PGW provides information on the use of substances that may pose a risk to water, in particular sodium cyanide and copper cyanide, in electroplating processes. Cyanides are solid, white-coloured substances with a characteristic bitter almond odour. They are non-flammable, highly water-soluble (≈ 370 g/l at 20 °C) and exhibit basic behaviour (pH ≈ 11.15 in aqueous solution). Relevant thermal properties include a melting point of approximately 563.7°C and decomposition below 300°C; explosion limits and flash point are not applicable. Due to their chemical properties, they form metal-cyanide complexes, which are required for precise, smooth and firmly adhering metallic deposits in electroplating, particularly for brass deposition (copper/zinc). Annual consumption in the 2025 fiscal year amounted to 71.6 tonnes. Here too, there were no incidents in the 2025 reporting year.

The issue of microplastics does not play a role in either production process.

Water and marine resources (E3)

Water is an essential but limited resource. High water consumption puts a strain on ecosystems, exacerbates droughts and increases the energy required for water treatment and transport. There is significant potential for savings, particularly in industry. Resource conservation is one of the GESCO Group's core objectives. Sustainable management involves using water efficiently, reducing waste and promoting reuse, including in the upstream supply chain.

Material impacts, risks and opportunities relating to water and marine resources (E3)

IRO	Value chain			Time horizon		
	Upstream	Own operations	Downstream	<1 year	1-5 years	>5 years
Impact (actually negative): High water consumption in the production of paper rolls by suppliers to the Setter Group	■					■

Impact: High water consumption in the production of paper rolls by suppliers to the Setter Group

The production of paper rolls requires high water consumption, which can result in environmental impacts in the upstream supply chain. Industrial water consumption can affect the long-term availability of water resources and contributes to various environmental and social challenges. These include, amongst others, the drying up of water bodies, loss of biodiversity, soil salinisation and erosion. For people, this can lead to risks such as water scarcity and health problems, which may also have socio-economic impacts depending on the region.

Policies relating to water and marine resources (E3-1)

There is currently no group-wide policy regarding the use of water resources, particularly in the upstream supply chain. Nevertheless, the subsidiaries concerned have addressed this issue individually and have taken measures or formulated plans. This applies in particular to the Setter Group, which has engaged intensively with the resource use of its upstream suppliers.

GESCO is in constant dialogue with the Setter Group to jointly identify risks and reduce their impact.

Actions in connection with water and marine resources (E3-2)

To minimise risks in the supply chain, Setter places great emphasis on its suppliers' practices and their ability to meet standards. Key criteria in the selection of suppliers include ISO certifications, the relevance of which is particularly evident in ISO 14001, which addresses water consumption and environmental management. We also look for certifications such as FSC and PEFC, which guarantee sustainable forestry. The EcoVadis and EMAS systems also play a crucial role in assessing suppliers' sustainability practices. In practice, process water is generally reused several times, thereby significantly reducing the demand for fresh water. Wastewater is also treated before being discharged into nearby rivers, the water quality of which is regularly monitored. Our suppliers also implement measures to further reduce their water consumption, thereby actively contributing to sustainable water management throughout the supply chain.

Targets related to water and marine resources (E3-3)

The Setter Group aims to continuously review water management within the supply chain. This includes promoting sustainable water management among suppliers to ensure that all partners actively contribute to reducing water consumption and water pollution.

Resource use and circular economy (E5)

The GESCO Group regards resource efficiency as a key issue. In addition to its generally increasing importance, reflected in stricter legal requirements and competition for raw materials, the issue of resource conservation has also become a competitive factor among subsidiaries. It is therefore of particular importance to GESCO to track resource consumption across all companies in order to derive targeted control measures.

Our material impacts, risks and opportunities related to resource use and the circular economy (E5 SBM-3)

IRO	Value chain			Time horizon		
	Upstream	Own operations	Downstream	<1 year	1-5 years	>5 years
Impact 1 (actually positive): Promotion of the circular economy through sustainable use of materials		■		■		
Impact 2 (potentially negative): Potential negative impacts due to a lack of take-back and recycling schemes in mechanical engineering		■				■
Impact 3 (actually positive): Reduction in waste through extended product lifecycles in mechanical engineering		■				■

Impact 1: Promoting the circular economy through sustainable use of materials

The subsidiary Setter develops paper sticks that represent an environmentally friendly alternative to plastic sticks. These biodegradable products, which are made from sustainable or recycled materials, contribute to the reduction of waste and environmental impact. The subsidiaries in the Materials Refinement & Distribution and Industrial Assets & Infrastructure segments also place great emphasis on the separation, sale and reuse of scrap, for example through software-supported processes at INEX. Targeted material separation enables better recyclability and integration into the production process, thereby reducing dependence on new raw materials. The sale of valuable scrap generates additional sales and reduces the environmental impact of landfill.

Impact 2: Potential negative impacts due to a lack of take-back and recycling schemes in mechanical engineering

The current lack of circular economy business models within the GESCO Group that provide for the take-back and recycling of products in mechanical engineering has potentially negative environmental impacts. Without these key elements, the creation of a functional circular economy is significantly hindered. Products that are not taken back or recycled contribute to the accumulation of waste and lead to increased consumption of raw materials, which places a burden on the environment. The failure

to integrate sustainable practices into the production process runs counter to the goals of resource conservation and waste reduction, which has a negative impact on the environmental footprint of the Company and the industry as a whole.

Impact 3: Waste reduction through product lifecycle extensions in mechanical engineering

The introduction of the 'retrofit' business model, as well as the overhauls of used equipment at SVT, MAE and Kesel, not only enable market share growth but also contribute significantly to extending the life cycles of machinery and equipment. Updating and refurbishing existing equipment reduces the need for new production resources, thereby reducing waste volumes. These practices support the principles of the circular economy by maximising the service life of machinery and minimising waste production. Reducing waste leads to a lower environmental impact because less waste ends up in landfill and overall resource use is optimised.

Policies relating to resource use and the circular economy (E5-1)

At the heart of the Group's environmental approach lies the conservation of resources, the promotion of the circular economy and the reduction of environmental impacts throughout the entire value chain.

The following overview shows the main material inflows and outflows per segment:

Materials Refinement & Distribution

- Resource inflows: scrap and semi-finished products made of steel/stainless steel, alloying additives, consumables and operating materials (pickling agents, lubricants, coolants/cleaning agents), packaging (wood, cardboard)
- Resource outflows: refined steel ingots, castings and semi-finished products; value scrap (separated and marketed); process residues (spent sand, refractory linings, filter dust) and packaging waste sorted by type

Health Care & Life Science

- Resource inflows: stainless steel/aluminium components, electrical parts and assemblies, paper and fibre raw materials (including pre-consumer recyclate), auxiliary materials (adhesives, inert gases, cleaning/pickling agents), packaging
- Resource outflows: medical/food-related products and assemblies (e.g. support arm systems, stainless steel containers/pressure pipes, paper sticks); production residues (metal shavings, paper cuttings) for reuse/recycling; separately collected packaging waste

Industrial Assets & Infrastructure

- Resource inflows: steel/stainless steel, aluminium, purchased parts (mechanical, electrical/electronic), hydraulic and pneumatic components, lubricants/coolants, surface treatment agents, packaging
- Resource outflows: Machinery and equipment (machine tools, presses, loading arms) including spare parts; returns for retrofitting/overhaul; production residues (offcuts, shavings) and separately collected packaging waste

To reduce the use of primary raw materials and to strengthen secondary and renewable resources, the Group pursues a circular strategy with three key components. The first component relates to the retrofit business model, which extends the life cycles of existing plant through general overhauls and technological upgrades, particularly for machines with a service life of over 15 years. This reduces material requirements and the need for new investments. The second pillar aims to increase recycling rates – particularly for stainless steel – through the systematic separation, marketing and reuse of scrap, in order to keep recyclable materials in the cycle and minimise waste. The third component involves the avoidance of production waste through software-supported process optimisation and quality-assured separation of recyclable materials in accordance with ISO 14001. In addition, we are strengthening sustainable procurement and the use of renewable and secondary resources. This includes initiatives to prevent waste by reducing errors and rejects, as well as the consistent reuse of material flows. Production waste (e.g. plastics, paper, metal shavings) is collected separately, recycled and – where possible – returned to the manufacturing process as secondary resources. This holistic approach ensures that resource efficiency, extended product lifespans and closed material cycles systematically contribute to reducing the Group's environmental footprint.

Actions and resources related to resource use and the circular economy (E5-2)

The GESCO Group implements specific measures for resource use and circular economy that directly target material usage, waste prevention and closed material cycles. All subsidiaries operate certified waste management systems and cooperate closely with recycling companies. High recycling rates, particularly for stainless steel, are achieved through consistent separation, marketing and reuse of scrap. Production waste such as plastics, paper and metal shavings is collected separately, recycled and returned to processes as secondary raw materials. In the 2025 reporting year, the 'scrap rate' metric was integrated into the monthly monitoring process. This measure makes it possible to provide transparency regarding offcuts and scrap, to initiate targeted process optimisations and thus increase recycling rates, as well as to further reduce the use of primary raw materials.

In packaging management, single-use packaging is being reduced and reusable systems expanded. Kesel uses lighter cardboard boxes instead of single-use wooden crates, replaces single-use Euro pallets with reusable pallets, and consolidates shipments into groupage loads; Eckart has switched its entire packaging system to recycled cardboard and paper, thereby avoiding plastic packaging altogether. At MAE, the focus is also on the reuse of packaging materials. Even for general production supplies, such as rags or spill mats, many subsidiaries now rely on suppliers with more sustainable exchange systems rather than disposable products.

Software-supported optimisations are used to boost production-related efficiency: INEX minimises waste through laser-based cutting planning, thereby reducing material waste. Setter develops paper solutions from chlorine-free bleached pulp and sugarcane fibres and has brought the relevant processes to series production to reduce primary material requirements and promote bio-based alternatives. These measures establish closed material cycles, extend product lifespans and reduce the demand for primary raw materials across multiple stages of the value chain. In the retrofit sector, existing plants are systematically overhauled and technically upgraded: MAE, SVT, Kesel and other companies offer comprehensive refurbishment and remanufacturing services, including the take-back of used products, the overhaul of ship and land loading arms, and the expansion of the spare parts business to extend service life.

Targets in relation to resource use and the circular economy (E5-3)

GESCO has established clear targets across material flows to measurably improve efficiency, quality and environmental impact. Overall, we aim to reduce the scrap rate by 10% by 2030 compared to the base year 2025, thereby permanently reducing material consumption, emissions and costs.

Resource inflows (E5-4)

The subsidiaries of the GESCO Group utilise several key resources throughout their value-added assembly and manufacturing processes. Metallic materials such as stainless steel, as well as steel bars, steel blocks and steel castings, are essential; due to their corrosion resistance and durability, they form the core of numerous products. In addition, GESCO is increasingly relying on recycled aluminium for lightweight, stable applications. Electricity is central to plant operations; energy use is continuously optimised, and the share of renewable energy is being expanded. In manufacturing, chemicals and auxiliary materials such as grinding pastes, cleaning agents, shielding gases, greases, lubricants and pickling agents, adhesives and coolants, as well as solvents, are also used. Water is drawn for production purposes, with the aim of minimising consumption in a sustainable manner. GESCO uses a decentralised certification system that reflects the diversity of its business models and products. Each subsidiary complies with the standards and approvals relevant to its business, including ISO (e.g. 9001, 14001), ASME, SELO, CRN, KEA, UKCA and JIS, to ensure consistently high quality and safety standards in development, production and operation. In addition, the Group applies the cascade principle: direct suppliers are contractually obliged to hold defined certificates and meet defined standards; these requirements are passed on to downstream suppliers throughout the supply chain. This creates a consistent level of compliance whilst allowing for decentralised implementation at Company level, thereby strengthening quality, safety and sustainability throughout the value chain.

Resource inflows

	Unit	2025	2024	Change in %
Total weight of products and technical and biological materials used	kg	66,900,292	75,510,783	-11.4
Total weight of biological materials (and biofuels used for non-energy purposes)	kg	26,304,277	32,573,731	-19.2
Percentage of biological materials (and biofuels used for non-energy purposes)	%	39.3	43.1	-9.3
Total weight of secondary components, products and materials used	kg	11,249,344	7,993,413	+40.7
Proportion of the total weight of products and technical and biological materials (B&F) used	%	16.8	10.6	+6.2

To calculate and estimate material weights, recyclability and secondary components, the subsidiaries draw on several data sources and assumptions. The primary sources used are delivery notes containing weight details, as well as ERP data from purchasing, production and retail for all purchased parts, consumables and supplies, packaging and fixed assets. Where weight data is missing, rough estimates are made based on comparable components and parts lists. In the new machinery business, it is assumed that the total weight of the new machinery delivered corresponds to the weight of the goods purchased. The recyclability of packaging is derived from the waste balance. In the absence of reliable data on the recycled content in purchased components, the recycled content for steels is set at 30%; for other materials, no reliable figures in kg or % are available, so conservative assumptions were made or no allocation was made in those cases. In particular, in the processing of steel, there is no reuse, only recycling.

The subsidiaries BAV and Tremblay are not included in this assessment due to a lack of transparent and reliable data, nor are holding and sales companies that do not exhibit significant resource inflows.

Resource outflows (E5-5)

The GESCO Group consistently aligns key product lines with circular economy principles, from design through use and maintenance to end-of-life. In the Industrial Assets & Infrastructure segment, machine tools and clamping systems are designed to be modular, repairable and easy to dismantle; retrofits and overhauls typically extend the technical service life to 20–30 years. At the end of the life cycle, around 95% of the materials used, predominantly metals, can be dismantled by material type and returned to established recycling loops. In the Materials Refinement & Distribution segment, steel ingots, castings and semi-finished products are primarily manufactured from scrap; the design of the surface treatments enables subsequent separation and further material recycling in metallurgical processes. In the Health Care & Life Science segment, Setter uses renewable, bio-based raw materials for paper swabs and a design that supports recyclability and compostability, thereby substituting plastic. Across the board, the Group adheres to the principles of durability, reparability, refurbishment/ remanufacturing, ease of disassembly and recycling, as well as the use of secondary materials and bio-based alternatives, in order to conserve primary raw materials, minimise waste and return a high proportion of recyclable materials to the cycle.

Products and materials

	Unit	2025	2024	Change in %
Total weight of materials used	kg	83,309,784	87,619,306	-4.9
Total weight of the recyclable content in products	kg	47,148,082	48,472,134	-2.7
Percentage of recyclable content in products	%	56.6	55.3	+2.4
Total weight of recyclable content in product packaging	kg	1,022,139	1,146,982	-10.9
Percentage of recyclable content in products	%	1.2	1.3	-0.1

The subsidiaries BAV and Tremblay are not included in this analysis due to a lack of transparent and reliable data, nor are holding and sales companies that do not have significant resource inflows.

Waste

The subsidiaries of the GESCO Group classify and dispose of all waste in accordance with the Waste Catalogue Ordinance (AVV) and channel recyclable streams into the recycling process in an organised manner. Relevant waste streams arise in particular as steel scrap and residual materials from stainless steel processing (cutting, punching), which are returned to metallurgical cycles as high-quality scrap. Other significant waste streams include packaging waste (cardboard, film), chemical waste from consumables and operating materials (e.g. lubricants, coolants and cleaning agents, emulsions), surface treatment waste from finishing processes (e.g. pickling and cleaning agents), and process-specific residues from metallurgical applications (spent sand, linings and refractory materials, filter dust). In addition, organic fractions (biomass/organic waste), wood, residual waste and cable scrap are generated. The materials contained in the waste primarily comprise metals (stainless steel, steel, metals from cables), plastics (packaging and process plastics), paper/cardboard and wood, as well as chemical components and their residues: emulsions, cleaning agents, pickling agents, paint waste, absorbent and filter materials, acids (e.g. sulphuric acid) and alkalis. Metallurgical processes also generate ceramic/refractory materials and resin- or ceramic-based filter dusts. These material profiles determine the respective treatment and recovery routes required and enable the material to be fed into recycling or disposal streams in a sorted manner.

Data collection and the calculation of waste volumes are based on direct measurements and documented waste records provided by external waste management service providers in the form of weighing slips or invoices, supplemented by data from internal systems (ERP/merchandise management, waste database). Monthly reporting consolidates volumes and types by waste code, ensures traceability and enables plausibility checks and trend analyses. Where detailed information is missing, volumes are estimated using delivery and weighing data and reconciled with previous period figures; this ensures that data quality remains transparent and consistent across companies.

Waste

	Unit	2025	2024	Change in %
Total weight of waste generated	kg	8,870,308	7,953,795	+11.5
Total weight of non-recycled waste	kg	748,489	2,712,782	-72.4
Percentage of non-recycled waste	%	8.4	34.1	-76.5

Hazardous waste

	Unit	2025	2024	Change in %
Total weight of hazardous waste diverted from disposal	kg	1,604,506	8,254	19,333.1
Preparation for reuse	kg	0	0	N/A
Recycling	kg	1,602,998	8,254	+19,320.9
Preparation for other processes	kg	1,508	0	N/A
Total weight of hazardous waste intended for disposal	kg	538,888	1,916,753	-71.9
Incineration	kg	391,248	829,982	-52.9
Landfilling	kg	16,640	1,086,272	-98.5
Other methods of disposal	kg	131,000	499	+26,152.5
Total weight of hazardous waste and radioactive waste generated	kg	0	8,216	N/A

Non-hazardous waste

	Unit	2025	2024	Change in %
Total weight of non-hazardous waste diverted from disposal	kg	6,069,354	5,385,942	+12.7
Preparation for reuse	kg	850,970	157,855	+439.1
Recycling	kg	5,170,084	5,117,190	+1.0
Other processes	kg	48,300	110,897	-56.4
Total weight of non-hazardous waste intended for disposal	kg	657,561	642,846	-11.7
Incineration	kg	509,755	558,681	-8.8
Landfilling	kg	120,285	84,165	+42.9
Total weight of non-hazardous waste destined for disposal via other methods of disposal	kg	27,521	0	N/A

The subsidiaries BAV and Tremblay are not included in this analysis due to a lack of transparent and reliable data, nor are holding and sales companies that do not generate significant resource inflows.

Social

Own workforce (S1)

The GESCO Group aims to guarantee all employees an attractive and secure workplace. It is in line with the Company's principles that cooperation between the Executive Board, management and employees is characterised by open and constructive dialogue, as well as mutual trust and respect.

Material impacts, risks and opportunities related to our own workforce (S1 SBM-3)

Within the GESCO Group, various categories of employees are affected by the significant impacts, including full-time employees, part-time employees, apprentices and interns, self-employed and freelance workers, temporary agency workers, management and executives, and Company pensioners. Temporary agency workers were given lower priority in the assessment of impacts, risks and opportunities. The following IROs apply generally to all subsidiaries and their employees.

IRO	Value chain			Time horizon		
	Upstream	Own operations	Downstream	<1 year	1–5 years	>5 years
Opportunity 1: Long-term safeguarding of operational performance through strong employee retention		▪				▪
Impact 1 (actually positive): Fair pay for employees and voluntary social benefits boost staff satisfaction and foster loyalty to the Company		▪		▪		
Impact 2 (potentially negative): Lack of an overarching strategy for training and skills development		▪		▪		
Opportunity 2: Financial opportunities through targeted training programmes to improve health and safety and productivity		▪			▪	
Opportunity 3: Increasing business success by attracting and retaining suitable Managing Directors and executives		▪			▪	
Risk 1: There is generally an increased risk of workplace accidents in the manufacturing companies of the GESCO group		▪		▪		

Opportunity 1: Long-term safeguarding of operational performance through strong employee retention

Securing and expanding the business activities of the subsidiaries is an integral part of the GESCO Group's strategy to position the companies for the future. Through innovation, product development and the expansion into new sectors, GESCO is growing the Group and enabling employees to develop their skills, offering job security

through a forward-looking Company as well as flexibility through new ways of working, technologies and business models. This can have a positive impact on the GESCO Group's earnings.

Impact 1: Fair remuneration for employees and voluntary social benefits strengthen employee satisfaction and promote loyalty to the Company

Fair remuneration and voluntary social benefits enhance the satisfaction and motivation of GESCO Group employees, which promotes productivity and corporate success. Regular pay rises, based on collective agreements, as well as profit-sharing through variable pay components, contribute significantly to employee satisfaction. Furthermore, voluntary social benefits such as staff discounts, holiday and Christmas bonuses, a 13th month's salary and allowances demonstrate that employees' interests are taken seriously. This transparent and fair remuneration policy conveys to employees an appreciation and recognition of their achievements, which not only boosts motivation and productivity but also leads to greater staff retention.

Impact 2: Lack of a comprehensive strategy for training and skills development

The absence of a structured and coordinated strategy for training and skills development means that each subsidiary acts independently, thereby failing to optimally foster the development of skills and talent. The lack of clear structures, such as potential analyses, comprehensive competence management and group-wide talent programmes, can impair the visibility and traceability of employee potential, making it difficult to identify talent and specifically promote those suited to leadership roles. The current fragmented approach means that employees cannot benefit from the best practices and training resources of other subsidiaries. This reduces the efficiency of training measures and can lead to an uneven distribution of knowledge and skills within the Company.

Opportunity 2: Financial opportunities through targeted training programmes to improve occupational safety and productivity

The GESCO Group is committed to occupational safety and makes a significant contribution to the health and satisfaction of its employees through training and skills development. This reduces workplace accidents and sickness-related absences, which also lowers the associated costs for our companies. Furthermore, these initiatives contribute to higher productivity and foster a responsible corporate culture. Safe

working conditions enable stress-free and more efficient work, improve the working atmosphere in the long term and strengthen trust in the employer.

Opportunity 3: Boosting business success by attracting and retaining suitable Managing Directors and senior executives

The targeted recruitment and retention of qualified Managing Directors and executives represent a significant opportunity for business success. These key positions are crucial for effectively implementing the business strategy and achieving the Company's long-term goals. A strong and stable management team ensures that challenges are tackled swiftly and innovative ideas are encouraged, which has a positive impact on competitiveness. Retaining suitable executives is particularly important, as frequent staff turnover in these roles not only entails costly recruitment processes but also jeopardises the continuity and stability of the Company. By clearly promoting and valuing the Company's leadership, long-term retention and the development of managers can be fostered. This leads not only to increased employee satisfaction but also to a positive corporate culture that attracts and retains talent.

Risk 1: There is generally an increased risk of workplace accidents in the manufacturing companies of GESCO's subsidiaries

In manufacturing companies, there is a fundamentally higher risk of workplace accidents, which has a significant impact on operational processes. Workplace accidents can not only have a lasting negative effect on productivity but also lead to high direct and indirect costs. Direct costs result from medical expenses, continued wage payments, as well as potential claims for damages and fines. Indirect costs can significantly disrupt the efficiency of operational processes, as injured employees must be replaced, leading to a loss of expertise and experience. This can result in production stoppages, delays in production and, ultimately, a decline in the order book. Furthermore, frequent workplace accidents can damage the Company's image, which may deter potential customers and business partners.

Policies related to our own workforce (S1-1)

In its Human Rights Policy Statement, the GESCO Group is committed to ambitious standards of human rights protection and to compliance with relevant internationally recognised instruments, in particular the UN Guiding Principles on Business and Human Rights. Our policies regarding our own workforce explicitly include the prevention of human trafficking, forced labour and child labour, and are enshrined in the Code of Conduct and relevant guidelines. Occupational health and safety are managed through a decentralised management system comprising regular risk assessments, training, occupational health services, health and safety committees and reporting channels (including a whistleblowing system). To eliminate discrimination and promote equal opportunities, we pursue a zero-tolerance policy towards harassment and explicitly record all protected characteristics: ethnic origin, skin colour, gender, sexual orientation, gender identity, disability, age, religion, political opinion, national origin and social background. We promote diversity and inclusion through fair, performance- and competence-based HR decisions, programmes to attract female talent (e.g. Girls' Day), language courses and integration support for employees with a migrant background, as well as the barrier-free integration of people with disabilities. These policy commitments to inclusion are aimed particularly at potentially vulnerable groups within our workforce and are implemented through clear processes, training and regular monitoring.

Code of Conduct

The GESCO Group's Code of Conduct sets out key principles regarding occupational health and safety, equality and the health of employees, which are given the highest priority. GESCO implements effective measures and expects all employees to comply with safety regulations and take responsibility for a safe working environment. All employees are required to report potential hazards immediately. Furthermore, GESCO is committed to promoting a respectful corporate culture and prohibiting discrimination of any kind. Personnel decisions are based exclusively on competence and performance.

The Code of Conduct has been approved by the Executive Board of GESCO SE. As the Group is not organised centrally, the Managing Directors of the subsidiaries function as points of contact for questions regarding compliance with the Code. The Code of Conduct applies to all employees of the GESCO Group and is also expected of business partners who adhere to similar standards. (Further information in the chapter **Corporate Governance (G1)**).

Equal Opportunities and Equality

It is in line with the principles of GESCO SE set out in the **Code of Conduct** ⁷ to respect human diversity within the workforce and to treat one another with respect. In personnel decisions, competence, personal suitability and work performance are the sole determining factors. No cases of discrimination were reported in the reporting year, which the GESCO Group regards as confirmation of the Code of Conduct and the corresponding objectives. The companies within the GESCO Group explicitly and unreservedly pursue a policy of equal opportunities in their day-to-day practice. Regardless of legal obligations, this is a matter of course. They are committed to attracting more female applicants, take part in initiatives such as 'Girls' Days' and seek to engage with schools and universities.

The integration of people with disabilities and those from migrant backgrounds is a matter of course. The GESCO Group promotes access to the primary labour market for all people of working age. Where necessary, employees from migrant backgrounds are supported in their integration through language courses or assistance with dealing with the authorities. Co-determination and inclusion are put into practice through regular and trusting engagement with the works councils. Appropriate and market-based remuneration across the companies is ensured, among other things, by the fact that some subsidiaries are members of IG Metall and the associated collective agreements.

Processes for engaging with our own workforce and employees' representatives about impacts (S1-2)

Employee engagement is a central element of the GESCO Group's corporate culture. At Group level, there is regular dialogue between the Executive Board and the works councils. Within the individual companies, responsibility for active dialogue lies with the Managing Directors and management. Formats such as regular meetings with the works council, staff meetings and employee surveys are used to incorporate employees' perspectives and promote communication. The works council acts as a key link to senior management, whilst daily meetings, site visits and staff appraisals within the specialist departments foster direct dialogue. Quarterly health and safety committee meetings, in accordance with legal requirements, ensure that safety-related issues are also discussed.

GESCO places great emphasis on open dialogue, which not only strengthens the potential of talent but also supports a family-like corporate culture. Employees of the subsidiaries are expressly encouraged to contribute their own ideas. Thanks to the 'open-door policy', they have the opportunity to raise concerns at any time. Within the subsidiaries, this responsibility – namely ensuring the open inclusion of different perspectives – is borne in particular by the Managing Directors as the most senior figures.

GESCO has not yet concluded any global framework agreements or other arrangements with employee representatives. However, the GESCO Group follows a transparent and participatory process for involving its own workforce and employee representatives in decision-making processes, particularly with regard to measures that may affect employees. This process comprises various steps and communication channels aimed at actively capturing the views and needs of all employees and integrating them into the corporate strategy.

Processes to remediate negative impacts and channels for our own workforce to raise concerns (S1-3)

The GESCO Group has established a whistleblowing system that enables employees to submit confidential reports of legal or internal breaches, thereby creating a safe environment for raising concerns. Employees may approach GESCO SE or external solicitors anonymously, in accordance with the provisions of the Whistleblower Protection Act (Further information in the chapter **Corporate Governance (G1)**). Employees are made aware of the existence of these channels via noticeboards and internal staff communications, as well as through onboarding processes. The presence of the works council and HR on site is intended to offer employees support at all times. Regular staff meetings provide a space for employees to raise concerns and communicate directly with senior management.

To date, GESCO has not pursued a uniform strategy for protecting individuals against retaliatory measures. A central tool has been introduced via the whistleblowing system that includes the protection of individuals.

Furthermore, there is a Company suggestion scheme for constructive ideas for improvement, supported by an ombudsman who ensures confidential handling. Concerns can also be raised via internal safety officers or the works council, who receive regular training to function as a link between employees and management. At quarterly health and safety committee meetings, problems and shortcomings are discussed together with the Company doctor, the health and safety officer and the management. These meetings serve to identify potential safety risks and develop appropriate remedial measures.

Actions related to our employees (S1-4)

As part of the dual materiality analysis within the CSRD, the GESCO Group has conducted a comprehensive risk analysis in the area of 'employee matters'. In addition to legal requirements, further compliance issues relating to employee rights were also considered. The identified risks are addressed through preventive measures, such as training, organisational adjustments, technical improvements and continuous monitoring. This risk analysis is updated annually or as required, with existing and adapted preventive and remedial measures being evaluated.

Occupational health and safety

Occupational health and safety are crucial for GESCO SE in ensuring employee satisfaction and motivation. Risks can lead to health problems and pose challenges in retaining skilled staff. Safety standards are implemented locally by the subsidiaries, which act independently and submit regular reports to the GESCO Group. All subsidiaries conduct regular safety inspections and implement preventive measures, including occupational health and safety training. Employees have access to medical care from Company doctors and can report concerns via a group-wide whistleblowing system. Ergonomic workstations, as well as regular training and health checks, are standard.

Flexible working time models and home office options support the work-life balance. GESCO promotes a modern and sustainable working environment and strategically pursues an integrated approach to ensuring future-proof processes and employee development.

Management seminars

GESCO SE places great emphasis on filling positions at all levels with suitably qualified, loyal, motivated and high-performing employees. In 2025, managers at the subsidiaries continued to receive regular training from experts to further develop their leadership skills.

Training and skills development

Furthermore, the scope of the training programme was extended to the second management level, and 'young potentials' were also involved through a workshop. Similar training courses are planned for 2026. GESCO has defined and adopted the GBS leadership principles (see chapter on **Strategy, Business Model and Value Chain**). These leadership principles form the basis for consistent, value-oriented and successful leadership behaviour that drives both the organisation and its employees forward.

Employee retention and fair remuneration

The subsidiaries independently implement targeted measures to strengthen employee retention. Regular pay rises are based on collective agreements and also apply to foreign companies. In addition, variable remuneration components promote transparent profit-sharing. Voluntary social benefits, such as staff discounts, holiday and Christmas bonuses, a 13th month's salary and various allowances, underscore that staff interests are heard and integrated into remuneration and welfare practices. These measures strengthen loyalty, fairness and motivation and contribute to sustainable human resources management.

In addition, the GESCO Group implements employee retention measures that are directly aimed at securing and expanding business operations. Through innovation, targeted product development and the expansion into new sectors, employment is secured or expanded, and attractive career prospects are created.

Targets related to our employees (S1-5)

The GESCO Group has set targets for the areas of occupational safety and management training within the Executive Board.

Occupational safety

The GESCO Group's objective is to prevent serious workplace accidents through occupational safety measures and health protection. The individual subsidiaries also aim to keep the number of workplace accidents as low as possible and to continue reducing them.

Management training

The objective in organisational development is to provide four days of training per year for the management teams of the subsidiaries and the executives of GESCO SE as part of the management training programme. This objective was achieved in both 2024 and 2025. Since the 2025 reporting year, the training has been extended to the next level of management and management principles have been defined.

There are currently no further key objectives at Group level regarding employee retention, fair remuneration of employees, voluntary social benefits, and training and skills development.

Characteristics of our workforce (S1-6)

Unless otherwise stated, we report the number of our employees as a headcount as at 31 December 2025. The actual number of employees is defined as the number of individuals who are in an active employment relationship with our subsidiaries, including those on fixed-term and permanent contracts, as well as those in active partial retirement. Temporary workers and trainees are not included.

The following gender categories are used to break down employees by gender: 'female' and 'male'. The category "diverse" cannot be applied to the 2025 fiscal year, as there were no employees with this status (including "no information provided"). Gender is determined based on the information in the identity documents recognised in the employee's country. The breakdown by country only includes countries in which GESCO employs 50 or more people. The sales and administrative locations were extrapolated based on the data available from the respective manufacturing companies. To ensure consistency with the figures in the Group report, the percentage gender distributions were extrapolated to the figures in the financial statements. This methodology has been adjusted compared to last year, meaning that the line 'Employees whose employment status could not be determined' is no longer required for the presentation of the current figures. The previous year's figures are shown in brackets in the table below.

Number of employees

2025	Female	Male	Total
Total employees	1,662	1,303	359
Permanent staff	1,572	1,224	348
Fixed-term employees	67	59	8
Employees without guaranteed working hours	23	20	3
Full-time employees	1,530	1,235	294
Part-time employees	132	68	65
Employees whose employment status could not be determined	0	0	0

2024	Female	Male	Total
Total employees	1,642	1,296	346
Permanent staff	1,454	1,161	293
Fixed-term employees	61	54	7
Employees without guaranteed working hours	6	5	1
Full-time employees	1,378	1,126	252
Part-time employees	117	37	80
Employees whose employment status could not be determined	147	133	14

	2025	2024	Change compared to the previous year (%)
Total number of employees	1,662	1,642	1.2
Employees in Germany	1,362	1,360	0.1
Employees in the USA	122	57	114.0
Employees in Hungary	71	66	7.6
Other countries	107	159	-32.7
Total number of employees who left the Company voluntarily or due to dismissal, retirement or death ¹	154	261	-41.0
Staff turnover rate (in %) ²	9	16	-43.8

¹ The data relates only to the GESCO Group's manufacturing units

² The denominator for staff turnover is calculated as the number of departures divided by the average headcount.

Metrics for further training and skills development (S1-13)

2025	Female	Male
Proportion of the Company's workforce who have taken part in a regular development review (in %)	72	81
Average number of training hours per employee	9.3	5.2

2024	Female	Male
Proportion of the Company's workforce who have taken part in a regular development review (in %)	50	97
Average number of training hours per employee	7.2	6.5

Metrics for health and safety (S1-14)

The GESCO Group collects its key performance indicators for employee health and safety primarily from internal HSE, HR and time management systems. Employees covered include all those whose activities are managed and audited by a formally implemented occupational health and safety management system (e.g. in accordance with ISO 45001 or equivalent national standards). Fatalities are recorded where there is a direct link to work-related activities or exposures (including reportable commuting accidents). Reportable occupational accidents are incidents involving personal injury that meet the national thresholds (in Germany, typically incapacity for work >3 calendar days). Total working hours are derived from time and attendance records (regular, overtime and shift hours, excluding absences). Days lost include all calendar days of medically certified incapacity for work resulting from a reportable occupational accident or a work-related illness, counted from the first full day lost; weekends and public holidays are included provided they fall on scheduled working days. The data is recorded monthly, validated quarterly and consolidated annually at group level.

As the disclosure of work-related illnesses and the number of days lost are subject to data protection in Germany, this information is not reported in the table below.

2025	Employed	Not employed	Total
Percentage of the Company's workforce covered by the Company's health and safety management system (in %)	96	96	88
Number of fatalities attributable to work-related injuries and illnesses	0	0	0
Total number of deaths	0	0	0
Reportable workplace accidents	49	46	3
Rate of reportable occupational accidents and illnesses	18.2	17.3	81.8

2024	Employed	Not employed	Total
Percentage of the Company's workforce covered by the Company's health and safety management system (in %)	90	93	86
Number of fatalities attributable to work-related injuries and illnesses	0	0	0
Total number of deaths	0	0	0
Reportable workplace accidents	68	68	0
Rate of reportable occupational accidents and illnesses	18.2	17.3	81.8

Remuneration figures (S1-16)

Remuneration policy within the GESCO Group is essentially left to the discretion of the individual companies. In principle, however, remuneration is based on the job profiles of the respective positions and not on gender or demographic characteristics. To obtain a more accurate overall picture of remuneration within the Group, both the average gross hourly wage and the median salary of the companies are included in the calculation, weighted according to the respective number of employees. The weighted percentage pay gap between female and male employees (gender pay gap) stands at 13.5% for the year 2025. The ratio of the highest-paid individual's total annual remuneration to the weighted median of the companies is 7.4. The calculation is based on the total annual taxable remuneration of all employees (including fixed and variable cash components as well as benefits in kind) and follows the ESRS methodology, reported as a gross hourly wage gap; context-dependent factors such as role, country and employment structure were considered.

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Incidents; complaints and serious impacts (S1-17)

	2025	2024	Change compared to the previous year (%)
Total number of reported cases of discrimination (including harassment)	0	0	N/A
Number of complaints submitted via the channels through which the Company's workforce can raise concerns	1	3	-66,7
Number of complaints submitted to the OECD National Contact Points for Multinational Enterprises	0	0	N/A
Number of serious human rights violations and incidents involving the Company's workforce	0	0	N/A
Number of serious human rights violations and incidents involving the Company's workforce that contravene the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises	0	0	N/A
Total amount of fines, penalties and compensation payments arising from incidents and complaints in EUR	0	0	N/A
Total amount of fines, penalties and compensation for human rights-related incidents involving the Company's employees in EUR	0	0	N/A

Governance

Business Conduct (G1)

GESCO SE is committed to transparent and ethical corporate governance, which is promoted by the administrative, management and supervisory bodies. In accordance with ESRS 2 (see chapter **The role of the administrative, management and supervisory bodies in sustainability management (GOV-1)**), their roles and responsibilities, as well as access to expertise and skills, are described. The Company's management places particular emphasis on decision-making processes based on integrity, legal compliance and responsible risk management in order to actively prevent corruption, conflicts of interest and unethical behaviour.

Our material impacts, risks and opportunities related to corporate culture (G1)

As part of the materiality analysis, we evaluated impacts, risks and opportunities related to corporate culture. We provide an overview of the criteria we apply in our materiality analysis and the identification of risks and opportunities in the section **'Description of the procedures for identifying and assessing material impacts, risks and opportunities' (IRO-1)**.

IRO	Value chain			Time horizon		
	Upstream	Own operations	Downstream	<1 year	1–5 years	>5 years
Risk 1: Economic disruption caused by supply bottlenecks due to non-transparent and inconsistent payment practices		■				■
Risk 2: Fines and damage to reputation due to corruption or bribery		■				■

Risk 1: Economic disruption caused by supply bottlenecks resulting from non-transparent and inconsistent payment practices

Non-transparent and inconsistent payment practices can jeopardise long-term relationships with trusted suppliers, leading to significant economic disruption. These practical issues can cause supply bottlenecks, which in turn result in unstable prices and increased procurement costs. These financial risks jeopardise the Company's profitability, as operating costs rise and potential sales losses may arise from the inability to procure products on time. In the long term, this can also damage the Company's reputation and reduce its competitiveness in the market, which could result in further negative financial consequences.

Risk 2: Fines and damage to reputation due to corruption or bribery

The discovery of corruption can lead to heavy fines imposed by regulatory authorities. Furthermore, internal or external investigations into allegations of corruption can incur significant costs. These include legal fees, costs for external consultants and potential compensation to aggrieved third parties or business partners. Another significant risk

is damage to the Company's reputation, which in the long term may limit the Company's ability to raise capital or acquire new business. Furthermore, corruption can increase operating costs as resources are used inefficiently or invested in opaque practices.

Policies related to our corporate culture and corporate governance (G1-1)

GESCO SE pursues a corporate culture that focuses on lofty standards of integrity, transparency and ethical conduct. Key concepts include promoting openness and creating a safe environment in which employees and external stakeholders can voice their concerns regarding potential breaches of Company policy. Furthermore, the whistleblowing system is a tool that enables anonymous reporting of misconduct, thereby making an active contribution to compliance and responsible corporate governance. The commitment to protecting whistleblowers from reprisals is a fundamental aspect of corporate policy and helps to build trust within the organisation.

An additional measure involves the regular review and updating of corporate guidelines, particularly with regard to anti-corruption measures. GESCO SE adheres to internationally recognised standards, such as the principles of the United Nations Convention against Corruption, to ensure that corporate practices are ethical and compliant with the law. These integrated concepts create a solid foundation for responsible corporate governance, which contributes to the long-term economic success of GESCO SE.

Further concepts can also be found in the following chapter **[Prevention and detection of corruption and bribery \(G1-3\)](#)**

Management of supplier relationships (G1-2)

The GESCO Group adopts a strategic and responsible approach in its relationships with suppliers to minimise risks and promote sustainable cooperation. Various criteria are considered when selecting suppliers, including creditworthiness and the ability to fulfil orders reliably in line with the Company's growth. This reduces the risk of supply failures and ensures a stable supply chain. Furthermore, GESCO attaches immense importance to shared values such as sustainability and ethical standards, which are also incorporated into the companies' General Terms and Conditions and General Terms and Conditions of Purchase. To ensure that these standards are met, the subsidiaries regularly conduct their own supplier audits and surveys. These self-assessments enable a comprehensive review of suppliers' compliance and ethical standards. GESCO relies on indices such as the Corruption Perceptions Index and the Environmental Performance Indicator.

Supplier management within the individual companies is conducted in accordance with the established standards of the certified integrated management system in accordance with DIN EN ISO 9001, DIN EN ISO 14001 and DIN EN ISO 50001, to ensure compliance with high quality, environmental and energy management standards. Another important aspect is the prioritisation of sourcing raw materials from Germany or the EU, which ensures high quality standards and significantly reduces potential risks in the supply chain. This regional focus enables better control over the quality and reliability of suppliers. In return, the subsidiaries ensure timely payments, particularly to SMEs. As active supplier management is the responsibility of the subsidiaries, there are no standard payment terms set at group level. The majority of companies adhere to payment terms of between 14 days, with a 3% discount, and 30 days net.

Information on payment practices

	2025	2024	Veränderung gegenüber Vorjahr in %
The average time (in days) taken by the Company to settle an invoice from the start of the contractual or statutory payment period	11.26	10.63	+5.9
Number of court proceedings currently pending due to overdue payment	0	0	N/A

Prevention and detection of corruption and bribery (G1-3)

Code of Conduct

The GESCO Group is a network of medium-sized companies operating primarily in the manufacturing sector. Its customers and suppliers are based in various countries. This structure gives rise to specific risks, including corruption and conflicts of interest, as well as breaches of tax and social security laws, labour laws and health and safety regulations, and data protection and competition law provisions. In addition, production- and product-related requirements must be complied with. Due to the Group's international orientation, there are also risks of breaches, in particular of applicable export and export control regulations, the relevant customs requirements and foreign laws. Finally, as a Company listed on the Prime Standard, GESCO SE must comply with specific capital market regulations. GESCO SE therefore promotes conduct within its companies that complies with laws and guidelines, particularly with regard to anti-corruption, and has implemented a compliance management system for this purpose. This system aims to prevent legal violations proactively. The obligation to comply with laws is documented in the Group-wide Code of Conduct, which is communicated to employees through compliance training. The Code of Conduct, along with supplementary guidelines and work instructions, clarifies key behavioural issues and is updated quarterly through risk analyses. The guidelines are available to employees in paper form, electronically and via the intranet. In cases of uncertainty, employees can seek support from GESCO SE or an external compliance officer.

In the 2025 reporting year, the Code of Conduct was revised and made available to all employees via the newly established intranet.

At GESCO SE level, the area of compliance is anchored within the Finance department of the Executive Board. The content of the compliance management process is subject to constant dynamic changes: new legal requirements necessitate adjustments, as do new findings from the compliance risk analysis of GESCO companies, reports via the whistleblower protection system, or the periodic audits of subsidiaries conducted by external parties. Depending on these developments and findings, GESCO adapts the existing regulations, training programmes and advisory services, with external support where necessary. For this reason, among others, GESCO has rolled out further guidelines and training courses for the entire Group. This includes, for example, an antitrust policy and antitrust training courses, which have been conducted at all subsidiaries.

Whistleblower Policy

In connection with the Code of Conduct, GESCO SE has established a whistleblowing system that is also available to external parties. This enables GESCO to be informed of breaches of legal provisions or compliance rules and to contribute to their detection. In the event of specific, substantiated reports of serious legal violations or breaches of rules within the GESCO Group, affected individuals may contact GESCO SE via the external ombudsman or the outsourced internal reporting office in accordance with Section 14(1) of the Whistleblowing Act (HinSchG). Internal employees may contact GESCO SE directly using the contact details provided in a circular. External stakeholders may submit a report to GESCO SE anonymously via the website. Detailed information on the whistleblowing system can be found on the GESCO Group website at <https://gesco.de/en/responsibilities/human-rights-and-environmental-risks>.

Antitrust Policy

GESCO's Antitrust Policy was drafted in 2024 and employees in relevant positions received training on it. The policy became binding for the group in 2025. To this end, the policy was incorporated into the newly launched intranet and made accessible. Furthermore, employee training on compliance is being extended to all German companies. The respective managers of the relevant subsidiaries are responsible for implementation within their subsidiaries abroad. The policy sets out clear guidelines for avoiding breaches of competition law. It contains provisions on the prohibition of cartel agreements and the abuse of dominant market positions. It also regulates the obligation to submit certain business combinations to regulatory scrutiny under merger control. In addition, binding rules of conduct are laid down for various practical situations – such as participation in association meetings, trade fairs and business events, internal and external communication, and dealing with official investigations, requests for information or seizures by competition authorities. Furthermore, the policy provides information on the support available to employees regarding antitrust issues or reports. The regulatory framework is primarily based on the German Act against Restraints of Competition (GWB), the Treaty on the Functioning of the European Union (TFEU) (which is directly applicable in this respect) and the related EU antitrust regulations (which are also directly applicable).

Guideline on the Prevention of Corruption and Conflicts of Interest

The Policy on the Prevention of Corruption and Conflicts of Interest through the Acceptance and Provision of Benefits sets out the correct handling of monetary benefits, benefits in kind, hospitality, professional events, social events, sponsorship and donations. The senior management of GESCO SE bears the responsibility for its implementation at the highest level. In the event of breaches of this policy, employees and external stakeholders have the option of reporting these via the whistleblowing system, thereby enabling central monitoring of compliance.

Policy on the Prevention of Corruption and Conflicts of Interest in the Engagement of Third Parties and the Performance of Secondary Employment through the Acceptance and Provision of Benefits

This policy applies to all employees of GESCO SE, including the Executive Board. It addresses typical scenarios in which an employee's personal interests may conflict with the Company's business interests whilst conducting secondary employment. The management of GESCO SE is responsible for its implementation. Here too, GESCO monitors compliance by reviewing reports of breaches submitted via the whistleblowing system.

Cases of corruption or bribery (G1-4)

As previously described, GESCO SE has developed a comprehensive Compliance Management System (CMS) to prevent, detect and prosecute corruption and bribery, which was further defined and rolled out, particularly in the 2025 reporting year. This system encompasses prevention, detection, investigation and prosecution. For prevention, GESCO SE provides a Code of Conduct with clear guidelines, which is aimed in particular at employees in high-risk roles such as procurement, sales and project management. These employees are made aware of issues through training on topics such as anti-corruption and conflicts of interest. The training is offered both as e-learning and in the form of face-to-face sessions and is tailored to the specific risk profiles of the employees.

To detect breaches, GESCO operates a whistleblowing system for employees and external stakeholders and conducts regular internal audits. The compliance officers and ombudsmen are organisationally independent of operational management and report directly to the Executive Board and Supervisory Board. Investigated cases of corruption or bribery are appropriately sanctioned, and where criminal offences are suspected, the law enforcement authorities are involved.

In 2025, no cases of corruption or bribery became known within the GESCO Group, reflecting the active commitment of senior management to promoting an ethical corporate culture. The comprehensive coverage of high-risk functions by the newly implemented training programme is also reflected in the current key figures.

High-risk functions

	2025	2024	Change compared to the previous year (%)
Number of functions where, due to their tasks and responsibilities, a risk of corruption and bribery is assumed to exist (Functions at Risk)	145	112	+29.5
Number of high-risk functions covered by training programmes	145	47	+208.5
Percentage of high-risk functions covered by training programmes	100	42	+138.1

Cases of corruption

	2025	2024	Change compared to the previous year (%)
Number of convictions for breaches of anti-corruption and bribery regulations	0	0	N/A
Number of fines for breaches of anti-corruption and bribery regulations (in EUR)	0	0	N/A

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GESCO SE, Wuppertal

Combined Management Report for the financial year 2025 (01/01 until 12/31/2025)

The management report of GESCO SE is combined with the Group's management report. This management report is published in the GESCO Annual Report 2025 and together with the annual financial statements of GESCO SE. Unless otherwise stated, the information relates to the GESCO Group and GESCO SE jointly, with the explanations referring to the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS). The comments on GESCO SE are contained in a separate section and relate to the annual financial statements prepared in accordance with the provisions of the German Commercial Code (HGB) and the supplementary provisions of the SE Act (SEAG) and the German Stock Corporation Act (AktG).

The contents of websites or publications to which we refer in the management report are not part of the management report but merely serve to provide further information. This does not include the corporate governance statement in accordance with Sections 289f and 315d HGB.

Fundamentals of the Group

Business model

GESCO: Partner for SMEs

Founded in 1989, GESCO SE, as a long-term investor, acquires financially sound SME industrial companies with a view to holding them for the long term and developing them further. Acquisitions often take place as part of succession planning, with GESCO SE generally acquiring majority stakes, usually 100%. Hubl GmbH is the only German company in which a managing director holds a 20% stake. The subsidiaries operate independently. They are integrated into the GESCO Group's reporting and risk management systems.

GESCO SE is a successful partner for industrial SMEs and has developed into a dynamic group comprising market and technology leaders. This development has been made possible by a clear and focused business model based on the identification and exploitation of growth potential. SMEs form the backbone of the German economy, and GESCO bridges the gap between SMEs and the capital market.

Value contributions and differentiation

Our focus is on business models with high intrinsic value contributions and distinctive features, which we continuously develop further. We are committed to identifying sustainable growth potential and securing the future viability of our Group. Through this approach, we create added value for all stakeholders, including shareholders, employees, customers, suppliers, business partners and the local communities in which we operate.

Focusing on the essentials

Our philosophy is based not only on financial investment, but also on close collaboration with our subsidiaries. We focus on identifying the specific opportunities and challenges facing each company and substantially improving their competitiveness through concrete and binding implementation plans.

As at the balance sheet date, the GESCO Group comprises GESCO SE, its 10 direct operating subsidiaries and their subsidiaries in Germany and abroad.

GESCO SE has been listed on the stock exchange since 24 March 1998. The GESCO share is listed in the Prime Standard segment of the Frankfurt Stock Exchange.

GESCO's strategic focus

Our mission

GESCO pursues a clear strategy: we acquire, hold and develop healthy medium-sized companies. Under the umbrella of a lean holding company, our subsidiaries can operate independently whilst benefiting from the support of GESCO SE. Our aim is to form a strong group of sustainable market and technology leaders.



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Focus on succession planning in the SME sector

A key priority for GESCO is to support entrepreneurs seeking a suitable successor. Many successful companies in the German SME sector face this challenge. GESCO offers itself as a supportive partner in this regard, granting entrepreneurs the flexibility to either exit quickly or remain actively involved in the company. This flexibility is particularly important for companies undergoing a transition, whether in terms of structural changes or strategic realignments.

Individual development of each portfolio company

Each portfolio company can operate independently, yet is supported by an experienced team of Business Directors. This enables the individual development of each company, tailored to its specific needs and potential. We rely on the GESCO Business System (GBS), which provides a framework for overarching principles, methods and best practices based on lean management. This system enables our companies to implement efficient processes and drive continuous improvement.

Sustainable investment

GESCO pursues an investment strategy that does not aim for a short-term 'exit strategy'. Instead, we invest in medium-sized industrial companies with sustainable, long-term potential, guided by a 'value agenda'. We typically acquire 100% of the equity to maintain full control over the companies' strategic direction and operational efficiency.

Innovation and customer focus

A central component of our agenda is the promotion of innovation and a strong customer focus. We encourage our portfolio companies to develop innovative solutions that meet the ever-changing demands of the market. The continuous improvement of products and services is crucial to securing our competitiveness and offering our customers the best value for money.

GESCO is becoming increasingly global: expanding local expertise on a global scale

With the increasing internationalisation of markets, GESCO pursues a strategy of addressing regional customer needs as effectively and quickly as possible through an on-the-ground presence. We actively put the 'local for local' philosophy into practice by providing our portfolio companies with the necessary resources and financial flexibility to effectively implement their globalisation strategies.

Access to family-run businesses

Access to family-owned businesses is a key value driver for GESCO. This network enables us to invest specifically in companies characterised by tradition and innovative strength. The foundation of our success is a deep and comprehensive understanding of the specific challenges and sectors in which we operate.

Focus on proven business models

When selecting our investments, we focus on established, well-positioned companies with proven and scalable business models that have growth potential. We support our portfolio companies not only financially, but also strategically, methodologically and procedurally, by providing them with valuable experience and advice. This enables them to develop their businesses faster and more effectively than they could on their own.

Adaptability to market conditions

In an increasingly dynamic market environment, it is essential that our companies remain adaptable in order to respond to changes in the industry and market conditions. We help our portfolio companies to strengthen their strategic position, whether through the expansion of their product range, regional expansion or targeted acquisitions. The improvement of operational processes and their adaptation to changing conditions are also essential components of this strategy.



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The existing portfolio is consistently developed through established programmes. Thanks to the methodological expertise available within GESCO SE, our subsidiaries have access to a broad and comprehensive body of operational experience to support the ongoing implementation of upcoming activities. A particular focus is also placed on establishing a shared corporate culture with a balanced performance-related approach.

Sustainability in corporate governance

Another key aspect of our strategic direction is supporting our portfolio companies in the development and implementation of their sustainability strategies. In light of the transformation of our economy and society, we see it as our responsibility to support these companies in identifying and capitalising on opportunities arising from sustainable practices.

Industry structure and geographical focus – GESCO SE's investment focus

GESCO has traditionally focused on manufacturing companies, which form the foundation of the German SME sector's strong global reputation. Our sector focus is diverse and ensures that we operate in various sectors with high growth potential.

In its acquisitions, GESCO focuses on companies with sales of between MEUR20 and MEUR50. Strategically motivated complementary acquisitions by subsidiaries are made in lower sales brackets. Acquisitions are financed from equity and debt.

Geographical focus

Currently, all subsidiaries are headquartered in Germany. However, the majority of portfolio companies have a strong international presence, with some generating over 80% of their sales abroad. Some subsidiaries also have production facilities abroad, enabling them to serve their markets even more effectively on a global scale and to capitalise on international growth opportunities.

Acquisitions of core investments in other European countries, as well as complementary investments outside Europe, form part of the inorganic growth strategy.

Summary

GESCO SE is not a passive holding company, but an active partner. Through its clear strategic focus, commitment to sustainable growth and willingness to invest in innovative, medium-sized companies, GESCO contributes to strengthening the competitiveness of the portfolio. GESCO strives to stand alongside its subsidiaries as a partner and to jointly master the challenges of the market, whilst simultaneously creating value that goes beyond financial aspects.

We see numerous opportunities and challenges and will actively address these to further secure and expand the future viability of the GESCO Group and its subsidiaries.

Significant changes in the scope of consolidation

In the reporting year and the previous year, significant changes took place as a result of corporate restructuring and disposals.

1. Disposals as part of asset or share deals:

There were no disposals in the 2025 financial year.

2. Acquisitions as part of asset or share deals:

Pursuant to a purchase agreement dated 1 July 2025, with economic effect from 01/01/2025, GESCO SE acquired 100% of the shares in Eckart GmbH, Eckart Montage GmbH and Eckart Produktion GmbH. In addition, various machines and tools were also acquired as part of an asset deal for a purchase price of MEUR1.7.



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3. Corporate restructuring:

Under the merger agreement dated 20 August 2025, Eckart Montage GmbH and Eckart Produktion GmbH were merged into Eckart GmbH with retroactive effect from 01/01/2025.

Management System

Planning and management within the GESCO Group take place at the level of the direct operating subsidiaries and GESCO SE. The framework for the operational development, personnel measures and investments of the subsidiaries is set out in an annual plan drawn up by the management of the respective company and approved jointly with the Executive Board of GESCO SE. As part of the regular reporting process, GESCO SE receives data from the subsidiaries during the year and at least on a monthly basis. This information is recorded and analysed at GESCO SE, supplemented with figures from GESCO SE's own finance and accounting departments, and consolidated. The findings from the subsidiaries' reporting are analysed and evaluated in terms of target achievement during meetings held at least monthly, either on-site or via video conference, between the relevant Business Director at GESCO SE and the respective managers of the companies. During these meetings, options for action regarding both opportunities and risks are discussed jointly in order to be able to react promptly to changes in the market situation.

GESCO SE prepares a consolidated plan based on the plans of the individual subsidiaries. At the annual press conference on the financial results, the Executive Board of GESCO SE provides an outlook for consolidated sales and consolidated earnings after minority interests for the new financial year; this outlook is further refined in the course of quarterly reporting. Other key performance indicators include order intake, EBIT and the equity ratio. In the financial and forecast reports within this management report, consolidated sales and consolidated earnings after minority interests are included in the notes as the most significant indicators. For the holding company, this applies with regard to income from investments, net profit and the equity ratio.

Research and Development

As an investment holding company, GESCO does not carry out any research and development work. All such activities are conducted by the subsidiaries. The subsidiaries are mostly small to medium-sized enterprises whose research and development activities are predominantly market- and customer-oriented. Technical innovations, as well as new products and applications, are generally developed through project work within the framework of customer orders. Depending on the task at hand, the companies cooperate with universities and institutes and participate in publicly funded research projects. Nevertheless, research and development is also of the utmost importance from GESCO's perspective, and innovation is therefore regarded as a key driver for the further development of the companies.

The portfolio companies are encouraged to invest in defined future-oriented sectors where very good long-term development prospects are emerging. The holding company provides methodological support to the subsidiaries in deriving innovation strategies, identifying innovation potential, generating and selecting ideas, and managing projects within the innovation process. A key focus is also on raising awareness and fostering collaboration among the various management teams. Here, market trends and developments are monitored across sectors, and this knowledge is shared with the group companies through active dialogue with the respective executive boards and management teams. GESCO actively promotes exchange between its portfolio companies to facilitate innovation through a change of perspective. Where necessary, GESCO also establishes links between its subsidiaries and external partners and institutions and supports collaboration with the scientific and research communities.

Economic report

Macroeconomic and sector-specific conditions

According to the International Monetary Fund's (IMF) estimate in the World Economic Outlook Report of January 2026, the global economy grew by 3.3% in 2025 (2024: +3.3%). This means that economic momentum has not changed compared with the previous year and remains below the average growth rate of 3.8% recorded in the first two decades of this century. Key factors contributing to the weak growth included, in particular, increasing trade policy uncertainties linked to the introduction of comprehensive US tariffs in 2025, as well as geopolitical risks. Furthermore, the IMF projected growth in the industrialised economies of 1.7% in the calendar year 2025 compared with the previous year, whilst economic growth in emerging and developing economies is estimated at around 4.4% over this period. For the calendar year 2025, the IMF forecast growth of 5.0% for the Chinese economy, 2.1% for the US economy and 1.4% for the eurozone.

The median inflation rate in industrialised countries stood at 2.4% in the calendar year 2024. A slight decline to around 2.3% is forecast for the calendar year 2025. Against the backdrop of falling inflation, the US Federal Reserve and the European Central Bank cut key interest rates during the financial year.

The economic conditions in Germany in 2025 were characterised by a slight stabilisation following two years of recession, but remained challenging overall. In the fourth quarter of 2025, GDP grew by 0.3% quarter-on-quarter, indicating a slight recovery. Real gross domestic product (GDP) rose by 0.2% year-on-year in 2025 after adjusting for price changes, and by 0.3% after adjusting for calendar effects. This marked the end of the contraction phase in 2023 (-0.9%) and 2024 (-0.5%), but growth was well below potential and lagged behind international benchmarks.

Growth was driven primarily by private consumption and government spending, whilst exports and investment continued to be weak. The inflation rate (consumer prices) stood at around 2.2% on an annual average, settling close to the ECB's target. The European Central Bank continued its cycle of interest rate cuts, which eased financing conditions, but real investment momentum remained subdued.

The labour market remained stable overall, although unemployment rose slightly to around 6.3% and the number of people in employment increased only marginally (by around 19,000).

German industry, particularly energy-intensive sectors, faced structural pressures. By international standards, Germany has an above-average share of energy-intensive sectors (e.g. chemicals, steel, paper), which suffered from persistently high energy costs. Despite measures such as electricity price compensation and temporary relief, electricity prices for industry remained above the European and global average, creating competitive disadvantages.

The mechanical and plant engineering sectors, as well as the automotive industry, were particularly affected. According to the Association of German Mechanical Engineering Industries (VDMA) figures, mechanical engineering recorded a real decline in production of 5% in 2025 – the fourth consecutive year of contraction. Order intake remained weak, and some investment shifted elsewhere. The association highlighted the growing competition from China, which was making aggressive gains in market share through state subsidies and lower costs.

Mechanical and plant engineering and the automotive sector in particular suffered from the escalation of regional conflicts (Ukraine, Gaza, Iran, most recently Venezuela), strained supply chains and continued volatility in raw material prices, as well as from the protectionist policies of the US, which brought with them higher tariffs and trade barriers. The monetary policy of central banks – interest rate cuts despite ongoing uncertainty – offered only limited relief.

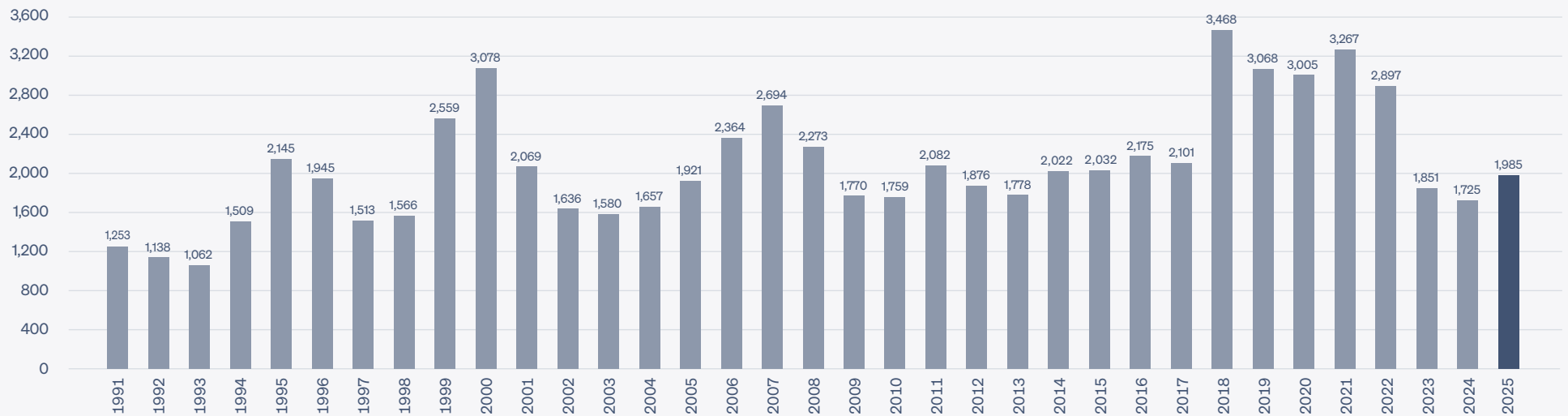
Domestic headwinds such as high economic uncertainty – exacerbated by geopolitical risks and the backlog of reforms – dampened sentiment among small and medium-sized enterprises. Many SME suppliers reported a decline in orders and cost pressures. Nevertheless, the first signs of stabilisation were emerging: falling inflation, rising real incomes and government stimulus (e.g. investment in infrastructure) are laying the foundations for a moderate recovery in 2026.

In summary, German industry faced a combination of cyclical and structural challenges in 2025. SMEs demonstrated resilience, but the transition towards sustainability and digitalisation urgently requires better framework conditions: lower energy costs, less bureaucracy and a proactive industrial policy.

The M&A market was only slightly more active in the past year than in the previous year and remained at the low level seen in recent years. Increased uncertainties regarding future business development and an uncertain regulatory environment continued to weigh on M&A activity in the 2025 financial year.

The M&A market was only slightly more active in the past year than in the previous year and remained at the low level seen in recent years. Increased uncertainties regarding future business development and an uncertain regulatory environment continued to weigh on M&A activity in the 2025 financial year.

Number of M&A deals in Germany from 1991 to 2025



Source: <https://imaa-institute.org/mergers-and-acquisitions-statistics/germany-ma-statistics>

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In the 2025 financial year, the number of companies actively seeking a buyer remained high. These included both companies with unresolved succession planning and companies that are struggling due to economic conditions, where it is difficult to assess whether they are merely experiencing a temporary downturn. GESCO does not invest in distressed companies (distressed securities), but in promising companies that are either already market leaders or have the potential to become so. In this environment, GESCO continues to focus on actively approaching entrepreneurs, both for core investments and, in particular, for potential complementary acquisitions.

Business performance

The German economy, and in particular the heavily export-oriented mechanical and plant engineering sector, suffered in the course of 2025 from customers' continued reluctance to invest, which was caused, among other things, by high economic uncertainty.

According to the annual report of the VDMA, order intake in the mechanical and plant engineering sector closed 2025 with zero real growth compared to the previous year – a sign of slight stabilisation following several years of decline. Whilst domestic orders fell by 1%, orders from abroad presented a mixed picture: orders from eurozone countries rose by 7%, whereas orders from non-eurozone countries were 2% below the previous year's level. Overall, this resulted in a slight decline in international business.

With 41.6% of its sales generated in Germany, the GESCO Group remains heavily dependent on the domestic market. The GESCO Group's order intake reflected the general reluctance to invest and resulted in a ratio of order intake to sales within the GESCO Group of 0.96 for the 2025 financial year.

The companies of the GESCO Group were unable to escape the challenging macroeconomic conditions and the sector-specific weakness in demand. Due to the heterogeneity of their business models, the segments and companies were affected to varying degrees.

The economic environment of the Materials Refinement & Distribution segment continues to be characterised by volatile material prices, subdued demand from core customer industries, as well as geopolitical uncertainties and trade-related restrictions. Energy price risks have decreased significantly following the divestment of energy-intensive activities through the sale of the foundry and steelworks at Doerrenberg, whilst inflation-driven cost increases and competitive pressure from Asia persist. To ensure delivery capability and limit risk, the segment relies on structured supply chain management featuring diversification, collaborative supplier relationships and long-term contracts. In addition, lean management and the GESCO Business System contribute to shorter lead times, greater agility and reduced dependence on price and market volatility.

The Materials Refinement & Distribution segment recorded a significant year-on-year decline in sales and earnings. In addition to general weakness in demand and the impact of US tariff policy, special effects arising from the sale of the two Doerrenberg business units (foundry and steelworks) at the end of 2024 must be taken into account in this segment. Part of the decline in sales is attributable to this sale. Sales from the foundry and steelworks amounted to MEUR19 in the 2024 financial year. Doerrenberg's earnings in the 2025 financial year were also impacted by the insolvency of the sold business units (Bergische Edelstahlwerke GmbH) in early February 2026. Two loans granted (totalling MEUR6.0) and receivables (MEUR0.3) had to be written off in full in this context for the 2025 financial year. At Doerrenberg, the continuing weak environment in the German steel industry also had an impact on the financial

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results. Steel production in Germany in 2025 was around 9% below the previous year's level, reaching the level of the 2009 financial crisis. Despite this declining market environment, the company recorded the smallest decline in volume in the long products business in its core market of Germany. The expected adjustments to EU customs policy – in particular CBAM and the safeguard measures likely to come into force from the third quarter of 2026 – are expected to lead to falling import quotas and rising prices. For Funke, the overall performance of the construction industry fell short of expectations. However, individual segments such as district heating and data centres performed well. The market-driven shift towards lead-free solutions is leading to changing customer requirements and opening up additional business opportunities. At PGW, the US market proved significantly weaker than planned. Inventory reductions by customers and the impact of US import tariffs on steel doubling to 50% led to increased uncertainty and had a negative impact on demand.

The Health Care & Life Science segment targets the growing markets in the health, medical, pharmaceutical and food sectors. An ageing population, rising healthcare needs and increasing pressure on hygiene and sustainability are growth drivers for the subsidiaries in this segment. These fundamental drivers remain unchanged, although the business performance in 2025 is not reflected correspondingly positively in order intake and sales due to the continuing volatile market conditions. In addition to individual operational factors – such as changes in ordering patterns by a major US customer of the subsidiary Setter – the marked reluctance of many customers is a key factor in the slight decline in sales. This stems in particular from global uncertainties weighing on the market environment. Medical technology fell short of expectations in 2025. Here, too, there was a reluctance to invest, coupled with short-term ordering behaviour and reduced stock levels. In the CT and ventilator sectors, however, a slight upturn is emerging. This segment is also seeing an increasing focus by many international customers on local production structures and regional supply chains. The GESCO Group is consistently addressing this development as part of its internationalisation strategy and is supporting its subsidiaries in further expanding their market presence and local value creation. The segment's earnings (EBIT) were significantly increased compared with the previous year through process optimisation and rigorous cost management.

The Industrial Assets & Infrastructure segment comprises companies that are leaders in mechanical and plant engineering within their respective infrastructure markets. They are all globally positioned, key players in international markets. Economic uncertainty in global markets led to a high degree of investment reluctance in the mechanical and plant engineering sector worldwide and, consequently, to delayed ordering behaviour on the part of customers. In the segment, this had a particularly negative impact on the subsidiary Kesel in the 2025 financial year. Sales and earnings fell short of expectations. Expectations for the 2026 financial year also remain subdued. Despite the difficult environment, MAE performed solidly and secured a record order of approximately MEUR8 at the end of the year. Eckart and SVT performed very well, meeting or exceeding targets. Thanks to continued high demand for LNG terminals, SVT once again achieved record sales and earnings.

When reviewing the financial indicators below, it should be noted that the sale of a subsidiary (AstroPlast) and the sale of two business divisions at Doerrenberg ('Foundry' and 'Steelworks') took place at the end of 2024. The subsidiary Eckart GmbH was acquired at the beginning of July, with effect from 01/01/2025.

Despite the decline in sales and the burden arising from the write-down of loans and receivables at Doerrenberg, the Group's margin was maintained. This was countered in particular by the discontinuation of loss-making activities, as well as cost-cutting measures such as short-time working, the reduction of temporary staff and headcount, and stringent cost and investment discipline.

Over the course of the year, working capital was significantly reduced, not least due to the introduction of lean management processes. Contrary to this trend, there was an increase as at the balance sheet date due to a substantial stock purchase at Dörrenberg carried out shortly before the end of the year.

Overall, the balance sheet ratios remain encouragingly solid.



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Due to a weak fourth quarter, as well as loan defaults resulting from the insolvency, the Executive Board had to revise its forecast for the 2025 financial year. Accordingly, the Executive Board expected consolidated sales of MEUR480–500 and consolidated earnings after minority interests of approximately MEUR7.0–10.0 for 2025.

This forecast was met.

Group's financial position

Earnings

The GESCO Group's order intake reached MEUR476.0 in the 2025 financial year (previous year: MEUR519.1) and was thus 8.3% below the previous year's figure. Whilst the Materials Refinement & Distribution and Health Care & Life Science segments were below the previous year's levels, order intake in the Industrial Assets & Infrastructure segment grew significantly. The financial year closed with an order book of MEUR161.8 (previous year: MEUR188.9), i.e. 14.4% lower than in the previous year.

Consolidated sales totalled MEUR495.0, 3.7% below the previous year's figure (MEUR513.8).

Due to the moderate decline in purchase prices over the course of the year and margin improvements in the Health Care & Life Science and Industrial Assets & Infrastructure segments, the cost of materials ratio stands at 54.2%, down from the previous year (56.8%).

The payroll-to-sales ratio fell only slightly from 25.5% to 25.4%, primarily due to lower sales, wage increases for staff and higher social security contributions, despite efficiency gains. In absolute terms, the cost of wages and salaries fell from MEUR105.7 to MEUR101.3. Social security contributions, at MEUR18.7, remained virtually unchanged from the previous year (previous year: MEUR18.9). The wage increases of around 5% per annum seen in Germany over the last three years were primarily the result of high inflation rates. With the rate falling to just over 2%, nominal wages are expected to rise by approximately 3% per annum in future.

Other operating income was slightly below the previous year's level and primarily comprises income from the release of provisions amounting to MEUR3, income from currency translation amounting to MEUR1.6, and income from the sale of land amounting to MEUR1.1. The impairment of financial assets amounting to MEUR6.0 relates exclusively to the two loans written down due to the insolvency of Bergische Edelstahlwerke GmbH.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to MEUR33.8, compared with MEUR36.7 in the previous year.

Depreciation and amortisation amounted to MEUR18.3 in the reporting period (previous year: MEUR21.5) and included scheduled depreciation and amortisation. Consequently, earnings before interest and taxes (EBIT) reached MEUR15.5 (MEUR15.2). The EBIT margin rose slightly to 3.1% (previous year: 3.0%).

The improved financial result of MEUR–4.1 (previous year: MEUR–5.2) is primarily attributable to the repayment of long-term financial liabilities and lower interest rates. It should be noted that current financial liabilities doubled to MEUR63.0 at the end of the year due to the purchase of the warehouse from Doerrenberg.

Earnings from investments is reported at MEUR0.0 (previous year: MEUR0.4). Interest and similar expenses fell significantly from MEUR5.3 to MEUR4.1.

Earnings before tax (EBT) amounted to MEUR11.4 (MEUR9.6). At 9.6%, the tax rate was significantly lower than in the previous year (43.8%). This is primarily due to the capitalisation of deferred tax assets on tax loss carry-forwards.

After minority interests in corporations of MEUR0.4 (previous year: MEUR1.2), consolidated earnings after minority interests amounted to MEUR9.9, compared with MEUR4.4 in the previous year. Earnings per share under IFRS amounted to EURO.96 (previous year: EURO.42).

Sales and earnings by segment

As at 01/01/2025, GESCO SE implemented a new segmentation of its portfolio companies. The segments are structured more clearly, particularly for investors. They are based on established end-user markets and aligned with the respective business models of the individual subsidiaries. This repositioning followed the M&A activities in December 2024 and ensures greater transparency, comparability and balance within the segments. Similarly, the three segments also reflect the strategic focus on value-added and customer-centric business models centred on industrial processes, products and projects. The GESCO Group's business activities are divided into the following three segments:

Materials Refinement & Distribution: This segment comprises the companies Doerrenberg, PGW and Funke. These companies generate customer value through complex production processes and the ability to deliver highly specialised raw materials and semi-finished products with short lead times. They are characterised both by their ability to manage global supply chains and by ensuring the highest quality standards in their processes. Their diversification across various end-user markets and global customers makes them more resilient to economic fluctuations.

Health Care & Life Science: This segment comprises the companies Setter, INEX and Amtrion. The companies within this segment offer tailor-made products and solutions. They target the rapidly growing markets in the health, medical, pharmaceutical and food sectors. Thanks to their innovative strength, which is closely aligned with real customer needs, they are well placed to meet the rising demands in these key sectors.

Industrial Assets & Infrastructure: This segment comprises the companies SVT, MAE, Eckart and Kesel, all of which are leaders in mechanical and plant engineering within their respective infrastructure markets. They are all globally positioned, key players in international markets. Their excellent capabilities in managing large and complex projects enable them to fulfil even highly individual customer requirements on time and efficiently.

The Materials Refinement & Distribution segment also performed very unevenly during the reporting period. Whilst Doerrenberg fell significantly short of its own targets due to difficult operating conditions and one-off charges, the shortfall at Funke and PGW was moderate.

At MEUR207.0, order intake was below the previous year's level of MEUR234.4. The order backlog, at MEUR46.0, was also below the previous year's figure (MEUR53.8). Sales fell significantly, reaching only MEUR209.4 compared with MEUR239.5 in 2024. Segment EBIT amounted to MEUR-1.6, compared with MEUR-0.1 in the same period of the previous year. The result is primarily impacted by Doerrenberg. Customer reluctance and the burden of loan write-downs in connection with the insolvency of Bergische Edelstahlwerke GmbH are the main factors here. The segment's ROS fell accordingly from 0.0% (2024) to -0.8%.

With the planned spin-off of the Casting division into newly formed CASTEON GmbH in 2026 and the Doerrenberg Group's consequent focus on its core competence as an internationally active trading organisation for tool steel, the course has been set for the future.

Despite a reduction in order intake and a slight decline in sales, the Health Care & Life Science segment was able to significantly increase its earnings in the 2025 financial year. Order intake fell by 19.0% year-on-year to MEUR128.4. In line with the lower order intake, the order backlog at the end of 2025 decreased by 42.0% to MEUR25.7. Sales in the segment stood at MEUR143.5, virtually unchanged from the previous year (MEUR144.1). EBIT improved by 52.0% to MEUR12.3. This corresponds to a ROS of 8.6% (previous year: 5.6%).

The Industrial Assets & Infrastructure segment experienced a very mixed performance. The newly acquired Eckart and SVT enjoyed very strong business performance. Our smallest subsidiary, Kesel, on the other hand, was affected by customers' high reluctance to invest, which overall also led to a lack of new orders and a significant decline in sales. MAE performed solidly in the face of challenging market conditions.

Overall, order intake in the segment developed very positively. This was also aided by MAE’s record order from the US specialist in high-performance alloys, Haynes International, amounting to approximately MEUR8. As a result, order intake stood at MEUR140.6 in the 2025 financial year, 25.7% higher than the previous year’s figure of MEUR111.9. This resulted in an order backlog of MEUR90.1 as at the reporting date (2024: MEUR86.4).

Segment sales rose by 23.2% from MEUR115.5 in the previous year to MEUR142.3. EBIT reached MEUR13.6 in the reporting period, compared with MEUR12.4 in the previous year, corresponding to an EBIT margin of 9.6% (2024: 10.7%). The decline is primarily attributable to Kesel and MAE, whose earnings are below the previous year’s levels.

The GESCO SE/other companies segment includes GESCO SE and a number of subsidiary companies. AstroPlast is also included in this segment for the 2024 financial year. Due to the change in the segment structure as at 01/01/2025, AstroPlast, which was sold in December 2024, was allocated to this segment. The ‘Reconciliation’ item shows consolidation effects as well as the reconciliation to the corresponding IFRS consolidated figures.

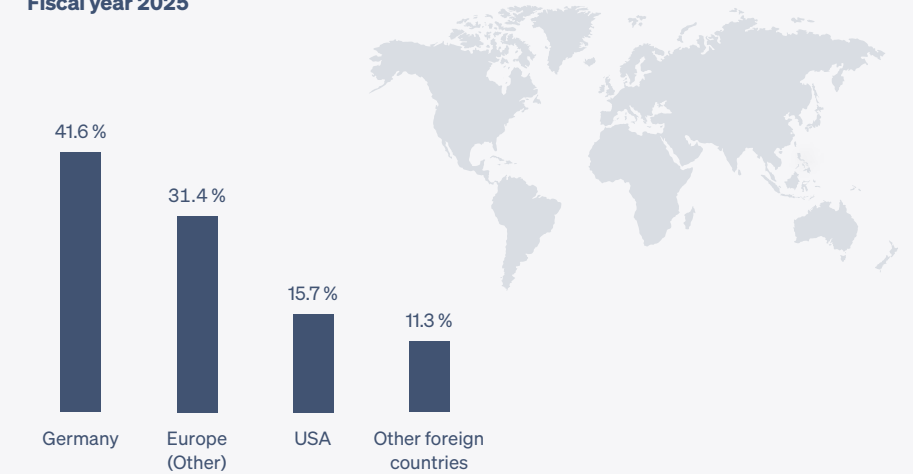
Sales by region

In the financial year, the proportion of Group sales generated abroad was 58.4% (previous year: 53.3%). The share of sales from Europe (excluding Germany) increased to 31.4% compared with the previous year (30.0%). Within Europe, France and Italy are among the most significant individual markets, contributing significantly to the Group’s sales performance. These markets demonstrate relatively steady demand for the GESCO Group’s products and services, which is evidence of resilient business relationships and a strong market presence.

Asia’s share of sales stood at 7.9%, remaining at the previous year’s level (8.0%). China’s share was 2.9%, compared with 2.8% in the previous year.

Sales by region

Fiscal year 2025



In North America, economic uncertainties – not least due to highly volatile tariff policies – have meant that expansion has not progressed as originally planned. Nevertheless, the US’s share of sales has increased to 15.7% (previous year: 13.1%) and remains the most significant market outside Germany.

The proportion of foreign sales varies significantly between the individual subsidiaries, which operate under different business models. Some subsidiaries have export ratios of over 80%, which points to their strong international focus and market strategies centred on global trade. These high export ratios highlight the subsidiaries’ competitiveness in international markets and their ability to adapt the GESCO Group’s products to different needs.

It is also important to consider the significance of the GESCO Group's domestic customers, many of whom are also strongly export-oriented. This leads to significant interaction between domestic and international business, meaning that the GESCO Group generates a considerable volume of indirect exports. However, these indirect exports are, by their very nature, difficult to quantify, as they are often influenced by the customers' value chains.

The broad regional distribution of sales and the high proportion of overseas business demonstrate GESCO SE's international diversification, which plays a crucial role in strategic planning and future business development. The Group's strong market position across various regions enables it to adapt flexibly to market changes and continue to grow successfully.

Financial position

Capital structure

The GESCO Group's balance sheet continues to show very strong balance sheet ratios with a high level of equity. Goodwill stands at a low level of 14.2% (14.4%) of equity. Overall, the GESCO Group has the necessary financial resources for internal and external growth.

On the liabilities side, equity stood at MEUR272.6, slightly above the level at the start of the financial year of MEUR269.0, resulting, among other things, from the currency translation adjustment and the dividend paid out. Together with the sharper rise in current liabilities, primarily in connection with the purchase of inventory, and the corresponding reduction in non-current liabilities, the balance sheet total increased by 3.4% compared with the previous year to MEUR447.4. Despite a higher level of equity in absolute terms, the equity ratio fell from 62.3% to 60.9% due to the higher total assets.

Financial liabilities to banks totalled MEUR80.1 as at the balance sheet date and comprise revolving overdraft facilities and traditional bank loans. The overdraft facilities carry variable interest rates and are predominantly linked to the EURIBOR. The bank loans carry fixed interest rates for the respective term.

The largest share was accounted for by current financial liabilities at MEUR63.0. The remaining financial liabilities predominantly have medium-term maturities of two to five years.

The currency structure of financial liabilities is predominantly euro-denominated. Foreign currency positions exist only to a limited extent. In the case of significant business transactions, currency risks are hedged through forward exchange contracts.

Investments

As a long-term investor, GESCO SE supports regular investments by its subsidiaries in their technical equipment to strengthen their competitiveness. This includes investments in tangible assets as well as modern information technology and, in particular, systems for efficient production planning and control.

Overall, investments in tangible assets and intangible assets for all companies amounted to MEUR17.0, compared with MEUR11.4 in the previous year. This includes right-of-use assets recognised as investments in accordance with IFRS 16, amounting to MEUR5.2 in the reporting period and MEUR3.1 in the previous year.

In the reporting year, the total volume was distributed across various replacement, modernisation and expansion investments. The focus of investment this year was again on the Materials Refinement & Distribution segment at Pickardt & Gerlach.

Depreciation and amortisation of tangible assets and intangible assets amounted to MEUR18.3 in the reporting period (previous year: MEUR21.5).

Liquidity and net debt

Cash management is handled individually for each Group company; there is no central cash pooling within the Group.

Cash and cash equivalents stood at MEUR35.1 as at the balance sheet date, slightly above the figure of MEUR33.3 as at the previous year's balance sheet date.

Current and non-current liabilities to banks rose by MEUR22.8 to MEUR80.1. The significant increase is primarily attributable to the short-term interim financing required for the purchase of inventory at Doerrenberg. Current and non-current lease liabilities decreased by MEUR0.9 from MEUR17.6 to MEUR16.7.

Net debt thus rose from MEUR24.0 to MEUR45.0. Taking lease liabilities into account, this represents an increase from MEUR41.6 to MEUR61.7.

Based on EBITDA of MEUR33.8, the net debt-to-EBITDA ratio is therefore 1.3, or 1.8 including IFRS 16. In the previous year, the net debt-to-EBITDA ratio was 0.7, or 1.1 including IFRS 16.

At the end of the financial year, committed but undrawn credit facilities amounted to MEUR51.2. The Group was always in a position to meet its payment obligations.

Based on the positive earnings for the period before minority interests of MEUR10.3, cash flow from operating activities increased year-on-year to MEUR38.9 (previous year: MEUR34.8). Cash flow from working capital was significantly negative at MEUR−20.6. In the previous year, this figure stood at MEUR29.9. This is primarily attributable to Doerrenberg's acquisition of the German Edelstahlwerke's stock of tool steel at the end of the financial year. Cash flow from operating activities was accordingly only MEUR6.3 (previous year: MEUR51.2). The calculated figure for cash flow from investing activities of MEUR−19 is MEUR12.2 higher than in the previous year (MEUR−6.3), partly due to the acquisition of Eckart GmbH.

Financial Position

Total assets in the GESCO Group stood at MEUR447.3 as at the balance sheet date, compared with MEUR433.3 in the previous year. Non-current assets fell by 6.2% to MEUR167.1 (previous year: MEUR178.0) due to significantly lower financial assets (MEUR−9.3) and lower other intangible assets (MEUR−2.9), alongside an increase in deferred tax assets (MEUR+2.9). Inventories rose by MEUR14.7 to MEUR159.0, primarily due to the purchase of stock from Doerrenberg at the end of the year. The other components of current assets also increased, resulting in an overall rise of MEUR25.0, or 9.8%, to MEUR280.3.

Financial Performance of GESCO SE

The notes relate to the separate financial statements of GESCO SE prepared in accordance with the German Commercial Code (HGB). GESCO SE performs holding functions within the Group.

GESCO SE's income from investments in the 2025 financial year, at MEUR4.5, was below the level of the previous financial year (MEUR6.0). Distributions are determined on a case-by-case basis, considering the earnings, asset and liquidity position of the subsidiaries, as well as with a view to optimising liquidity within the GESCO Group.

As in the previous year, no loss transfers had to be recorded in 2025. Income from profit transfer agreements fell from MEUR13.1 to MEUR12.5 in the reporting year. As at the balance sheet date, there are a total of three profit and loss transfer agreements with the following subsidiaries:

- INEX - solutions GmbH
- Setter Holding GmbH
- MAE Maschinen- und Apparatebau Götzen GmbH

As in the previous year, no depreciation on financial assets was required in the 2025 financial year.



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Sales, which fell slightly compared with the previous year to MEUR1.5 (previous year: MEUR1.8), resulted from the passing on of expenses to the associated companies as well as consultancy services.

Other operating income amounted to MEUR0.3 in the reporting year (previous year: MEUR0.6). Other operating expenses increased from MEUR6.7 to MEUR7.3 and consist primarily of legal and consultancy costs, as well as recruitment and onboarding costs. The increase in the 2025 financial year is attributable to land transfer tax of MEUR1.6, which arose in connection with the repurchase of shares held by former managing directors from previous years.

In the 2025 financial year, the net profit amounted to MEUR7.6 (MEUR12.0).

In the management report for the 2024 financial year, GESCO SE had forecast figures for investment income and net profit for the new 2025 financial year at roughly the same level as in 2023. In November 2025, GESCO SE had revised its forecast for the 2025 consolidated figures downwards; as a result, the original forecast figures for GESCO SE were also no longer achievable. The significantly lower income from investments and from profit transfer agreements in the 2025 financial year consequently led to a net profit for the year that was below the original forecast.

GESCO SE's balance sheet total stood at MEUR251.3 as at the balance sheet date (previous year: MEUR246.5).

On the assets side, financial assets increased by MEUR12.8 to MEUR178.1 because of the higher shareholdings in associated companies following the acquisition of Eckart GmbH. Other loans, by contrast, fell by a total of MEUR5.3 to MEUR7.5. These relate to vendor loans associated with the transactions carried out at the end of 2020 and the end of 2024, which were repaid as scheduled.

Cash and cash equivalents amounted to MEUR7.7 as at the balance sheet date (previous year: MEUR3.4). During the 2025 financial year, a dividend of EUR0.10 per share – totalling MEUR1.0 – was paid to the Company's shareholders.

The decrease in bank borrowings from MEUR4.6 to MEUR2.1 is attributable to the repayment of bank loans.

Overall, GESCO SE's balance sheet as at the balance sheet date shows very sound ratios, with a very high equity ratio, low debt and sufficient cash and cash equivalents. For the 2025 financial year, GESCO reports an equity ratio of 96.5% (previous year: 95.6%). Against this backdrop, GESCO SE continues to have sufficient access to debt capital on attractive terms. The Company is therefore fully capable of operating both in terms of its equity base and its debt capital.

At the end of the financial year, GESCO SE had committed but undrawn credit facilities amounting to MEUR10.0 (previous year: MEUR9.2).

Overall assessment of business performance

The forecast for sales and consolidated earnings after minority interests published in April 2025 assumed that there would be no significant improvement in the economic situation compared with 2024. We expected a stable level for the mechanical and plant engineering sectors, and slightly positive momentum for the construction and electrical sectors as well as the vehicle and automotive industries.

The first nine months developed in line with expectations. However, ongoing geopolitical instability and tariff-related turbulence in the fourth quarter led to a further deterioration in the business environment for many companies within the GESCO Group. This was compounded by various one-off effects and potential postponements of customer acceptances until January. This necessitated a revision of the forecast in early November. The insolvency of Bergische Edelstahlwerke in February 2026 led to a further need for correction due to the resulting write-down of existing loans and receivables amounting to MEUR6.3 before tax.

Despite numerous measures introduced, the subsidiaries were unable to fully escape the adverse conditions of the year. Nevertheless, consolidated earnings after minority interests was at the upper end of the forecast range of MEUR7–10 revised in February 2026 and in the middle of the forecast of MEUR9–12 valid up to that point.

Consolidated net profit includes non-recurring items totalling MEUR–2.6. These non-recurring items include, amongst other things, the write-down of loans and receivables as well as provisions for anticipated losses that had to be made due to the insolvency of Bergische Edelstahl Werke GmbH, including offsetting deferred tax assets. The consolidated operating result, adjusted for these one-off effects, was therefore at the upper end of the forecast range communicated in November. The GESCO Group was able to hold its own despite a persistently recessionary environment and ended the financial year with a stable positive result.

There were no other significant events or transactions with a material impact on the earnings situation, net assets and financial position of GESCO SE or within the Group during the reporting period.

Non-financial performance indicators

Environmental protection

The GESCO Group is committed to practising environmental protection beyond legal requirements. This commitment applies to the entire production process and the life cycle of every product, including recycling.

Aligning development and production with environmental concerns can open new market opportunities. Resource conservation and energy efficiency are compelling selling points. But it is not only the products that have environmental aspects. Energy considerations are also considered in construction projects and investments in machinery and plant. The aim is to reduce follow-up costs and emissions.

Climate-relevant emissions are calculated as CO₂-equivalents per million euros of sales.

Further information on environmental protection can be found in the non-financial group report in accordance with Section 315b(3) of the German Commercial Code (HGB). From 2021 to 2023, the report was based on the German Sustainability Code. For the financial year 2025, GESCO followed the CSRD guidelines, as it did in the previous year.

Employees

As at the balance sheet date, the GESCO Group employed a total of 1,662 staff (previous year: 1,642).

In the fourth quarter of 2025, GESCO offered all domestic employees of the GESCO Group the opportunity to purchase employee shares as part of an employee share ownership scheme for the 26th time. GESCO SE regards this scheme as an important tool for employee retention. Consequently, the scheme is set to continue in the future.

The future viability of the companies within the GESCO Group depends heavily on attracting and retaining qualified and motivated employees in the long term. Training and further education are given high priority within the Group. In addition, the subsidiaries actively position themselves as attractive employers.

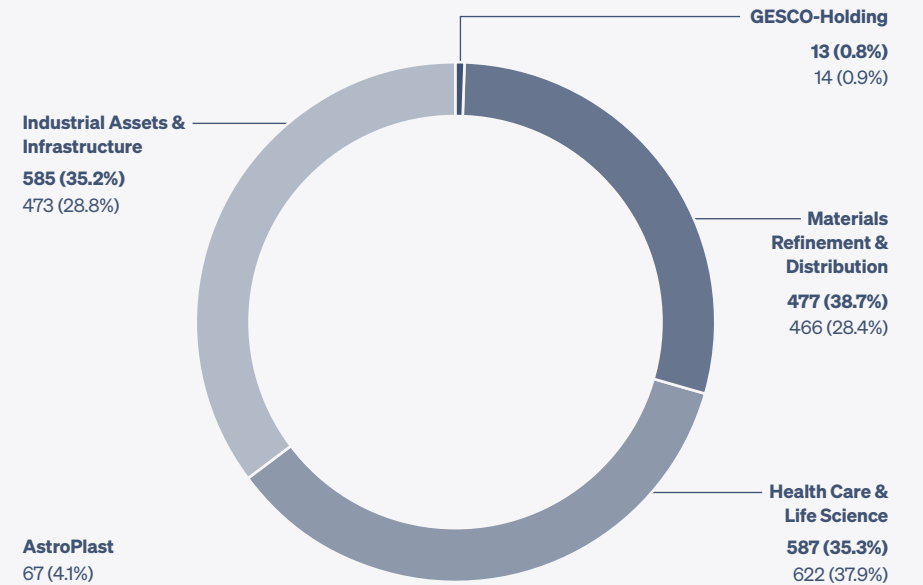
There are numerous activities ranging from participation in school events such as Girls' Days and dual study programmes to collaborations with universities and other educational institutions. Doerrenberg Edelstahl GmbH has been presenting the "Doerrenberg Award" for many years. This is a prestigious award for students in the fields of materials science and engineering.

Performance indicators such as the training ratio, costs and hours spent on further training are determined for evaluation purposes.

Further information on the topic of employees is provided in the separate non-financial Group report in accordance with Section 315b of the German Commercial Code (HGB).

Employees by segment (end of financial year)

Fiscal year 2025*
 Fiscal year 2024



*Excluding trainees.

Other information

Remuneration report

Information on the remuneration of the Executive Board and the Supervisory Board is provided in the remuneration report prepared separately for the 2025 financial year and published on the GESCO SE website in accordance with Section 162 of the German Stock Corporation Act (AktG).

Treasury shares

As part of its share buyback programme announced on 28 March 2024, which commenced on 11 April 2024 and ended on 25 April 2024, the Company repurchased 499,974 shares via a voluntary public share buyback offer. Including the shares already held prior to the share buyback offer, the Company subsequently held 511,304 treasury shares. In connection with its 2024 and 2025 employee share ownership schemes, the Company distributed 45,495 treasury shares to the custody accounts of employees participating in the scheme in accordance with Section 71(1)(2) of the German Stock Corporation Act (AktG), of which 19,752 were distributed in December 2025. As at the balance sheet date, GESCO SE thus held 465,929 shares.

Forecast, Opportunities and Risks Report

Forecast

At the time of preparing this Group Management Report, it is not yet possible to reliably assess the nature, scope and duration of the recently escalated military conflict in the Middle East, nor its medium- and long-term economic impact.

Depending on how the situation develops, negative effects could arise in particular from rising energy and raw material prices, disruptions to international supply chains, increased volatility on the financial markets, and possible further trade restrictions or sanctions. These effects have not yet been taken into account in the following forecast.

According to forecasts by various economic institutes and the German government, the German economy will experience a gradual recovery over the next two years (2026 and 2027).

In 2026, a moderate recovery is on the horizon for the German economy, though this will be characterised by persistent structural problems and external uncertainties. Following years of stagnation and recession – with GDP growth of just 0.1% to 0.2% in 2025 – leading economic institutes and the German government expect a slight upturn, driven primarily by domestic factors. Forecasts vary between 0.8% and 1.3% for real GDP growth, with the consensus standing at around 1%.

In its latest forecast from January 2026, the International Monetary Fund (IMF) anticipates German economic growth of 1.1% in the current year. This would mean growth would be 0.2 percentage points higher than forecast in October. For 2027, IMF experts expect a further acceleration in growth to 1.5%.

The German government lowered its annual projection to 1.0% at the end of January 2026, driven by fiscal stimulus such as infrastructure investment and defence spending, which are expected to contribute around 0.3 percentage points, whilst exports are forecast to rise by only 0.8% due to US tariffs and weak global demand.

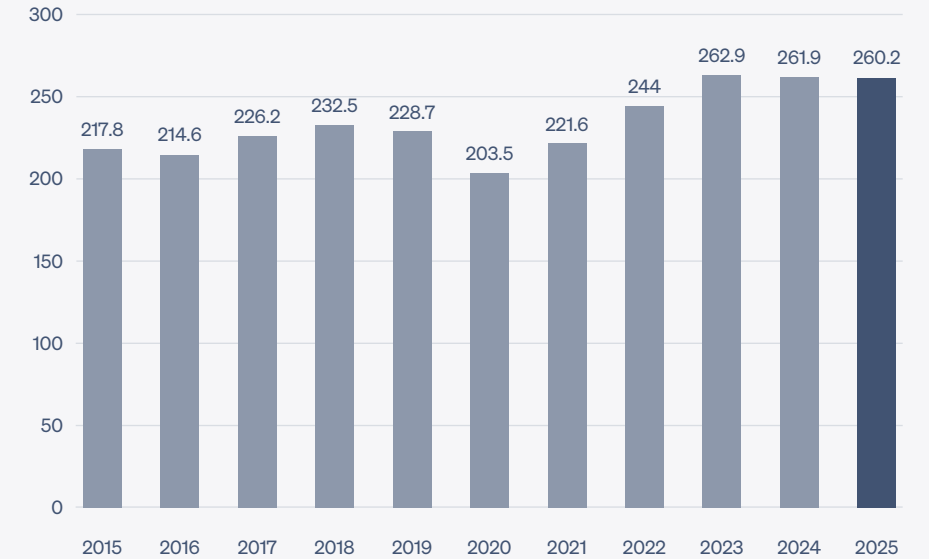
The inflation rate is expected to stabilise at 2.0% to 2.2%, influenced by wage increases and service prices, but tempered by falling energy prices. The unemployment rate is uniformly expected to be 6.2% to 6.3%, with the number of people in employment stagnating or falling slightly due to demographic challenges. Private consumption is set to grow by 0.8% to 1.0%, and government spending by up to 2.4%, whilst investment is being stimulated by public programmes, though private sector caution persists due to bureaucratic hurdles. Risks such as a persistent slump in exports, competition from China and geopolitical conflicts could dampen the recovery, which is why all sources are urging for needed reforms in regulation, energy supply and social systems to secure long-term potential.

Overall, the economic situation remains tense. Targeted measures and strategies are needed to overcome the challenges and set the course for a sustainable recovery.

According to the latest assessment by the German Engineering Federation (VDMA), a slight recovery in the sector is forecast for 2026. Price-adjusted production in the German mechanical and plant engineering sector is expected to rise by +1%.

The VDMA speaks of a bottoming out and stabilisation at a low level following several years of decline or stagnation. However, an increase of just one per cent does not yet represent genuine growth momentum; significantly stronger growth would be required for that. Globally, the association expects moderate sales growth of +2% in real terms for the machinery industry, with Asia expected to perform above average.

Sales development in German mechanical engineering in billion €



Quelle: Statistisches Bundesamt, VDMA e.V.

Sentiment in the sector has brightened somewhat recently: many companies are looking ahead with slightly greater confidence, although capacity utilisation remains low. The VDMA forecast is subject to change and depends heavily on political reforms (such as improvements to the business environment, reducing bureaucracy and easing the burden of energy costs), an easing of geopolitical conflicts, and the development of global demand. Persistent trade conflicts, high costs and competitive pressure – particularly from China – continue to weigh on the sector.



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In summary, the VDMA views 2026 as a transitional year marked by initial stabilisation and moderate recovery, though one that remains far from a robust upturn. The sector is urgently calling for structural measures to secure long-term competitiveness.

All three segments of the GESCO Group continue to face a challenging market environment. The persistently high level of macroeconomic uncertainty, the tense geopolitical situation and protectionist trade and customs policies are leading to marked customer caution across all end-user markets.

In the Materials Refinement & Distribution segment, the continuing difficult situation in the German steel industry is also having an impact. The expected adjustments to European customs policy – in particular the Carbon Border Adjustment Mechanism (CBAM) and the safeguard measures expected to come into force from the third quarter of 2026 – are likely to lead to falling import quotas in this segment and thus contribute to rising price levels.

For the Health Care & Life Science segment, we anticipate continued subdued performance in 2026 given the ongoing volatility in demand and order patterns. In the Industrial Assets & Infrastructure segment, too, delayed ordering behaviour is still expected due to global investment reluctance. The market for LNG, which is crucial for SVT, is expected to continue growing in 2026.

Against this backdrop, we anticipate subdued demand growth across all segments in the first half of 2026. We do not expect economic activity to pick up until the second half of the year at the earliest. Supported by inventory effects and the measures implemented in the subsidiaries as part of the GESCO Business System, we anticipate a gradual improvement in the relevant financial indicators for the 2026 financial year as a whole.

We anticipate the following developments for our financial performance indicators (Group) in the 2026 financial year: We expect Group sales to increase by a mid- to high-single-digit percentage compared with 2025. Consolidated earnings after minority interests should improve, particularly due to the absence of the one-off expenses from 2025. We expect consolidated earnings after minority interests to be in the range of MEUR15 to MEUR20.

Our non-financial performance indicators, which we monitor across the Group, include the continuous analysis and minimisation of human rights and environmental risks. The GESCO Group's objective is to prevent serious workplace accidents through occupational safety measures and health protection. The individual subsidiaries also aim to keep the number of workplace accidents as low as possible and to continue reducing them. Across the Group, three key objectives are being pursued: reducing energy consumption, cutting CO₂ emissions across all companies, and increasing the share of renewable energy in the Group's electricity mix to 80% by 2030. To implement these, specific, measurable targets are derived within the companies. Furthermore, GESCO has established clear objectives along the material flows to measurably improve efficiency, quality and environmental impact. Across the board, the GESCO Group aims to reduce the scrap rate by 10% by 2030 compared to the base year 2025, thereby permanently reducing material usage, emissions and costs.

At the end of the 2025 financial year, the GESCO Group has solid balance sheet ratios and low debt. In view of the continuing high geopolitical risks and persistent weakness in demand, the Group's focus will remain on securing and strengthening its financial and asset position. The measures introduced as part of the GESCO Business System are intended to reduce working capital and thereby strengthen cash flow.

Negative deviations in segment results and in the results of individual subsidiaries could have an impact on impairment indicators.

The continuing tense geopolitical situation, high price levels and interest rates, and generally subdued growth expectations could have a significant impact on some of our subsidiaries. Furthermore, due to the difficult economic situation facing many companies and rising insolvencies, our subsidiaries could face additional challenges arising from potential supplier failures. The subsidiaries are addressing this through active supplier management.



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We have taken the conditions known to us or foreseeable into account in our expectations; however, recent years have shown how quickly these can change, meaning that we are currently unable to make more precise statements regarding the extent of all direct and indirect effects.

Should there be an economic downturn or unforeseen government or regulatory intervention, this could have a corresponding impact on the expectations presented. Furthermore, deviations due to macroeconomic uncertainties cannot be ruled out.

GESCO SE faces the same opportunities and risks as the GESCO Group as a whole. The expectations regarding sales and earnings trends underlying the forecasts of the operating segments and subsidiaries have an impact on the future development of income from investments and the net profit of GESCO SE. These expectations are influenced by market and economic trends as well as geopolitical and regulatory developments. For the financial year 2026, GESCO SE (separate financial statements, HGB) forecasts the following developments in key performance indicators: We expect income from investments to be between MEUR17 and MEUR20 and earnings for the year to be between MEUR9 and MEUR12. GESCO SE's equity ratio is expected to remain above 80% in 2026, provided there are no significant changes within the group of subsidiaries.

GESCO SE continues to pursue a growth strategy aimed at external growth through the acquisition of medium-sized industrial companies. As part of this strategy, we are actively seeking acquisition targets with sales of between MEUR20 and MEUR50. Strategically motivated complementary acquisitions, known as add-on acquisitions of subsidiaries, are carried out in smaller sales brackets.

The forecasts in the report on future development are based on the assumptions and assessments available to GESCO SE at the time of writing. These statements are subject to risks and uncertainties; therefore, actual results may differ from our expectations. No guarantee can be given as to the accuracy of this information.

Management of opportunities and risks

GESCO SE's business model is entrepreneurially oriented. Entrepreneurial activity is inherently fraught with risks – these cannot be ruled out, but can be managed through appropriate risk management. The GESCO Group's approach is, on the one hand, geared towards identifying, assessing and capitalising on opportunities in national and international markets, and, on the other hand, towards identifying and mitigating risks. The management of risks and opportunities is a continuous business process. The structure of the GESCO Group is designed in such a way that adverse developments in individual companies do not jeopardise the entire Group.

An overall assessment of the Company's situation is carried out during planning meetings, monthly reviews and annual strategy meetings. This involves, on the one hand, analysing business opportunities and strategies for expanding business volume both domestically and abroad, as well as for increasing profitability, and, on the other hand, assessing the respective risks.

Management of opportunities

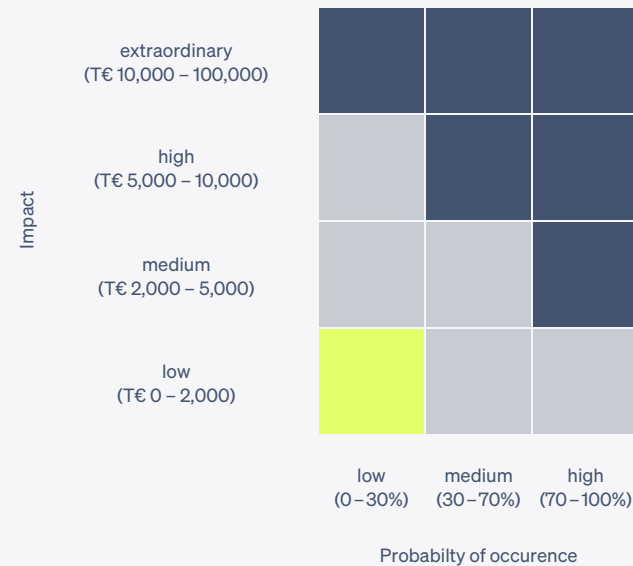
Significant opportunities for GESCO SE lie in the acquisition of further medium-sized industrial companies and in the expansion of existing corporate structures. By maintaining the network, raising awareness of GESCO SE as an investor and directly approaching promising companies, a deal flow is generated which is evaluated and processed through a step-by-step analysis. Furthermore, significant opportunities for GESCO SE lie in the positive operational performance of the portfolio companies, as well as the associated investment income and distributions. To this end, the holding company offers its subsidiaries intensive advice and support in order to leverage and utilise synergy effects for the entire Group.

For the operating subsidiaries, the ongoing task is to identify opportunities in both national and international markets and translate them into successful business operations. Strategy development, sales and marketing, product development, and quality and innovation management are crucial factors in this regard.

Risk management within the GESCO Group

The GESCO Group has an internal risk management system. The GESCO Group uses a software-based system to record risks. Risks are assessed and categorised in the risk statistics by evaluating their impact on earnings before interest and taxes (EBIT) and the probability of occurrence, with the focus on the net assessment of the risk impact following mitigating measures. Risks are weighted on a company-specific basis, taking into account the sales and profitability of the respective company. Specific classifications are defined at Group level. The combination of risk impact and probability of occurrence results in an assessment of the risks according to the following matrix, with dark blue indicating the highest risk level.

Risk matrix



The risks reported by the subsidiaries are included in a monthly report. The risks are reported by the managing directors in consultation with the respective business directors in the finance department. High-risk issues are also reported ad hoc by the subsidiaries to GESCO SE.

As at 12/31/2025, there are no individual risks falling into the dark blue category. The focus of the individual risks recorded within the yellow category was on legacy issues and warranty risks, each with a low impact.

Risk management is the responsibility of the Executive Board and is overseen by the Supervisory Board. In quarterly meetings, the GESCO SE employee responsible for risk management informs the Supervisory Board about the development of risks. In the case of major risks, the Supervisory Board is informed on an ad hoc basis.

In addition to the individual risks identified, we see risks to future development particularly in the following areas:

Risks and opportunities associated with the acquisition of companies

GESCO SE pursues both internal growth through the further development of its existing portfolio and external growth through the acquisition of further medium-sized industrial companies. New acquisition opportunities are identified on an ongoing basis, with the analysis of opportunities and risks as part of pre-acquisition due diligence being of particular importance. Prior to a purchase, we subject potential companies to a thorough due diligence review to identify the risks associated with the acquisitions, insofar as they are identifiable. Key due diligence aspects include financial, tax, technology and market-related risks, environmental considerations, as well as corporate culture, the age structure of the workforce and legal risks. In this regard, GESCO SE relies on both internal and external expertise.



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Every acquisition carries the inherent risk that the newly acquired company will not develop as planned and that the targeted EBIT margin will not be achieved. In succession planning in particular, the appointment of a new managing director following the departure of the previous owner-managing director is a critical success factor, as this often entails a cultural shift.

Following the acquisition, the companies are integrated into the GESCO Group's reporting system through a structured process. They are also incorporated into the GESCO Group's systems for risk management, compliance, data protection and insurance management.

Opportunities may arise if the acquired company performs better than originally planned. Such positive developments may be facilitated by favourable market conditions, as well as by the swift introduction and implementation of the GESCO Business System (GBS). The departure of a previous owner-manager may also create new opportunities, as a new managing director can tap into additional potential through their experience and promote the company's development with fresh perspectives.

Risks and opportunities relating to operational business

All subsidiaries of GESCO SE are exposed to the typical opportunities and risks of their respective sectors, as well as general economic risks, in their operational business. As an industrial group with significant direct and indirect exports, we are affected by economic fluctuations both domestically and abroad. Our diversification strategy regarding customer sectors aims to partially offset economic fluctuations in individual sectors and thus mitigate the risks arising from economic cycles.

In addition to the economic situation, the strategic orientation of the companies, considering technological and social change, presents both risks and opportunities for the subsidiaries. These include, in particular, issues such as digitalisation, the emergence of new competitors, the political and economic development of regional markets, shifting social values, the targeted reduction of CO₂ emissions, the energy transition, geopolitical risks and a more stringent regulatory environment.

The GESCO Group addresses these challenges with the GESCO Business System (GBS), which contributes to increasing market share and enhancing efficiency within the subsidiaries. Regular discussions between the Executive Board of GESCO SE, the Business Directors and the managing directors of the subsidiaries, as well as their teams, facilitate analysis and continuous dialogue on strategic issues. Significant regulatory tightening and legislative changes affecting GESCO SE are managed and implemented centrally by GESCO SE.

A fundamental risk arises from customer complaints and claims due to inadequate quality, failure to deliver promised services or missed deadlines. The companies counter this with meticulous processes, quality management and close customer contact.

In plant engineering, specific risks associated with the respective business model must be monitored. The relevant Group companies are regularly faced with customer requirements whose technical feasibility in terms of time and cost is difficult to calculate in advance, which carries the risk of loss-making contracts. At the same time, challenging customer projects offer opportunities, as they often lead to innovative approaches that result in marketable product innovations.

To reduce procurement risks, the subsidiaries aim to gain planning certainty through framework agreements with suppliers and service providers or to agree to price escalation clauses with customers and suppliers. A partnership-based and long-term relationship with key suppliers promotes security of supply.

Where deemed appropriate, the companies of the GESCO Group use trade credit insurance to secure trade receivables. In the case of relevant customers who cannot be insured, the subsidiaries analyse the situation in direct dialogue with the customer and define the next steps. In the case of significant uninsured risks, consultation takes place with the Executive Board of GESCO SE. This always involves balancing the need to limit risks against the need to seize business opportunities, so as not to jeopardise customer relationships. This challenge is further complicated by the instrument of insolvency avoidance, which is, however, covered by group insolvency avoidance insurance.

Currency risks arising from operating activities are generally hedged at the level of the respective subsidiaries for contracts of a significant size.

Geopolitical risks

In addition to typical economic fluctuations and the operational risks already mentioned, GESCO SE regards the high level of political uncertainty as the most serious risk to its operational business. Further developments in Ukraine, as well as the generally tense geopolitical situation, which has a wide-ranging impact on the business performance of the subsidiaries and the economy as a whole, are by their very nature difficult to predict. Should significant changes, escalations or intensifications occur, additional sanctions and noticeable effects on energy and commodity markets could affect our subsidiaries in various ways.

The strategic competition between the US and China brings with it additional risks. Trade tensions, technological advances and their impact on the energy sector are factors influencing the global economy. The growing reliance on renewable energies may cause tensions with countries that rely heavily on fossil fuels and nuclear energy. Furthermore, the US government under President Trump is forcing Europe to reposition itself in terms of its economic, energy and environmental policies.

By international standards, European companies face very high bureaucratic and regulatory requirements. Examples include the implications of the Supply Chain Due Diligence Act and CSRD reporting, which pose significant challenges and undermine international competitiveness.

Climate change has become a highly political issue worldwide, threatening national security and global stability. Extreme weather events, rising sea levels and water scarcity are becoming more frequent, which is having a significant impact on countries' economic development. Access to available and accessible energy resources is crucial. Various factors – in particular climate change, cyber security threats and the conflict in Ukraine – have exacerbated the vulnerability of energy security in Europe. The issues of energy security and high energy prices will remain key problem areas and risks in the 2026 financial year.

The US administration has, within a short space of time, called fundamental certainties into question. With its policy of appeasement towards Russia and the uncertainty surrounding NATO's protection of Europe, the threat level on the continent is higher than it has been since the Cold War. The tariffs announced and introduced have the potential to significantly exacerbate existing trade conflicts. According to calculations by the German Economic Institute (IW Cologne), the trade dispute between the USA and the EU could cost Germany around 180 billion euros over the four years of Trump's term in office. This corresponds to over one per cent of Germany's annual economic output. Further analyses by the Prognos Institute show that, mathematically speaking, around 1.2 million jobs in Germany depend on exports to the US, which corresponds to ten per cent of jobs dependent on exports.

It is to be feared that US protectionism and escalating trade conflicts will pose ongoing challenges. The growing trade dispute between the US and its Western trading partners, including Canada and Mexico, as well as between the US and China, will not only affect global production of goods and services but also significantly influence trade flows. The increase in exports from China to Europe is likely to continue if sales opportunities in the US continue to deteriorate.

An end to the Russian invasion of Ukraine involving the cession of Ukrainian territory could make a military conflict between China and Taiwan more likely. This would have dramatic economic consequences, as Taiwan is home to TSMC, the leading manufacturer of high-performance semiconductors and microchips. A disruption to this production could trigger a severe global recession.

GESCO's subsidiaries may be affected by these global developments in a variety of ways, both directly and indirectly. Direct impacts result from a shortage of energy supplies and rising energy prices. Even though GESCO was able to sell the most energy-intensive divisions of Doerrenberg and the subsidiary AstroPlast by the end of the 2024 financial year, the availability of energy at competitive prices remains a decisive factor influencing the business performance of the remaining subsidiaries. Furthermore, some subsidiaries have high export ratios and are partly dependent on international suppliers, which makes them directly vulnerable to general geopolitical

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developments. Indirect effects may affect subsidiaries with major international customers: if their supply chains are disrupted or global changes lead to difficulties for direct customers, this may affect their purchasing behaviour.

These general geopolitical risks have concrete effects on the subsidiaries' operational business, referred to as 'decoupling' or 'derisking' effects, which affect the entire economy. From a regulatory perspective, contradictory and often extraterritorial local laws and regulations are in place, which, in the event of breaches, can range from exclusion from public tenders and fines to a ban on operations (for example, import bans in the event of breaches of the CO₂ border adjustment mechanism 'CBAM'). This affects raw materials and may result in export and import restrictions on rare earths or export restrictions. In sales markets, this manifests itself in the form of punitive tariffs and non-tariff trade barriers, as well as import and export bans on products such as chips, network equipment and certain chemicals, which are associated with market entry barriers. In the area of data protection, this results in bans on data transfers to other countries and the obligation to make data and algorithms available to government bodies. This is accompanied by corresponding countermeasures, such as the US Cloud Act and the General Data Protection Regulation (GDPR). Technologically, this manifests itself in the establishment of uniform standards per region, as well as in the definition of different interfaces and usage bans for business-relevant software. Regarding environmental protection, this leads to differing environmental standards, which create competitive advantages and disadvantages.

In the context of GESCO's accelerated internationalisation strategy, the decoupling effects pose increased risks for subsidiaries with existing international locations and customers. These risks manifest themselves in rising procurement and production costs due to 'multiple regional sourcing' instead of 'single global sourcing' from the cheapest supplier worldwide, in additional costs for research and development, and in reduced economies of scale due to regionally varying norms and standards. Furthermore, additional costs for compliance management systems, high implementation costs and a considerable implementation effort may arise.

Personnel restrictions may take the form of bans or obstacles to the employment of foreign specialists, or travel restrictions on business trips (for example, through limitations on work visas, tax disadvantages and travel restrictions). The ban on employing foreign researchers in research institutes also has a negative impact. These travel restrictions pose risks particularly for subsidiaries with international customers and service operations, as trade fairs, customer visits and the deployment of service technicians often cannot take place to the extent required.

It is to be expected that the overall impact of decoupling will continue to increase in the future. For this reason, GESCO's subsidiaries abroad should increasingly follow the 'Local for Local' strategy. This means that foreign customers should rely more heavily on locally produced goods in future.

At the same time, however, there are also opportunities. The measures adopted in Germany, such as the energy price cap, are helping to alleviate the burden of high energy prices. The position of many subsidiaries as market leaders, combined with continued internationalisation and the development of sustainable supply chains, opens opportunities to increase market share. Information gained through the implementation of the national Supply Chain Due Diligence Act can be used to stabilise global supply chains, optimise risk management and build resilient supply chains.

Furthermore, the subsidiaries of GESCO SE source raw materials, supplies and services predominantly from Germany and other EU countries, which significantly reduces the impact of decoupling and geopolitical risk.

With consistent risk management and the diversification of its business activities, the GESCO Group remains well-positioned and capable of overcoming these challenges.

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Compliance risks

Compliance risks include, among other things, corruption, breaches of human rights and environmental due diligence obligations, antitrust violations and criminal conduct, which may lead to fines and claims for damages. These risks pose both a significant financial threat and a potential reputational risk. The GESCO Group addresses these challenges through a comprehensive compliance management system, which comprises a group-wide Code of Conduct, accompanying guidelines and work instructions, an online information system (Rulebook) for GESCO Group employees, supporting training programmes, case-specific spot checks, and a whistleblowing system for employees and external parties. In addition, a complaints system exists in accordance with the Supply Chain Due Diligence Act (LkSG). The managing directors of the subsidiaries are responsible for implementing the relevant requirements and principles within their companies.

Compliance management is centrally designed and managed by the Group Compliance Officer of GESCO SE. In the 2025 financial year, closer cooperation with the subsidiaries was promoted, through the establishment and expansion of a compliance governance structure. Such a structure enables the subsidiaries to focus more closely on their core business, as regulatory requirements are becoming increasingly stringent and are expected to tighten further in the future.

Responsibility for this system lies primarily with the Group Compliance Officer, who is accountable to the Executive Board of GESCO SE. A compliance report is prepared regularly, at least once a year, and submitted to the Executive Board of GESCO SE. This report also sets out the compliance strategy and the specific objectives for the current financial year and serves as the basis for the continuous improvement of compliance processes across the entire Group.

Risks and opportunities relating to personnel

Qualified personnel play a decisive role in the current performance and long-term competitiveness of GESCO SE's subsidiaries. Companies in Germany's manufacturing industry face the constant challenge of attracting sufficiently qualified skilled workers and retaining them in the long term. This difficulty is exacerbated by demographic change, which is leading to a decline in the available workforce. In mechanical engineering in particular, the recruitment of highly qualified skilled workers is essential to keep pace with rapidly advancing technological developments and to develop innovative solutions that are crucial for competitiveness in the market locations as well as for the entire industry.

To address these challenges, the companies within the GESCO Group are implementing a wide range of measures to position themselves as attractive and competitive employers in their regions. These include creating a positive working environment, flexible working time models and extensive further training opportunities that help employees to continuously develop their skills. These initiatives not only stimulate interest among potential new employees but also strengthen the loyalty of existing staff to the company.

An additional risk to the performance of companies within the GESCO Group arises from the potential loss of expertise. If valuable knowledge and skills possessed by experienced employees are not adequately passed on to less experienced colleagues, this can lead to a significant knowledge gap. To counteract this risk and ensure long-term success, the subsidiaries implement targeted measures for the transfer of know-how. These include structured mentoring systems, workshops and training courses that facilitate effective knowledge exchange and ensure the careful documentation of business processes.



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Of particular importance is also the recruitment and retention of suitable managing directors and executives for the companies within GESCO SE. These key positions are crucial for the successful implementation of the corporate strategy. Managers who fail to meet the high expectations of senior management or who experience frequent staff turnover can pose significant risks. Such instability not only has a negative impact on the internal corporate culture but also on the external perception of the companies. GESCO SE addresses this risk with great care. Through a multi-stage selection process, which includes comprehensive interviews and assessments, great importance is attached to ensuring the right fit for executives as early as the selection phase. Furthermore, the Supervisory Board is involved in the selection process to enhance transparency and accountability.

At the level of GESCO SE, difficulties in recruiting and retaining qualified staff can also jeopardise the company's overall success. Building a trusting and stable working relationship within the holding company and with its subsidiaries requires personnel continuity and transparent knowledge transfer. Regular team meetings, open lines of communication and a culture of mutual respect and appreciation are crucial to ensuring a productive working environment.

The targeted recruitment of managing directors and management positions entails not only risks but also numerous opportunities. A positive leadership culture reduces staff turnover, boosts employee motivation and contributes to an overall positive working atmosphere, which in turn promotes the achievement of corporate objectives. Furthermore, GESCO SE's established leadership development programmes offer significant potential. These programmes are designed to effectively promote and adapt leadership skills within the subsidiaries as well as within the holding company. Such investments in leadership development not only strengthen relationships within the companies but also intensify the ties between the holding company and the subsidiaries.

In summary, qualified personnel are of crucial importance to GESCO SE and its subsidiaries. Through strategic initiatives to attract skilled workers, effective measures to safeguard expertise, and the targeted selection of leaders, GESCO SE will not only meet current challenges but also emerge from them stronger. Ultimately, the aim is to create a dynamic, innovative and competitive group of companies that responds agilely to market demands, thereby laying the foundation for sustainable success.

GESCO SE's employee share ownership scheme enables the Group's domestic employees to regularly participate in the Company by purchasing discounted GESCO shares, thereby building up assets for their retirement provision. GESCO SE regards this scheme as a significant tool for employee retention.

Risks and opportunities arising from information technology

In today's interconnected world, cyberattacks represent a growing geopolitical risk that poses a significant threat to both businesses and national security. An increasing number of countries are exposed to a rising threat from cybercrime, which targets critical infrastructure such as energy supply networks, water treatment plants and communication systems. In addition to physical damage, such attacks can also have far-reaching economic and social consequences. In this context, global cooperation to combat cyberattacks is complicated by a complex interplay of differing geopolitical interests and conditions, which in turn leads to a tense and often unstable insurance market.

The risks arising from information technology are of central importance to the GESCO Group, as they can have a direct impact on the operational processes and stability of its subsidiaries. In particular, IT system failures within companies can not only cause significant downtime but also lead to serious consequences such as industrial espionage, loss of know-how, data misuse and unauthorised data access. A targeted attack on corporate data could cause considerable technical and financial damage and permanently damage the trust of customers, business partners and the public.



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To effectively counter these potential threats, GESCO SE invests in state-of-the-art hardware and software solutions characterised by resilience and flexibility. These investments are both reactive and proactive, ensuring that systems are always up to date and capable of withstanding potential threats. In addition, GESCO SE has implemented a comprehensive Information Security Management System (ISMS) that is continuously adapted to address evolving threats.

Comprehensive training programmes for employees are a key component of the security strategy. These training sessions aim to raise general awareness of IT risks and provide specific guidance on the secure use of company resources. Employees are kept informed about current threats and learn how to identify and report potential security vulnerabilities at an early stage.

The IT security guidelines are clearly formulated and specifically govern the handling of company-owned hardware and software, as well as data security requirements. This includes access to sensitive information and the use of password-protected systems to prevent unauthorised access. Furthermore, external IT service providers are contractually obliged to comply with defined security standards, thereby promoting a consistent security culture at all levels of the Company.

In collaboration with an external IT security officer, information security management is regularly refined and reviewed through comprehensive testing of systems and processes to ensure that all security measures are comprehensive and effective. GESCO SE also conducts regular surveys on the status of information security management in its subsidiaries to identify potential vulnerabilities at an early stage and make necessary adjustments.

Another significant area of reform for the GESCO Group is the transition to digital technologies and the implementation of Industry 4.0 principles. This transformation requires considerable investment and a fundamental rethink of production processes. Companies must proactively address the digitalisation of their manufacturing processes to remain competitive and meet dynamic market requirements. The creation of a digital infrastructure requires integrated approaches and long-term planning to ensure that synergistic effects can be realised.

In this context, there are also risks, particularly if competitors make the transition to digital solutions more quickly and efficiently. Strategies for automation and digitalisation must be carefully evaluated and implemented to successfully overcome the associated challenges.

Despite the challenges associated with digital transformation, there are also significant opportunities for the GESCO Group. The automation and digitalisation of processes and workflows enable companies to realise efficiency gains and increase their agility. This includes, for example, the digitalisation of workflows across the entire value chain, which optimises the production process whilst ensuring better traceability and quality assurance.

Furthermore, innovative working methods such as mobile working and the creation of paperless offices foster a modern working environment that enables rapid access to relevant data and information. These developments enhance responsiveness to customer needs and support a culture of continuous learning and process improvement.

To capitalise on these opportunities in a targeted manner, GESCO SE is actively driving forward the digitalisation of internal processes and the development of digital business models within its subsidiaries. The innovation processes initiated enable the subsidiaries to tap into new market segments and strengthen their competitiveness in the long term.

In summary, GESCO SE is addressing both the challenges and opportunities arising from digital transformation and cyber risks with a proactive and integrated strategy. Through investment in modern security infrastructures, targeted training measures for employees and the implementation of a robust information security management system, GESCO aims to strengthen its market position. At the same time, we aim to actively shape the digital transformation and position the GESCO Group as an innovative and forward-looking player.

Opportunities and risks of using artificial intelligence

The integration of Artificial Intelligence (AI) into businesses is a double-edged sword, presenting both significant opportunities and serious risks. The dynamic and rapid development of the technology is fundamentally changing the way companies operate, optimise processes and make decisions.

A key argument in favour of using AI is increased efficiency. AI has the potential to automate routine tasks and optimise business processes. This allows resources to be deployed more effectively and productivity to be increased. Companies that implement such systems not only benefit from significant time and cost savings but are also able to deliver higher-quality results. These efficiency gains can create direct competitive advantages and position companies within the dynamics of the market.

Another significant potential of AI lies in the analysis of large volumes of data. In the era of big data, AI enables companies to process comprehensive information and gain valuable insights into market trends, customer preferences and internal processes. These data-driven decisions support a more precise market approach and a faster response to changes in customer behaviour or the competitive environment.

In addition, AI promotes the personalisation of products and services. Companies can offer bespoke solutions that are precisely tailored to the individual needs of their customers. This personalisation not only improves customer satisfaction but also strengthens customer attachment to the brand, which contributes to customer loyalty in the long term.

Despite the compelling benefits, the use of AI carries significant risks. A key risk relates to data protection. The use of AI requires access to large volumes of sensitive data, raising concerns about misuse and the protection of personal information. A breach of data protection regulations can result not only in legal consequences but also in massive reputational damage, which can permanently undermine trust in the Company.

Furthermore, the implementation of AI brings with it challenges regarding transparency and traceability. Decisions made by AI algorithms are often not traceable – a phenomenon known as the ‘black box’. This lack of transparency can breed mistrust among both employees and customers, particularly in the case of decisions that have significant personal or economic implications.

Furthermore, companies are increasingly exposed to attacks using deepfake technologies. The early detection of such threats and the implementation of appropriate countermeasures require a high response speed as well as the provision of suitable resources. The ability to fend off these attacks is crucial to protecting the integrity of corporate communications and data.

Excessive reliance on AI technologies also leads to increased vulnerability to technical glitches, cyberattacks and system failures, which can jeopardise the Company’s operational performance. Furthermore, regulatory uncertainty poses a significant risk, as the rapid advancement of AI technologies is often not accompanied by a clear legal framework, which can place companies in uncertain and potentially risky situations. Finally, the high costs of implementing and maintaining AI systems are a further challenge that should not be underestimated.

Overall, the use of AI in businesses requires sound risk management. It is essential to minimise potential pitfalls and utilise the benefits responsibly. Businesses must develop strategic approaches to balance the requirements of data protection, transparency, security measures and change management so that they can make the most of the opportunities offered by AI.

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Risks relating to data protection

Risks in the area of data protection lie in the loss or public disclosure of confidential internal information, trade secrets and personal data, and the associated reputational damage and risk of fines. Violations may result in the imposition of fines and the filing of lawsuits for the disclosure of personal or otherwise sensitive data belonging to third parties. In the area of data protection, GESCO SE works with an external data protection officer.

Risks and opportunities arising from financing

Risks arising from financing could include a lack of equity and/or debt capital for the holding company. Access to debt capital on adequate terms depends significantly on the operational success of the GESCO Group and the associated ability to make interest and principal payments as agreed. The subsidiaries have a direct influence on this, whilst the holding company has an indirect influence through its acquisition decisions, as well as in reporting and in the management and support of the subsidiaries. In the event of adverse economic developments at individual subsidiaries, there is a risk of constraints on the supply of debt capital for the respective subsidiary. Furthermore, there is a risk that such adverse developments could damage the reputation of GESCO SE and, where applicable, other subsidiaries as debtors. To limit the interest rate risk associated with variable interest rates, the companies enter into interest rate swaps where necessary, thereby exchanging a variable interest rate for a fixed rate. Following the sharp rise in inflation since the first quarter of 2022, central banks raised interest rates. Although interest rates have recently been cut again, financing conditions have improved only marginally.

When it comes to accessing equity capital through potential capital increases by GESCO SE, key factors include the state of the capital market at the relevant time, the economic performance of the GESCO Group, the reputation of GESCO SE, and consistent, credible investor relations. We currently see no need to raise new equity capital.

With regard to financing structures, the GESCO Group is organised in such a way that adverse developments at individual companies do not jeopardise the Group as a whole. For this reason, we largely avoid cross-company instruments such as cash pooling or contingent liabilities. In the interests of financial stability, GESCO SE avoids speculative elements both in the investment of free cash and on the financing side. The GESCO Group works with around two dozen different banks to limit its dependence on individual institutions.

Opportunities in financing arise from GESCO's access to the capital market. A solid balance sheet and a good equity ratio facilitate easy access to debt capital.

Environmental risks

Environmental damage can have significant financial consequences and pose substantial reputational risks for companies. In extreme cases, these risks can even threaten a company's very existence. Depending on their respective business models and the relevant environmental aspects, the subsidiaries of GESCO SE pursue different approaches to risk mitigation and environmental management.

One example of proactive environmental management is Doerrenberg Edelstahl GmbH, which established a comprehensive environmental management system as early as 1997. This system is continuously developed and regularly audited to ensure that it complies with current legal requirements and industry best practices. Internal and external audits assess the system's effectiveness, and necessary adjustments are made to minimise environmental impact and maximise resource conservation.

Regular environmental audits are carried out at the Pickhardt & Gerlach Group, particularly in view of its classification as an incident site. These audits are crucial for identifying potential environmental risks and implementing appropriate risk mitigation measures. As part of these assessments, a comprehensive analysis of operational processes is carried out to ensure compliance with all legal requirements regarding environmental protection and to identify potential areas for improvement.



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GESCO SE has established clear guidelines for its subsidiaries to ensure that they strictly comply with the necessary permits and licences. Specific questionnaires are used to highlight relevant environmental aspects and to plan and implement the corresponding measures. The information gathered from this analysis has been integrated into the existing risk management system of LkSG, enabling a holistic approach to risk mitigation.

As part of its non-financial reporting, particularly regarding the implementation of the CSR Directive Implementation Act (CSR-RUG), GESCO SE has intensified its reporting on environmental risks. This is supported by a software-based process that ensures precise and continuous monitoring of environmental impacts. The use of modern software solutions enables data to be collected and analysed in real time, which improves transparency regarding environmental risk assessment.

Furthermore, software-supported monitoring ensures that risk mitigation measures are effectively implemented and regularly reviewed. This not only promotes operational efficiency but also continuously improves the environmental performance of the entire GESCO Group.

Overall, GESCO SE aims to systematically identify, assess and actively manage environmental risks. By implementing effective environmental management systems in its subsidiaries, conducting regular environmental audits and strictly adhering to legal requirements, GESCO SE pursues not only compliance with environmental standards but also sustainable corporate governance, which contributes to long-term environmental protection and the safeguarding of competitiveness.

Risks at the level of GESCO SE

GESCO SE faces risks relating to the recoverability of its investments and receivables from associated companies. Such risks may arise when the operational performance of the subsidiaries falls short of the expectations and assumptions underlying the original purchase price calculation and the current carrying amount of the investment.

These discrepancies may result from various factors, such as unexpected market changes, operational challenges, management decisions or economic conditions that have a negative impact on the business performance of the subsidiaries.

To proactively counteract these potential negative developments, GESCO SE has implemented a comprehensive and sustainable investment management framework. This framework involves the regular monitoring of operational key performance indicators, the analysis of market trends and close collaboration with the subsidiaries to adjust at an early stage and provide support. Targeted measures are designed to ensure that the subsidiaries achieve their objectives and that the value of the investments is maintained in the long term.

Risks and opportunities arising from insurance cover

Insurance cover within the GESCO Group is reviewed regularly and systematically to ensure adequate protection at market-driven terms. The Group currently employs a dualistic insurance management approach, encompassing both group and individual insurance policies.

Opportunities for the GESCO Group arise through the creation of synergy effects when insurance is taken out as group policies. Examples of this include D&O (Directors and Officers) insurance, insolvency avoidance insurance, cyber risk insurance and group accident insurance. These group rates not only enable cost savings but also improved risk diversification.

However, GESCO SE, like the entire sector and industrial insurers, is exposed to the effects of the aforementioned 'decoupling' and 'derisking'. These developments give rise to risks that manifest themselves in rising insurance premiums and the possibility of certain risks becoming uninsurable. The GESCO Group is responding to these challenges through enhanced and more intensive insurance management. This involves the proactive identification of risks, the search for alternative insurance solutions and the optimisation of existing contracts.



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The terms “decoupling” and “derisking” describe a long-term trend that has been increasingly influenced in recent years by the “America First” policy and China’s “dual circulation” strategy, as well as by growing geopolitical risks. These factors have a significant impact on the insurance market and are increasing pressure on insurance premiums and conditions within the GESCO Group.

Legal risks

The companies within the GESCO Group face a wide range of potential legal risks. For the operating companies, these relate in particular to product liability and warranty claims, as well as risks arising from customs and foreign trade law. A further significant risk arises from potential sanctions against third countries, which may affect target countries for exports. In addition, legal risks exist in the areas of antitrust and competition law, employment law and environmental regulations.

The GESCO Group addresses these legal risks through prudent project management, which includes appropriate documentation and a quality-oriented management system. This involves the timely engagement of knowledgeable external experts to clarify specific legal issues. Furthermore, GESCO SE provides its subsidiaries with external legal advice to ensure comprehensive legal protection. To mitigate risks, the instruments described in the Compliance section are also utilised.

Furthermore, we monitor significant regulatory developments at national and supranational levels, particularly at European level, which have or could have a significant impact on the GESCO Group. In the 2025 financial year, the GESCO Group prepared intensively for the requirements of the CSR Directive Implementation Act (CSR-RUG).

In addition, other European legislation, such as the carbon border adjustment mechanism (CBAM) and the regulation on deforestation-free supply chains (EUDR), as well as numerous national and supranational regulations also require a strong commitment to implementation in 2025 and beyond. These challenges require GESCO SE to implement comprehensive planning and management measures to support its subsidiaries.

These regulatory developments bring with them both risks and opportunities. The risks include the considerable effort required to implement the new regulations, as well as rising costs for governance and compliance. On the other hand, opportunities arise from the efficient and targeted implementation of these requirements, supported by GESCO SE. This enables the subsidiaries to focus on their core business whilst positioning themselves as strategic suppliers for their customers.

In the future, a progressive tightening of regulatory requirements is to be expected, particularly in the wake of the European Union’s ambitious climate policy.

Reputational risks

Reputational risks could hinder GESCO SE both in its ability to acquire further medium-sized industrial companies and in its relationship with the capital market. They could also limit the Company’s ability to attract qualified personnel. The subsidiaries could face restrictions in their operational activities and in their human resources management. The GESCO Group addresses this risk with great care in its business processes, through a compliance system, LkSG management, and open, trust-building communication both internally and externally.

Final risk assessment

Within the GESCO Group, the composition of the investment portfolio plays a crucial role, as it comprises various business models operating in a wide range of markets. This diversified structure of the Group acts as an effective mitigating factor when aggregating the risks arising from the individual subsidiaries.

On the one hand, the identified risks are diverse and heterogeneous due to the different business activities; on the other hand, the companies operate largely independently of one another. This means that risks tend to arise in isolated instances rather than affecting the entire Group. This independence helps to minimise the overall risk to the value of GESCO SE's investments. Furthermore, the holding company's high equity ratio ensures stability, even in the event of significant risk-related impairments of individual investments.

When assessing risk, we also place particular emphasis on the financial situation of the respective companies and the holding company, as well as their currently available credit lines. Our assessment is based on the GESCO Group's overall risk-bearing capacity, understood as the ability to cover potential losses using equity and liquidity. Furthermore, additional sources of liquidity, such as debt in the form of loans or bonds, are also available.

We currently see the greatest challenges in the rapidly changing geopolitical environment, as well as in the areas of information technology, data protection and the tightening of regulatory requirements, along with the associated insurability of these risks. Geopolitical uncertainties have increased significantly over the past year and could intensify further. We are also observing a global rise in cyber security threats, which have intensified during the war in Ukraine. The trend towards decoupling and derisking is also likely to intensify in the future, particularly if the US continues to pursue a confrontational foreign policy course.

Corporate risks	Risk significance	Change compared to the previous year
Risks associated with corporate acquisitions	low	-
Risks relating to operating activities	medium	-
Geopolitical risks	high	increased
Compliance risks	medium	-
Risks relating to staff	medium	-
Risks arising from information technology	high	increased
Risks associated with the use of AI	medium	-
Risks associated with data protection	medium	-
Risks arising from financing	low	-
Environmental risks	low	-
Value retention of investments	moderate	-
Insurance cover	medium	-
Legal risks	medium	-
Reputational risks	low	-

At present, we do not identify any specific risks which, either individually or in aggregate, could jeopardise or significantly impair the continued existence of GESCO SE and the Group; however, we are aware of the increasing risks and intend to address these through enhanced risk management at the level of GESCO SE.

Internal control and risk management system relating to the financial reporting process

The internal control and risk management system relating to the financial reporting process (ICS) is designed and overseen by the Executive Board and monitored by the Supervisory Board. It comprises principles, procedures and measures designed to ensure the correctness of internal and external financial reporting and compliance with legal requirements, as well as to identify risks arising from financial reporting in a timely manner. The ICS is continuously developed.

The subsidiaries are responsible for their own financial reporting. Group financial reporting is carried out by the relevant staff at GESCO SE based on the subsidiaries' reports. Detailed Group guidelines, set out in a manual, define a binding standard for all Group companies and all auditors. Changes to laws, accounting standards or other regulations are reviewed for their relevance to the accounting process and, where necessary, incorporated into the internal guidelines. Where required, external service providers are engaged, for example to value pension obligations.

The responsible staff at GESCO SE are available to the managing directors, finance managers and relevant staff at the subsidiaries as points of contact and advisors on all matters relating to financial reporting. The relevant staff receive regular training. To mitigate risks arising from the accounting process, measures such as IT-supported and manual plausibility checks, the principle of segregation of duties and the dual-control principle have been implemented. As part of the annual audit, the auditors assess the functionality and effectiveness of the ICS.

Takeover-relevant information

Disclosures pursuant to Sections 289a, 315a(1) of the German Commercial Code (HGB)

No. 1: Composition of the subscribed capital

As at the balance sheet date, the share capital of GESCO SE amounts to €10,373,570.00 and is divided into 10,373,570 registered no-par value shares. The shares are fully paid up. All shares carry the same rights and obligations. The rights and obligations of the shareholders are set out in detail in the provisions of the German Stock Corporation Act (AktG), in particular in Sections 12, 53a et seq., 118 et seq. and 186 AktG.

No. 2: Restrictions relating to voting rights or the transfer of shares

Each share confers one vote at the Annual General Meeting and determines the shareholder's share in the Company's profits. This excludes treasury shares held by the Company, from which the Company derives no rights. As at the balance sheet date, the company held 465,929 treasury shares. In the cases specified in Section 136 of the German Stock Corporation Act (AktG), the voting rights attached to the shares concerned are excluded by law.

No. 3: Shareholdings exceeding 10% of the voting rights

Details of shareholdings exceeding 10% of the voting rights are included in the notes.

No. 4: Holders of shares with special rights conferring control

There are no shares in the Company with special rights conferring control.

No. 5: Control of voting rights in the event of employee share ownership

There is no control of voting rights if employees hold an interest in the capital of GESCO SE and do not exercise their control rights directly.

No. 6: Appointment and dismissal of members of the Executive Board; amendments to the Articles of Association

The appointment and dismissal of members of the Executive Board is governed by Article 39 of the SE Regulation, Section 16(1) of the SE Implementation Act, Sections 84 and 85 of the German Stock Corporation Act (AktG) and Section 7 of the Articles of Association of GESCO SE. Accordingly, members of the Executive Board are appointed by the Supervisory Board for a maximum term of five years. Reappointment or extension of the term of office, in each case for a maximum of five years, is permitted. The Supervisory Board may revoke an appointment if there is good cause. Pursuant to Section 7(1) of the Articles of Association of GESCO SE, the Executive Board consists of one or more persons. In accordance with Section 7(2) of the Articles of Association and within the framework of the statutory provisions, the Supervisory Board appoints the members of the Executive Board and determines their number; it may also appoint deputy members of the Executive Board.

Amendments to the Articles of Association are governed by Article 59 para. 1 SE Regulation, Section 179 AktG and Article 18 of the Articles of Association of GESCO SE. In accordance with Article 59 para. 1 SE Regulation and Section 179 para. 1 sentence 1 AktG, any amendment to the Articles of Association requires a resolution by the Annual General Meeting. Pursuant to Section 179 para. 1 sentence 2 AktG in conjunction with Section 18 para. 2 of the Articles of Association, however, the Supervisory Board is authorised to make amendments to the Articles of Association that only affect their wording. Otherwise, amendments to the Articles of Association require a majority of two-thirds of the votes cast when the resolution is passed in accordance with Article 59 para. 1 of the SE Regulation and, insofar as there are no mandatory statutory provisions to the contrary, in accordance with Section 18 para. 1 of the Articles of Association in conjunction with Section 179 para. 2 sentence 2 AktG. § Section 179 para. 2 sentence 2 AktG of the simple majority of the share capital represented when the resolution is passed.

No. 7: Authorisation of the Executive Board to issue or repurchase shares

The Company currently has no authorised capital.

The Company may repurchase its own shares only based on an authorisation by the Annual General Meeting or in the few cases expressly provided for in the German Stock Corporation Act. The Annual General Meeting of 25 June 2025 authorised the Company, with the approval of the Supervisory Board, to acquire treasury shares up to 10 per cent of the share capital – taking into account treasury shares already held by the Company – until 24 June 2030. The authorisation may be exercised for any legally permissible purpose; trading in own shares is excluded. The acquisition shall take place, at the discretion of the Executive Board and subject to conditions specified in the authorisation resolution, either via the stock exchange or by means of a public offer addressed to all shareholders. The Executive Board is further authorised, with the approval of the Supervisory Board, to sell the acquired own shares via the stock exchange or by means of a public offer addressed to all shareholders. In the event of a sale via the stock exchange, shareholders shall have no subscription rights. In the event of a sale by public offer, the Executive Board is authorised to exclude shareholders' subscription rights for fractional amounts. Furthermore, the Executive Board is authorised, with the approval of the Supervisory Board and subject to conditions

specified in the authorisation resolution, to use the acquired own shares as follows, excluding shareholders' subscription rights:

- Sale to third parties for cash at a price that is not significantly lower than the market price of the company's shares at the time of sale (exclusion of subscription rights limited to 10% of the share capital in accordance with Section 186 (3) sentence 4 AktG);
- Sale to third parties for the purpose of acquiring companies, parts of companies and/or equity interests in companies or to service bonds with warrants and/or convertible bonds;
- In the event of an offer to all shareholders for the purpose of granting subscription rights to the shares to the holders of any bonds with warrants and/or convertible bonds issued by the company or a Group company to the extent to which they would be entitled after exercising their option or conversion rights or after fulfilment of their conversion obligation.

The Executive Board is further authorised, with the approval of the Supervisory Board, to cancel treasury shares acquired, in whole or in part, without a further resolution of the Annual General Meeting.

These authorisations may be exercised once or on several occasions, in full or in instalments, individually or jointly, by the Company or by its affiliated companies, or by third parties on behalf of the Company or its affiliated companies.

As part of its share buyback programme announced on 28 March 2024, which began on 11 April 2024 and ended on 25 April 2024, the Company repurchased 499,974 shares via a voluntary public share buyback offer. Including the shares already held prior to the share buyback offer, the Company subsequently held 511,304 treasury shares. In connection with its 2025 employee share ownership schemes, the Company distributed 19,752 (12/31/2024: 25,623) of its own shares to the custody accounts of the employees participating in the programme. As at the balance sheet date, GESCO SE thus held 465,929 (12/31/2024: 485,681) of its own shares.



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No. 8: Material agreements of the Company subject to a change of control following a takeover bid

There are no agreements of the Company that are subject to a change of control following a takeover bid.

No. 9: Compensation agreements between the Company and members of the Executive Board or employees in the event of a takeover bid

There are no compensation agreements between the Company and members of the Executive Board or employees in the event of a takeover bid.

Corporate Governance Statement

The Corporate Governance Declaration in accordance with Sections 289f and 315d of the German Commercial Code (HGB) is published on our website at www.gesco.de/en/investor-relations/financial-reports.

Wuppertal, 26 March 2026

GESCO SE
– Executive Board –

Johannes Pfeffer
CEO / Spokesperson for the
Executive Board

Andrea Holzbaur
CFO

Statement by the legal representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the combined management report of the company and the Group includes a fair review of the development and performance of the business and the position of the company and the Group, together with a description of the principal opportunities and risks associated with the expected development of the company and the Group.

Wuppertal, 26 March 2026

GESCO SE
– Executive Board –

Johannes Pfeffer
CEO / Spokesperson for the
Executive Board

Andrea Holzbaur
CFO

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Balance Sheet

in TEUR	12/31/2025	12/31/2024
Assets		
Fixed assets		
Intangible assets	42	10
Tangible assets	67	80
Financial assets	185,624	178,083
	185,692	178,173
Current assets		
Receivables and other assets	57,631	64,657
Cash on hand, bank balances	7,725	3,423
Accounts receivable and payables	221	261
Total assets	251,269	246,515
Equity and liabilities		
Equity	242,488	235,583
Provisions	5,612	5,287
Liabilities	3,169	5,644
Total equity and liabilities	251,269	246,515

Profit and Loss account

in TEUR	01/01/2025 – 12/31/2025	01/01/2024 – 12/31/2024
Sales	1,458	1,761
Other operating income	271	559
Personnel expenses	-3,722	-3,920
Amortisation of intangible assets of non-current assets and intangible assets	-47	-48
Other operating expenses	-7,300	-6,703
Income from investments	4,533	6,020
Income from profit transfer agreements	12,511	13,084
Income from other securities and loans of financial assets	383	390
Other interest and similar income	761	750
Depreciation and amortisation of financial assets	0	0
Interest and similar expenses	-407	-188
Income taxes	-502	268
Net earnings	7,581	11,973
Other taxes		0
Net earnings/loss for the year	7,581	11,973
Allocation to retained earnings	3,790	5,987
Balance sheet profit	3,790	5,987

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Assets

in TEUR	Notes	12/31/2025	12/31/2024 adjusted ¹	01/01/2024 adjusted ¹
Tangible assets	20	81,877	80,798	92,288
Rights of use assets	19, 20	14,838	16,688	17,286
Goodwill	20, 22	38,718	38,988	38,848
Other intangible assets	20	15,160	18,044	21,198
Other financial assets	26	7,736	17,044	9,950
At-equity valued investments	21	1,177	1,825	2,920
Deferred tax assets	23	7,572	4,657	5,030
Non-current assets		167,078	178,044	187,520
Inventories	24	158,958	144,300	163,639
Trade receivables	25	69,023	66,668	72,879
Other financial assets	26	13,446	8,668	4,971
Income tax receivables	27	3,752	2,346	5,489
Cash and cash equivalents	28	35,093	33,290	34,464
Current assets		280,272	255,272	281,442
Total assets		447,350	433,316	468,962

¹ The comparative figures have been restated following the correction of an error. The assets side is not affected.

Equity and Liabilities

in TEUR	Notes	12/31/2025	12/31/2024 adjusted ¹	01/01/2024 adjusted ¹
Subscribed capital		10,374	10,354	10,828
Capital reserve		72,433	72,433	72,433
Accumulated earnings for the period and other reserves		184,689	180,425	187,320
Equity attributable to shareholders	29	267,496	263,212	270,581
Non-controlling interests	29	5,125	5,737	5,935
Total equity		272,621	268,949	276,516
Financial liabilities	32	17,093	25,795	32,754
Other provisions	31	479	522	682
Other liabilities	34	461	394	833
Lease liabilities	38	12,615	14,255	14,272
Deferred tax liabilities	23	4,935	6,049	6,004
Pension provisions	30	7,916	8,615	8,656
Non-current liabilities		43,499	55,630	63,201
Trade payables	33	15,743	15,021	11,817
Financial liabilities	32	63,023	31,472	54,314
Lease liabilities	38	4,110	3,360	3,735
Other provisions	31	9,713	7,327	7,052
Income tax liabilities	27	2,325	4,877	13,214
Other liabilities	34	36,317	46,680	39,113
Current liabilities		131,231	108,737	129,245
Total liabilities		447,350	433,316	468,962

¹ The comparative information has been restated following the correction of an error. See paragraphs 28 and 34.

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Income statement

in TEUR	Notes	01/01/2025– 12/31/2025	01/01/2024– 12/31/2024
Sales	10	494,973	513,809
Changes in inventories		-2,489	-534
Capitalised own work	11	116	390
Other operating income	12	8,834	8,660
Total output		501,434	522,325
Cost of materials	13	-268,405	-291,649
Personnel costs	14	-125,613	-130,991
Other operating expenses	15	-67,595	-63,012
Impairment of financial assets	16	-6,041	0
Earnings before interest, tax, depreciation and amortisation (EBITDA)		33,780	36,673
Depreciation and amortisation of non-current and current assets	17	-18,284	-21,491
Earnings before interest and income tax (EBIT)		15,496	15,183
Earnings from investments		0	368
Earnings from companies recognised at equity		-411	-786
Other interest and similar income		628	529
Interest and similar expenses		-4,138	-5,294
Other financial income		-207	-34
Financial result	18	-4,129	-5,217
Earnings before tax (EBT)		11,367	9,965
Taxes on income and earnings	23	-1,088	-4,370
Group earnings		10,280	5,596
Earnings attributable to non-controlling interests		-352	-1,157
Total earnings		9,928	4,439
Earnings per share (EUR)	18	0.96	0.42

Consolidated Statement of Comprehensive Income

in TEUR	01/01/2025– 12/31/2025	01/01/2024– 12/31/2024
Group earnings	10,280	5,596
Revaluation of defined benefit obligations not affecting net income	82	-363
Items not transferable to the income statement	82	-363
Currency conversion difference	-3,841	1,373
Fair value of hedging instruments	131	-151
Items reclassified to the income statement	-3,709	1,222
Other earnings	-3,628	859
Total earnings for the period	6,652	6,455
of which non-controlling interests	121	1,250
of which attributable to GESCO shareholders	6,531	5,204

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in TEUR	Accumulated earnings for the period											Total Equity
	Subscribed capital	Capital reserve	Retained earnings	Treasury shares	OCI Financial instruments	OCI Pensions	Reconciliation items – currency	Group shares	Non-controlling interests	Total Equity	Adjustment for prior period	
Balance as at 01/01/2024	10,828	72,433	192,464	-392	13	-1,510	-2,117	271,719	5,935	277,654	-1,138	276,516
Total earnings	0	0	4,439	0	0	0	0	4,439	1,157	5,596	0	5,596
Gains/losses recognised in OCI (including deferred tax)	0	0	0	0	-151	-363	1,280	766	93	859	0	859
Dividends	0	0	-4,131	0	0	0	0	-4,131	-1,448	-5,579	0	-5,579
Acquisition/sale of treasury shares	-474	0	0	-7,968	0	0	0	-8,442	0	-8,442	0	-8,442
Total earnings for the reporting period	-474	0	307	-7,968	-151	-363	1,280	-7,369	-198	-7,567	0	-7,567
As at 12/31/2024	10,354	72,433	192,772	-8,360	-139	-1,873	-838	264,350	5,737	270,087	-1,138	268,949
As at 01/01/2025	10,354	72,433	192,772	-8,360	-139	-1,873	-838	264,350	5,737	270,087	-1,138	268,949
Total earnings	0	0	9,928	0	0	0	0	9,928	352	10,280	0	10,280
Gains/losses recognised in OCI (including deferred tax)	0	0	0	0	131	81	-3,609	-3,398	-231	-3,629	0	-3,629
Dividends	0	0	-1,035	0	0	0	0	-1,035	-732	-1,767	0	-1,767
Acquisition of shares in subsidiaries	0	0	-1,571	0	0	0	0	-1,571	0	-1,571	0	-1,571
Purchase/sale of own shares	20	0	0	340	0	0	0	360	0	360	0	360
Total earnings for the reporting period	20	0	7,321	340	131	81	-3,609	4,283	-611	3,672	0	3,672
As at 12/31/2025	10,374	72,433	200,090	-8,020	-7	-1,789	-4,447	268,633	5,125	273,759	-1,138	272,621

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in TEUR	01/01/2025 – 12/31/2025	01/01/2024 – 12/31/2024
Group earnings	10,280	5,596
Total net income for the period and income from discontinued operations	10,280	5,596
Losses (+)/gains (-) on disposal of non-current assets	-1,123	309
Depreciation (+)/write-ups (-) on non-current assets	18,285	21,491
Impairment of financial assets	6,040	0
Reclassifications and other non-cash expenses/income	5,447	7,388
Cash flow from earnings	38,928	34,784
Increase (-)/Decrease (+) in inventories	-9,331	16,046
Increase (-)/decrease (+) in receivables and other assets	-7,179	404
Increase (+)/Decrease (-) in provisions	4,666	2,382
Increase (+)/Decrease (-) in liabilities and other liabilities	-8,720	11,027
Working capital	-20,565	29,859
Interest and interest-like payments	-3,427	-4,445
Interest and interest-like income received	628	107
Payments for income tax	-9,258	-9,096
Cash flow from operating activities	6,308	51,209
Proceeds from the sale of non-current assets (excluding financial assets)	1,541	7,250
Proceeds from the disposal/repayment of financial assets	5,896	0
Proceeds from the sale of consolidated companies, net of cash and cash equivalents	31	-1,674
Acquisition of intangible assets and tangible assets	-11,795	-8,276
Acquisition of financial assets and other financial investments	-2,653	-3,994
Acquisition of consolidated companies, net of cash and cash equivalents	-11,984	0
Income from other investments	0	368
Cash flow from investing activities	-18,964	-6,326

in TEUR	01/01/2025 – 12/31/2025	01/01/2024 – 12/31/2024
Payments to shareholders (dividends)	-1,035	-4,131
Proceeds from the sale of treasury shares	360	457
Payments for the purchase of treasury shares	0	-8,900
Payments to minority shareholders	-732	-1,449
Proceeds from financial loans and financial liabilities	40,546	1,825
Payments from financial loans and financial liabilities	-17,590	-31,241
Payments arising from lease obligations	-5,265	-4,032
Cash flow from financing activities	16,283	-47,470
Cash-effective change in cash and cash equivalents	3,626	-2,588
Currency adjustments	-1,824	1,414
Change in cash and cash equivalents	1,803	-1,174
Cash and cash equivalents at the beginning of the period	33,290	34,464
Cash and cash equivalents at the end of the period	35,093	33,290
Change in cash and cash equivalents	1,803	-1,174



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1. Reporting company

GESCO SE is a European public limited company with its registered office in Wuppertal, Germany, and is entered in the Commercial Register of the Wuppertal Local Court under number HRB 33375. The registered office is Johannisberg 7, 42103 Wuppertal. The Company's consolidated financial statements for the financial year ending 12/31/2025 comprise the Company and its subsidiaries (collectively referred to as GESCO or the GESCO Group). GESCO is principally engaged in the acquisition and management of shareholdings in medium-sized industrial and commercial enterprises.

2. Fundamentals of preparing financial statements

The consolidated financial statements have been prepared in accordance with all International Financial Reporting Standards (IFRS) applicable in the EU. In addition, the provisions of German commercial law applicable under section 315e(1) of the German Commercial Code (HGB) have been considered.

The Executive Board of GESCO SE has prepared the consolidated financial statements for the period from January to March 2026.

The income statement has been prepared using the total cost method. The balance sheet is structured according to the maturity of assets and liabilities.

3. Functional and presentation currency

These consolidated financial statements are presented in EUR, the Group's functional currency. Unless otherwise stated, all amounts are shown in thousands of euros (TEUR), meaning that adding up individual figures does not always result in the exact total stated.

4. Use of estimates and judgements

The preparation of the consolidated financial statements requires the Executive Board to make judgements and estimates regarding the future, including climate-related risks and opportunities, which affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management. Revisions to estimates are recognised prospectively.

Information on judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- The determination of the useful lives of non-current assets (Section 6)
- The recognition of provisions (Section 31)



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- Deferrals in sales recognition (Section 10)
- Term of the lease; determining whether the exercise of extension options is reasonably certain (paragraph 38)
- Valuation of defined benefit obligations; key actuarial assumptions (paragraphs 6 and 30)
- Recognition of deferred tax assets; availability of future taxable profits against which deductible temporary differences and tax loss carry forwards can be utilised (paragraphs 6 and 23)

Information on assumptions and estimation uncertainties at the balance sheet date that could give rise to a significant risk that a material adjustment to the carrying amounts of the reported assets and liabilities will be required within the next financial year is included in the following notes:

- The recognition of deferred tax assets; the availability of future taxable profits against which deductible temporary differences and tax loss carry forwards can be utilised (Section 23)
- The impairment test for intangible assets and goodwill; key assumptions underlying the determination of the recoverable amount (Note 22)

5. Consolidated Group

In addition to GESCO SE, a total of 30 (previous year: 30) domestic and 22 (previous year: 22) foreign companies are included in the consolidated financial statements as at 12/31/2025. All significant companies are included by way of full consolidation, as control exists due to the majority of voting rights. There are no significant restrictions on the ability to access or realise assets and settle liabilities. Two associates are accounted for using the equity method.

For all included companies, 31 December is the reporting date. As at the reporting date, there is one unconsolidated Group company.

A list of Group companies is provided in section 42.

In the reporting year, 0 (previous year: 2) companies were newly established.

During the reporting year, 1 (previous year: 1) company was acquired.

During the reporting year, 1 (previous year: 4) company was deconsolidated.

6. Significant accounting policies

Consolidation principles

(i) Business combinations

GESCO accounts for business combinations using the acquisition method if the acquired group of activities and assets meets the definition of a business and the Group has obtained control (see (ii)). The Group assesses whether a particular group of activities and assets constitutes a business by determining whether the group of acquired assets and activities comprises at least one input of resources and a substantial process, and whether the acquired group is capable of generating output.

The consideration transferred on acquisition and the identifiable net assets acquired are generally measured at fair value. Any goodwill arising from the transaction is tested for impairment annually (see section 22). Any gain arising from the acquisition at a price below market value is recognised immediately in the income statement. Costs associated with the transaction are recognised immediately as an expense.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity if it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to influence those returns through its power over the entity. The financial statements of these entities are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.



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(iii) Non-controlling interests

In business combinations, the Group measures non-controlling interests in the acquired entity at their proportionate share of the identifiable net assets of the acquired entity, which are generally measured at fair value. Shares of net assets not attributable to GESCO SE are presented under non-controlling interests as a separate component of equity.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iv) Loss of control

If the Group loses control of a subsidiary, the subsidiary's assets and liabilities, as well as the associated non-controlling interests, are derecognised. The result is recognised in the income statement. The retained interests are measured at fair value at the date of loss of control.

(v) Investments in financial assets accounted for using the equity method

Associates are entities over which the Group has significant influence but not control or joint management regarding financial and operating policies.

Investments in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Following initial recognition, the consolidated financial statements include the Group's share of the comprehensive income of the financial assets accounted for using the equity method up to the date on which significant influence or joint control ceases.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, as well as all unrealised income and expenses (except for income and expenses arising from foreign currency transactions) from intra-group transactions, are eliminated when preparing the consolidated financial statements. Unrealised gains arising from transactions with entities accounted for using the equity method are written off against the investment in to the extent of the Group's share in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only if there is no indication of impairment.

Foreign currency

(i) Transactions in foreign currencies

Transactions in foreign currencies are converted into the relevant functional currency of the Group companies at the spot rate on the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are converted into the functional currency at the closing rate. Non-monetary assets and liabilities measured at fair value in a foreign currency are converted at the closing rate. Non-monetary items measured at historical cost in a foreign currency are converted using the exchange rate on the date of the transaction. Currency conversions differences are generally recognised in profit or loss for the period and reported within finance costs.

For the following items, currency conversions differences are recognised in other comprehensive income, in deviation from the general principle:

(a) Financial liabilities designated as hedges of a net investment in a foreign operation, to the extent that the hedge is effective

(b) Qualified cash flow hedges, provided they are effective



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In accordance with the functional currency concept, companies outside the eurozone generally prepare their financial statements in the respective national currency. These financial statements are translated into euros at the closing rate for assets and liabilities. Equity is carried at historical rates, except for items recognised directly in equity. The items in the income statement are converted at average exchange rates and the resulting currency differences are recognised directly in equity. Currency conversion differences recognised in equity whilst the company was part of the Group are recognised in other operating expenses or income when the Group company is removed from the scope of consolidation.

The exchange rates used are shown in the table below:

	1 EUR =	Exchange rate on the reporting date		Average exchange rate	
		12/31/2025	12/31/2024	01/01/2025-12/31/2025	01/01/2024-12/31/2024
China	CNY	8.23	7.58	8.11	7.77
Mexico	MXN	21.12	21.55	21.63	20.01
Romania	RON	5.10	4.97	5.05	4.98
Singapore	SGD	1.51	1.42	1.48	1.45
South Korea	KRW	1,696.94	1,532.15	1,608.70	1,479.03
Taiwan	TWD	36.82	34.33	35.30	34.77
USA	USD	1.18	1.04	1.13	1.08

(ii) Foreign business operations

Assets and liabilities from foreign operations, including goodwill and fair value adjustments arising on acquisition, are converted into euros at the closing rate on the balance sheet date. Income and expenses from foreign operations are converted at the average exchange rate prevailing at the time of the respective transaction.

Currency conversion differences are recognised in other comprehensive income and reported in the currency conversion reserve within equity, unless the currency conversion difference is allocated to non-controlling interests.

In the event of a complete or partial disposal of a foreign operation resulting in the loss of control, significant influence or joint management, the amount accumulated in the currency conversion reserve in connection with that foreign operation up to that date is reclassified to profit or loss as part of the gain or loss on disposal. In the case of a partial disposal, without loss of control of a subsidiary comprising a foreign operation, the corresponding portion of the cumulative conversion difference is allocated to non-controlling interests. If the Group disposes of only part of an associate or joint venture comprising a foreign operation, but retains significant influence or joint control, the corresponding portion of the cumulative conversion difference is reclassified to profit or loss.

Sales/ongoing construction contracts

In the context of sales recognition from customer contracts, Sales are recognised in accordance with the 5-stage model described in IFRS 15, either over a period of time or at a point in time.

Sales are measured based on the consideration specified in a contract with a customer. The Group recognises sales when it transfers control of the goods or services to a customer.

The table below provides information on the nature and timing of the fulfilment of performance obligations under contracts with customers, including significant payment terms, and the associated sales recognition principles.



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Industrial Assets & Infrastructure

Type of product/ service	Nature and timing of fulfilment of the performance obligation, including significant payment terms	Sales recognition method
Spare parts	The Group sells spare parts in Germany and worldwide. The spare parts are dispatched by the Shipping Department. Invoices are issued in accordance with the agreed Incoterm. The payment term is generally 30 days net; for domestic deliveries, it is 14 days 2% or 30 days net. For large spare parts deliveries with a value exceeding EUR50,000, advance payments against a payment guarantee are also agreed on a case-by-case basis. For customers unknown to us or for deliveries to countries with foreign exchange shortages, payment in advance is agreed. Invoices are generally issued in EUR, but also in USD.	The Incoterms agreed are usually EXW, FCA or DAP. FCA: Sales recognition upon loading onto the lorry DAP: Sales recognition upon arrival of the goods at the destination EXW: Sales recognition upon notification to the customer that the goods are ready for dispatch.
Spare parts USA	The Group sells spare parts to its subsidiary Connex SVT Inc, Houston, Texas, USA. The payment term is generally 30 days net. For large spare parts deliveries with a value exceeding EUR50,000, advance payments against a payment guarantee are also agreed on a case-by-case basis. Invoicing is primarily in USD.	DAP: Sales recognition upon arrival of the goods at the destination
Customer service	The Group provides customer service here, including repairs, maintenance, the manual installation of loading arms, as well as the commissioning of loading arms and training. Invoices are issued following the completion of services at the customers' sites. This is generally documented by a handover report or by timesheets signed by the customer. The payment term is usually 30–45 days. Invoices are primarily issued in EUR, but also in USD. Furthermore, in the case of large orders for ship loading arms, there is the special circumstance that the installation, commissioning and/or training have already been included in the main contract. In such cases, the customer service department 'merely' carries out the service. Invoicing is handled by the ship loading arms division.	Sales are recognised when the relevant settlement documents, such as timesheets signed by the customer or handover reports, have been handed over by the customer service technician to the After Sales department.
LNG	The Group sells LNG loading arms primarily to overseas markets. Invoices are issued in accordance with the agreed Incoterm. The Incoterm FOB is frequently agreed, though DAP and FCA are also sometimes used. As a rule, advance payments (10%–20%) are made by the customer against an advance payment guarantee. In addition, the customer receives a performance bond amounting to 10% of the contract sum. There is often a further payment stage upon receipt of the main materials (30%–40%). Upon delivery of the loading arms, 90% minus any advance payments already received is usually payable. The final 10% is due upon final documentation or after installation. Invoices are generally due within 30–60 days. For orders where there is no 'main materials' payment stage, 80% of the order value is due upon delivery. In such cases, payment is processed via letters of credit. Upon delivery, the customer receives a performance bond amounting to 10% of the contract value with a term of up to 60 months. In exceptional cases, a warranty period of up to 72 months is agreed. The project duration is approximately 1 year.	As a rule, the Incoterms agreed are FOB, FCA or DAP. FCA: Sales recognition upon loading onto the lorry DAP: Sales recognition upon arrival of the goods at the destination FOB: Sales recognition upon taking over the goods on board, documented by the BL. Special case: fixed-price installation: Occasionally, when a supply contract for ship loading arms is concluded, installation and commissioning or training are also included in the main contract. In such cases, there is no separate contract for, for example, the installation. In these instances, SVT invoices the total contract value in accordance with the agreed Incoterms, including services not yet rendered, such as installation. As a rule, this represents a share of sales amounting to approximately 3% of the contract value. The expenditure required to provide the outstanding services (e.g. installation hours by our fitters, travel costs...) is provisioned. The presentation differs in the group reporting forms. Here, both sales and the contribution margin are eliminated from the figures.
ONC	The group sells oil and chemical loading arms both domestically and abroad. Invoices are issued in accordance with the agreed Incoterm. The Incoterm FOB is frequently agreed, though DAP and FCA are also sometimes used. As a rule, advance payments (10%–20%) are made by the customer against an advance payment guarantee. In addition, the customer receives a performance bond amounting to 10% of the order value. There is often a further payment instalment upon receipt of the main materials (30%–40%). Upon delivery of the loading arms, 90% minus any advance payments already received is generally payable. The final 10% is due upon final documentation or after installation. Invoices are generally due within 30–60 days. For orders where there is no 'main materials' payment stage, 80% of the contract value is due upon delivery. In such cases, payment is processed via letters of credit. Upon delivery, the customer receives a performance bond amounting to 10% of the contract value with a term of up to 60 months. The project duration is approximately one year.	As a rule, the agreed Incoterms are FOB, FCA or DAP. FCA: Sales recognition upon loading onto the lorry DAP: Sales recognition upon arrival of the goods at the destination FOB: Sales recognition upon transfer of the goods on board, documented by the BL. Special case: fixed-price installation: Occasionally, when a supply contract for ship loading arms is concluded, installation and commissioning or training are also included in the main contract. In such cases, there is no separate contract for, for example, the installation. In these instances, SVT invoices the total contract value in accordance with the agreed Incoterms, including services not yet rendered, such as installation. As a rule, this represents a share of sales amounting to approximately 3% of the order value. The expenditure required to provide the outstanding services (e.g. installation hours by our fitters, travel expenses...) is provisioned. The presentation differs in the group reporting forms. Here, both sales and the contribution margin are eliminated from the figures.
Sale of machine tools	Depending on the contract, various payment milestones are agreed. As a rule, customers pay a deposit of between 10% and 100% of the contract value, which is normally spread over one to three separate payments. Invoices are issued in accordance with the contractual agreements and are generally payable within the agreed payment terms. The final payment is made after delivery, subject to final acceptance or the expiry of the warranty period.	Sales from the sale of machinery is recognised when the transfer of risk takes place. This is usually upon delivery in accordance with the agreed Incoterms.



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Type of product/ service	Nature and timing of fulfilment of the performance obligation, including significant payment terms	Sales recognition method
Carrying out retrofits for existing machinery	Sales are recognised and the invoice issued upon final acceptance or upon the customer's signing of the service report. For retrofit projects with a high order volume, payment processing may be handled in the same way as for machine sales, i.e. with various payment dates involving down payments and a final instalment.	Sales are recognised either upon successful final acceptance or upon the customer's signing of the service report.
Sale of spare parts	Customers gain control of the spare parts when the goods are dispatched from the warehouse. Invoices are issued and sales recognised at this point.	Sales from spare parts is recognised after the items have been dispatched.
Provision of service	Customers accept the service by signing the service report. Invoices are issued and Sales are recognised at this point.	Sales are recognised once the service report has been signed by the customer.
Sale of machine tools	Depending on the order, various payment milestones are agreed. As a rule, customers make payments at the following milestones: deposit, start of production, preliminary acceptance and commissioning of the machine tool on site at the customer's premises. The individual payments may vary and range from 10% to 100% of the order value. Invoices are issued in accordance with the contractual agreements and are payable within the agreed payment terms.	Sales from machine Sales are recognised when the transfer of risk takes place. This is usually upon delivery in accordance with the agreed Incoterms. The Incoterm FCA is generally negotiated. In some cases, ex works or CIF terms are applied.
Sales from clamping technology	Sales are recognised and invoices are issued upon final acceptance or upon the customer's signing of the service report. For services with a high order volume, payment processing may be similar to that for the sale of machine tools.	Sales are recognised either upon successful final acceptance or upon the customer's signing of the service report.
Sale of spare parts	Customers gain control of the spare parts once the goods have been dispatched. At this point, invoices are issued and Sales are recognised.	Sales from spare parts is recognised after the items have been dispatched.
Sale of swivel motors	Customers gain control of the items when they are dispatched. Invoices are issued and Sales are recognised at this point.	Sales from swivel motors is recognised when the transfer of risk takes place. This is usually upon delivery in accordance with the agreed Incoterms.
Sale of spare parts	Customers gain title to the items when they are dispatched. Invoices are issued and Sales are recognised at this point.	Sales from spare parts is recognised after the items have been dispatched.
Carrying out repairs	Customers gain control of the items when they are dispatched. Invoices are issued and Sales are recognised at this point.	Sales from repairs is recognised after the items have been dispatched.

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Material Refinement & Distribution

Type of product/ service	Nature and timing of the performance obligation, including significant payment terms	Sales recognition method
Trading goods, surface technology, steel and foundry products	Customers obtain control of the goods when the products are dispatched from the company's warehouse. Invoices are issued and sales recognised at this point. Invoices are payable net within 45 days on average.	Sales are recognised when the products are dispatched from the company's warehouse.
Nifin, nickel-plated strip	Our customers for nickel-plated strip are found in the decorative industry, as well as in the office supplies, household appliances and furniture sectors. Over 65% of our customers for nickel-plated strip use Incoterms CPT. Over 18% are supplied under Incoterms FCA. The remainder of our customers for nickel-plated strip use Incoterms EXW, DAP and CIF. Payment terms range from 14 days with a 3% discount to 90 days net, depending on the customer and country.	Sales are recognised upon handover to the carrier.
Cofin, copper-plated strip	Copper-clad strip is used in the electrical industry, but also in interior fittings and packaging. 56% of deliveries are made on a CPT basis, 38% on an FCA basis, the remainder on a DAP basis and less than 1% on a CIF basis. Payment terms range from 14 days with a 3% discount to 90 days net, depending on the customer and country.	Sales are recognised upon handover to the carrier.
Brafin, brass-plated strip	The largest buyer of our brass-plated strip is in the sports industry, but brass-plated strip is also used in packaging and decoration. Over 50% of our customers for brass-plated strip use Incoterms CPT. Over 30% of our customers for brass-plated strip use Incoterms CIF. Over 10% of our customers for brass-plated strip use Incoterms FCA. The remainder of our customers for brass-plated strip use Incoterms EXW and DAP. Payment terms range from 14 days with a 3% discount to 90 days net, depending on the customer and country.	Sales are recognised upon handover to the carrier.
Type of product/ service	Nature and timing of the performance obligation, including significant payment terms	Sales recognition method
Machined rotating part	The performance obligation is satisfied as soon as the customer receives delivery of the machined rotating parts or arranges for them to be collected. Invoicing takes place immediately. The payment terms range from direct debit with a 3.5% discount to 90 days net. For some customers, there are bonus agreements that provide a subsequent discount.	Sales are recognised when the goods are delivered to the customer or collected by the customer from our premises.
Montiertes Drehteil	The performance obligation is satisfied as soon as the customer receives the assembled rotating parts or collects them. Invoicing takes place immediately. Payment terms range from direct debit with a 3.5% discount to 90 days net. For some customers, there are bonus agreements that constitute a subsequent discount.	Sales are recognised when the goods are delivered to the customer or collected by the customer from our premises.



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Health Care & Life Science

Type of product/ service	Nature and timing of the performance obligation, including significant payment terms	Sales recognition method
Sticks	<p>Customers obtain title to the sticks in accordance with the Incoterms agreed with that customer. The majority of sales are conducted under the Incoterms FCA or DAP; accordingly, title passes upon handover to the carrier or upon delivery at the specified location.</p> <p>Invoices are issued upon collection of the goods from the company premises and are generally due after 30 to 90 days, depending on the agreed payment terms. In some cases, customers are granted a discount for shorter payment terms. Invoices are generally settled by bank transfer.</p>	Invoices are issued upon dispatch or collection of the goods. Shipments for which the transfer of risk has not yet taken place in accordance with Incoterms are deducted from the proceeds and added to the finished goods inventory.
Delivery of medical and industrial technology products	<p>Standard/Collection by the customer: Customers acquire title to our products as soon as the products have been handed over to the carrier commissioned by us. The standard payment term is 14 days net; individual payment terms may also be agreed.</p> <p>Consignment warehouse: Consignment warehouses have been set up for two major customers and one small customer. Amtrion GmbH receives a weekly report on the products taken by the customer, which are then invoiced to the customer. Individual payment agreements apply.</p>	<p>Once the carrier has signed for receipt of the products, the proceeds are invoiced.</p> <p>Once notification has been received of the products taken by the customer from the consignment stock, the proceeds are invoiced.</p>
Sale of services (Installation services/ engineering)	Sales from the provision of services is recognised in the reporting period in which the services are provided. Service invoices are issued monthly and are payable immediately.	Sales are recognised based on the services actually rendered at the end of the reporting period in proportion to the total services to be rendered, as the customer receives and consumes the benefit simultaneously. This is determined based on the actual hours worked in relation to the total expected hours.
Sale of customised goods	In the case of custom-made products manufactured to order, the customer has control over the entire manufacturing process. The products are manufactured to specific customer requirements. In the event of contract termination by the customer, the Group is entitled to reimbursement of costs already incurred, including a reasonable profit margin. The average payment term is approximately 40 days.	Invoices are issued in accordance with the contractual agreements (deposits or partial invoices).



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Employee benefits

(i) Current employee benefits

Liabilities arising from short-term employee benefits are recognised as an expense as soon as the related work is performed. A liability must be recognised for the amount expected to be paid if GESCO currently has a legal or constructive obligation to pay that amount in return for work performed by the employee and the obligation can be reliably estimated.

(ii) Defined benefit plans

GESCO's obligations arising from defined benefit pension plans are determined separately for each defined benefit plan in accordance with actuarial principles. This involves first estimating the pension benefits earned by employees in the current period and in previous periods in exchange for the services rendered. In a subsequent step, these benefits are discounted using the projected unit credit method to determine the present value of the defined benefit obligation, known as the gross pension obligation.

GESCO determines the interest expense (interest income) by multiplying the liability at the beginning of the period by the interest rate used to discount the defined benefit pension obligation at the beginning of the period.

The discount rate is determined based on market data published by Heubeck AG.

The calculation of the liability is based on an actuarial report prepared by a qualified actuary as at each reporting date.

The Company recognises all revaluation effects immediately in other comprehensive income, whereas the remaining components of net pension expense (service cost and interest cost) are recognised in profit or loss for the period.

If the present value of a defined benefit obligation changes as a result of a plan amendment (i.e. introduction, withdrawal or modification of a defined benefit plan) or a plan curtailment (i.e. a significant reduction in the number of employees covered by a pension plan), the Company recognises the resulting effects as past service cost in profit or loss for the period. Recognition generally takes place at the time the plan amendment or curtailment occurs.

(iii) Termination benefits

Termination benefits are recognised as an expense if the Group is demonstrably committed, without any realistic possibility of avoiding it, to a formal detailed plan either to terminate the employment relationship before the date of normal retirement or to provide termination benefits pursuant to an offer to encourage voluntary early retirement. Termination benefits arising from voluntary early retirement are recognised as an expense if the Group has made an offer of voluntary early retirement, it is probable that the offer will be accepted, and the number of employees accepting the offer can be reliably estimated. If benefits are not expected to be settled in full within twelve months of the balance sheet date, they are discounted.

Financial income and finance costs

Financial income comprises:

- Interest income on invested funds,

Finance expenses comprise:

- Interest expenses and prepayment penalties for borrowings,
- Accrued interest on provisions and deferred consideration, recognised impairment losses on financial assets (with the exception of trade receivables and
- leases.

Income taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss, except to the extent that they relate to a business combination or to an item recognised directly in equity or in other comprehensive income.

(i) Actual taxes

Actual taxes are the expected tax liability or tax asset arising from the taxable income or tax loss for the financial year, calculated – where no final tax assessments have yet been issued – on the basis of tax rates in force or expected to come into force shortly on the balance sheet date, together with any adjustments to the tax liability for previous years. The amount of the expected tax liability or tax asset reflects the amount that represents the best estimate, considering tax uncertainties where they exist. In the balance sheet, tax provisions are recognised for current income taxes relating to the current and prior periods, provided these have not yet been settled.

Actual tax assets and liabilities are offset only under certain conditions.

(ii) Deferred taxes

Deferred taxes are recognised in respect of temporary differences between the carrying amounts of assets and liabilities for Group accounting purposes and the amounts used for tax purposes.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither the accounting profit before tax nor the taxable profit (e.g. tax-exempt investment allowances)
- temporary differences relating to investments in subsidiaries, associates and joint ventures, provided that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future
- taxable temporary differences arising on the initial recognition of goodwill.

Temporary differences relating to a right-of-use asset and a lease liability for a specific lease are aggregated (the lease) for the purposes of recognising deferred tax.

A deferred tax asset is recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Future taxable profits are determined based on the reversal of taxable temporary differences. Should the amount be insufficient to fully capitalise deferred tax assets, future taxable profits – taking into account the reversal of temporary differences – are determined based on the individual business plans of the subsidiaries. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the associated tax benefit will be realised; write-ups are made if the probability of future taxable profits improves.



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The measurement of deferred taxes reflects the tax consequences arising from the Group's expectations regarding the way the carrying amounts of its assets will be realised or its liabilities settled at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if certain conditions are met.

Inventories

Inventories are measured at the lower of cost and net realisable value.

Tangible assets

(i) Recognition and measurement

Tangible assets are measured at cost less accumulated depreciation and accumulated impairment losses. The acquisition costs include expenses that are directly attributable to the acquisition of the asset

Where parts of an item of tangible assets have different useful lives, they are accounted for as separate items (major components) of tangible assets.

Any gain or loss arising from the disposal of an item of tangible assets is recognised in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated by allocating the cost of tangible assets less their estimated residual values on a straight-line basis over their estimated useful lives. Depreciation is recognised in profit or loss. Land is not depreciated.

The estimated useful lives for the current year and comparative years of significant items of tangible assets are:

in years	Useful life
Buildings	30 – 50
Technical equipment and machinery	5 – 15
Other equipment, operating and office equipment	3 – 15

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted where necessary.

Intangible assets

(i) Recognition and measurement

Goodwill

Goodwill arising from business combinations is measured at cost less accumulated impairment losses.

Other intangible assets

Other intangible assets acquired by the Group that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

(ii) Amortisation

With the exception of goodwill, intangible assets are amortised on a straight-line basis over their estimated useful lives from the date on which they are available for use. Amortisation is generally recognised in profit or loss. Goodwill is not amortised. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted where necessary.

in years	Amortisation period
Computer software	3–7
Technology	10–13
Customer base	7–15
Order book	1–2

Assets held for sale

Non-current assets or disposal groups comprising assets and liabilities are classified as held for sale or held for distribution if it is most likely that they will be realised principally through sale or distribution rather than through continuing use.

Generally, these assets or the disposal group are carried at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill and then to the remaining assets and liabilities on a pro rata basis – with the exception that no loss is allocated to inventories, financial assets or deferred tax assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held for sale or held for distribution, and subsequent gains and losses on revaluation, are recognised in profit or loss.

Intangible assets and tangible assets are no longer depreciated on a straight-line basis, and any associate accounted for using the equity method is no longer accounted for using the equity method once it is classified as held for sale or held for distribution.

Financial instruments

In accordance with the provisions of IFRS 9, the Group classifies financial instruments, depending on their category, at amortised cost or at fair value through profit or loss.

Financial assets whose cash flows consist exclusively of interest and principal payments are classified in accordance with the Group's business model. All financial assets held by the Group whose cash flows consist exclusively of interest and principal payments are held under a business model that envisages holding the asset to collect the contractual cash flows and are therefore measured at amortised cost.

Financial assets whose cash flows do not consist solely of interest and principal payments, such as derivatives, are measured at fair value through profit or loss.

Trade receivables are measured at amortised cost.

Impairment losses are determined using the expected credit loss model. Under this model, impairment losses for expected credit losses are recognised for financial assets that are carried at amortised cost in accordance with their category.



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For trade receivables, the amount of the impairment loss is measured from the initial recognition of the receivable based on expected credit losses over the term. Expected credit losses over the term are determined both at the level of the individual asset and at a collective level.

All assets that are individually significant, i.e. trade receivables, are assessed for specific credit losses that have already occurred. Those found not to be specifically impaired are subsequently assessed collectively for any expected credit losses that have not yet occurred. Such credit losses are recognised in profit or loss and directly in the carrying amount of the financial asset.

Assets that are not individually significant are assessed collectively for expected credit losses over their lifetime by grouping assets with similar risk characteristics. These receivables are impaired via an allowance account. GESCO applies value adjustments on a case-by-case basis, considering the creditworthiness, economic situation and economic environment of the respective business partner.

An impairment loss on a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. If an event occurs after the impairment loss has been recognised prompting a reduction in the amount of the impairment loss, the reduction in the impairment loss is reversed through profit or loss.

(i) Non-derivative financial assets

GESCO recognises loans and receivables from the date on which they arise. All other financial assets are recognised for the first time on the trade date, i.e. the date on which the Group becomes a party to the contract relating to the financial instrument.

GESCO derecognises a financial asset when the contractual rights to the cash flows from an asset expire or it transfers the rights to receive the cash flows in a transaction in which all significant risks and rewards associated with ownership of the financial asset are also transferred. Any portion of such transferred financial assets that arises or remains within the Group is accounted for as a separate asset or liability. During the reporting period, there were no so-called failed disposals.

Financial assets and liabilities are offset and presented in the balance sheet on a net basis, but only if the Group has a legal right to offset the recognised amounts and intends either to settle on a net basis or to settle the associated liability simultaneously with the realisation of the relevant asset. No offsetting was carried out as at the reporting dates shown.

(ii) Financial liabilities measured at amortised cost

GESCO recognises its original financial liabilities for the first time at the date on which they arise. Financial liabilities are derecognised when the contractual obligations have been fulfilled, cancelled or have expired.

Other financial liabilities are measured on initial recognition at fair value less directly attributable transaction costs. Subsequently, these financial liabilities are measured at amortised cost using the effective interest method. Interest is recognised as interest expense on an accrual basis, considering the effective interest method.

Financial liabilities consist primarily of liabilities to banks and other lenders.



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(iii) Derivative financial instruments

Derivative financial instruments (derivatives) are measured at fair value on initial recognition (FVTPL); attributable transaction costs are recognised in other comprehensive income (OCI). Please refer to Section 9 for the approach to measuring fair value. Derivatives are recognised on the trading date prior to the balance sheet date. The Group holds derivative financial instruments exclusively to hedge currency risks arising from forward exchange contracts, without, however, applying the hedge accounting rules under IFRS 9. The Group has applied the Phase 2 amendments retrospectively from 1 January 2021.

Subscribed capital

(i) Ordinary shares

Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income taxes relating to transaction costs arising from an equity transaction are accounted for in accordance with IAS 12.

(ii) Repurchase and reissue of equity interests (treasury shares)

When subscribed capital recognised in equity is repurchased, the amount paid, including directly attributable costs, is deducted from equity. The shares acquired are classified as treasury shares and recognised in the treasury share reserve. If treasury shares are subsequently sold or reissued, the proceeds are recognised as an increase in equity. Any resulting difference is recognised in the income statement.

Impairment

(i) Non-derivative financial assets

A financial asset not classified as at fair value through profit or loss is reviewed at each balance sheet date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if, as a result of one or more events that occurred after the asset was initially recognised, there is objective evidence of impairment and such an event has a reliably estimable impact on the expected future cash flows of that asset.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets – except for inventories and deferred tax assets (see also IAS 36.2) – are reviewed at each reporting date to determine whether there is any indication of impairment. If this is the case, the recoverable amount of the asset is estimated. Where applicable, goodwill and intangible assets with an indefinite useful life are tested for impairment annually.

To test for impairment, assets are grouped into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or cash-generating units (CGUs). Goodwill acquired in a business combination is allocated to the CGUs or groups of CGUs expected to benefit from the synergies of the combination.



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The recoverable amount of an asset or a CGU is the higher of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or a CGU exceeds its recoverable amount.

Impairment losses, if any, are recognised in profit or loss. Impairment losses recognised in respect of CGU(s) are allocated first to any goodwill allocated to the CGU and then to the carrying amounts of the other assets of the CGU (group of CGU(s)) on a pro rata basis.

An impairment loss relating to goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised.

Other provisions

A provision is recognised when the Group has a present legal or constructive obligation arising from a past event that can be reliably estimated, and an outflow of economic benefits is probable to settle that obligation.

Leases

At the inception of a contract, the Group assesses whether the contract constitutes or contains a lease. This is the case if the contract grants the right to control the use of an identified asset for a specified period in return for a payment. To assess whether a contract contains the right to control an identified asset, the Group applies the definition of a lease under IFRS 16.

GESCO as lessee

On the provision date or when a contract containing a lease component is amended, the Group allocates the contractually agreed payment on the basis of the relative stand-alone selling prices. For property leases, however, the Group has decided not to separate the non-lease components and instead to recognise lease and non-lease components as a single lease component.

On the commencement date, the Group recognises an asset for the right of use granted and a lease liability. The right of use is initially measured at cost, which corresponds to the initial measurement of the lease liability, adjusted for payments made on or before the commencement date, plus any initial direct costs and the estimated costs of dismantling or removing the underlying asset or restoring the underlying asset or the site on which it is situated, less any lease incentives received.

The right-of-use asset is subsequently depreciated on a straight-line basis from the commencement date until the end of the lease term, unless ownership of the underlying asset is transferred to the Group at the end of the lease term or the cost of the right-of-use asset reflects the Group's intention to exercise a purchase option. In such cases, the right-of-use asset is depreciated over the useful life of the underlying asset, which is determined in accordance with the accounting policies for tangible assets. In addition, the right-of-use asset is adjusted on an ongoing basis for impairment, where necessary, and for certain remeasurements of the lease liability.

Initially, the lease liability is recognised at the present value of the lease payments not yet made as at the commencement date, discounted using the interest rate underlying the lease or, if this cannot be readily determined, using the Group's incremental borrowing rate. The Group normally uses its incremental borrowing rate as the discount rate.



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To determine its incremental borrowing rate, the Group obtains interest rates from various external financial sources and makes certain adjustments to reflect the lease terms and the nature of the asset. The current financial statements include the interest rates specified in the contracts.

The lease payments included in the measurement of the lease liability comprise:

- fixed payments, including de facto fixed payments
- variable lease payments linked to an index or (interest) rate, initially measured using the index or (interest) rate applicable on the commencement date
- amounts expected to be paid under a residual value guarantee
- the exercise price of a purchase option, if the Group is reasonably certain to exercise it, lease payments for a renewal option, if the Group is reasonably certain to exercise it, and penalties for early termination of the lease, unless the Group is reasonably certain not to terminate the lease early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured if future lease payments change due to an index or interest rate change, if the Group revises its estimate of expected payments under a residual value guarantee, if the Group changes its assessment regarding the exercise of a purchase, extension or termination option, or if a de facto fixed lease payment changes.

In the event of such a remeasurement of the lease liability, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or this is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases involving assets of low value

The Group has decided not to recognise right-of-use assets and lease liabilities for leases involving assets of low value (e.g. PCs, laptops, etc.), as well as for short-term leases (i.e. with a lease term of 12 months or less), including IT equipment. The Group recognises the lease payments relating to these leases as an expense on a straight-line basis over the term of the lease.

7. Changes in significant accounting policies

There were no changes in significant accounting policies during the reporting year.

8. New standards and interpretations

Except for the application of new and revised standards and interpretations, the accounting policies applied in the previous year will continue unchanged as at 12/31/2025.

Standards and interpretations applied for the first time

New or amended standards and interpretations	Title	Applicable to financial years beginning on
IAS 21	Lack of fungibility (Amendment to IAS 21)	01/01/2025

The standards applicable from 01/01/2025 have no material impact on the Group's financial statements.

Standards and interpretations not applied early

Various new amendments to standards have been published; however, they are not mandatory for the 2025 financial year and are generally not applied early by the Group.

New or amended standards and interpretations	Title	Applicable to Financial years beginning on
IFRS 19	Amendments to IFRS 19	01/01/2027 ¹
IFRS 18	Presentation and disclosures in the financial statements	01/01/2027 ¹
IAS 21	Translation into a highly inflationary presentation currency	01/01/2027 ¹
IFRS 19	Subsidiaries not subject to public accountability: disclosures	01/01/2027 ¹
IFRS 18	Presentation and disclosures in the financial statements	01/01/2027 ¹
IFRS 9 and IFRS 7	Contracts relating to natural gas (Amendments to IFRS 9 and IFRS 7)	1/01/2026 ¹
IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvements to IFRS Standards – Volume 11	01/01/2026 ¹
IFRS 9 and IFRS 7	Amendments to the classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7)	01/01/2026 ¹

¹ EU endorsement pending

The standards applicable after 01/01/2026 have no material impact on GESCO's financial statements. The other standards to be applied in future are not expected to have any material impact on the Group's financial statements.

9. Acquisition of subsidiaries and other transactions

In the reporting year and in the previous year, significant changes took place in the course of corporate restructuring and through disposals.

1. Disposals in the context of asset or share deals

There were no disposals in the 2025 financial year.

2. Acquisitions as part of asset or share deals

Pursuant to a purchase agreement dated 07/01/2025, with economic effect from 01/01/2025, GESCO SE acquired 100% of the shares in Eckart GmbH, Eckart Montage GmbH and Eckart Produktion GmbH. In addition, various machines and tools were acquired as part of an asset deal at a purchase price of MEUR1.7.

The amounts of acquired assets and liabilities recognised at the respective acquisition dates are summarised below. The fair value of the assets and liabilities corresponds to the IFRS carrying amounts.

in TEUR	IFRS Carrying amount	Fair value
Non-current assets		
Fixed assets	2,205	2,205
Current assets		
Inventories	7,067	7,067
Trade receivables	4,003	4,003
Other financial assets	852	852
Cash and cash equivalents	1,838	1,838
Assets	15,965	15,965
Current liabilities		
Current liabilities	1,274	1,274
Other financial liabilities	98	98
Liabilities	1,372	1,372
Net assets acquired		14,593
Badwill		320
Interest on purchase price		226
Incidental acquisition costs		363
Non-controlling interests		0

3. Corporate restructuring

Pursuant to the merger agreement dated 08/20/2025, Eckart Montage GmbH and Eckart Produktion GmbH were merged into Eckart GmbH with effect from 01/01/2025.

10. Sales

Sales are generally recognised upon the transfer of risks and rewards (transfer of risk) associated with the assets sold, at which point the customer obtains control over the goods or services. Sales are primarily generated from the supply of products and the provision of services. Further details can be found in section 6.

11. Other capitalised own work

This item primarily comprises expenses required to be capitalised for technical equipment and tools.

12. Other operating income

Other operating income comprises the following:

in TEUR	12/31/2025	12/31/2024
Income from the release of provisions and liabilities	2,996	2,050
Exchange gains	1,620	2,827
Income from public funding schemes	31	3
Rental income (operating leases)	421	299
Income from the reversal of bad debt provisions and the receipt of written-off receivables	356	369
Income from the disposal of fixed assets	1,147	2,536
Income from initial and deconsolidations	318	-1,453
Other income	1,946	2,029
	8,834	8,660

The income from first-time and deconsolidations primarily comprises the acquisition of Eckart GmbH. This results in a first-time consolidation gain of EUR318,000. The rental income relates to five different building leases with no fixed term. Consequently, rental income of approximately the same amount is generated each year.

The rental income arises from the letting of property.

13. Cost of materials

in TEUR	12/31/2025	12/31/2024
Expenses of raw materials, consumables and supplies, and purchased goods	-243,001	-263,506
Expenses of purchased services	-25,404	-28,143
	-268,405	-291,649

14. Personnel expenses

in TEUR	12/31/2025	12/31/2024
Wages and salaries	-103,506	-108,795
Social security contributions / pension expenses	-22,107	-22,196
	-125,613	-130,991

The interest on pension provisions is included in the item Interest and similar expenses.



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15. Other operating expenses

in TEUR	12/31/2025	12/31/2024
Operating expenses	-18,714	-17,401
Selling expenses	-19,870	-19,223
Administrative expenses	-15,439	-14,930
Other expenses	-13,572	-11,458
	-67,595	-63,012

Operating expenses

in TEUR	12/31/2025	12/31/2024
Machinery and equipment: maintenance, servicing and running costs	-8,110	-7,229
Land and buildings: Upkeep and service charges	-2,083	-1,869
Energy, tools and insurance	-4,164	-4,192
Other operating expenses	-4,358	-4,112
	-18,714	-17,401

Selling expenses

in TEUR	12/31/2025	12/31/2024
Freight	-14,221	-13,966
Packaging	-2,115	-2,396
Commissions	-2,560	-2,105
Other distribution expenses	-975	-755
	-19,870	-19,223

Administrative expenses

in TEUR	12/31/2025	12/31/2024
IT, office and communications	-2,359	-2,097
Consultancy costs and fees	-8,608	-7,694
Other administrative expenses	-4,472	-5,138
	-15,439	-14,930

Other expenses

in TEUR	12/31/2025	12/31/2024
Expense from currency conversion	-3,148	-2,379
Traffic taxes	-311	-461
Travel expenses, vehicle costs	-3,025	-3,410
Marketing	-2,039	-1,986
Other	-5,048	-3,222
	-13,572	-11,458

Other expenses include the write-down of a receivable from an Asian customer amounting to MEUR2.6.



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16. Impairment of financial assets

This item includes the write-down of two vendor loans granted by a subsidiary totalling MEUR6 (see also Note 45).

17. Depreciation and amortisation of non-current and current assets

Depreciation and amortisation of intangible assets and tangible assets are shown in the consolidated statement of changes in fixed assets.

Further details are provided in the notes to the relevant balance sheet items.

18. Financial result

in TEUR	12/31/2025	12/31/2024
Other interest income/expense	1	-4
Income from securities	391	455
Other interest income	237	78
Other interest and similar income	628	529
Interest expense on bank loans	-3,206	-4,436
Interest expense on lease liabilities	-678	-614
Discounting of pension obligations	-254	-243
Interest and similar expenses	-4,138	-5,294
Other net interest income	-207	-34
Other financial result	-207	-34
Profit from investments	0	368
Profit from companies accounted for using the equity method	-411	-786
	-4,129	-5,217

Earnings per share are calculated in accordance with IAS 33 (Earnings per Share) by dividing the consolidated net profit attributable to shareholders by the weighted average number of shares outstanding.

	01/01/2025-12/31/2025	01/01/2024-12/31/2024
Total comprehensive income (in TEUR)	9,928	4,439
Weighted average number of shares	10,355,965	10,505,850
Earnings per share in accordance with IAS 33 (in EUR)	0.96	0.42

There are no circumstances that would result in a dilutive effect.

19. Rights of use from leases/rental agreements

The carrying amounts of rights of use arising from leases and rental agreements have developed as follows:

Rights of use

in TEUR	Carrying amount 01/01/2025	Additions	Disposals	Addition Depreciation	Disposal Depreciation	Transfer entries/ Currency differences	Carrying amount 12/31/2025
Intangible assets	184	0	0	0	0	-184	0
Land and buildings	11,313	3,540	-652	-2,984	362	-272	11,308
Technical equipment and machinery	3,868	267	-1,073	132	476	-1,672	1,998
Other equipment, operating and office equipment	1,323	1,390	-142	-1,046	77	-69	1,532
Total usage rights	16,688	5,198	-1,868	-3,898	915	-2,197	14,838

in TEUR	Carrying amount 01/01/2024	Additions	Disposals	Addition Depreciation	Disposal Depreciation	Transfer entries/ Currency differences	Carrying amount 12/31/2024
Intangible assets	246	0	-341	-120	398	1	184
Land and buildings	13,933	0	-275	-2,508	273	-110	11,313
Technical equipment and machinery	1,897	2,161	-360	-100	256	14	3,868
Other equipment, operating and office equipment	1,265	919	-939	-897	981	-6	1,323
Total usage rights	17,341	3,079	-1,915	-3,624	1,908	-103	16,688

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20. Development of goodwill, rights of use arising from leases/rentals, other intangible assets and tangible assets

Acquisition/production costs

in TEUR	Opening balance 01/01/2025	Additions	Disposal	Reclassification	First-time consolidation	Currency difference	Closing balance 12/31/2025
Goodwill	39,449	0	0	0	0	-270	39,179
Usage rights	30,403	5,198	-1,868	-1,857	0	-624	31,253
Software, advance payments and other intangible assets	2,964	167	-494	18	0	-2	2,653
Licences and concessions	10,030	368	-86	231	0	4	10,547
Customer base	38,481	0	0	0	0	-922	37,559
Capitalised development costs	2,001	53	0	0	0	0	2,054
Total other intangible assets	53,476	588	-581	249	0	-920	52,813
Land and buildings	61,086	487	-1,444	491	0	-453	60,167
Technical equipment and machinery	109,744	2,249	-2,206	2,921	196	-535	112,369
Other equipment, operating and office equipment	37,410	2,624	-988	529	59	-191	39,443
Prepayments and assets under construction	3,814	5,847	-255	-2,334	0	-9	7,064
Total tangible assets	212,054	11,207	-4,893	1,608	255	-1,187	219,043

Depreciation, amortisation and impairment

in TEUR	Opening balance 01/01/2025	Additions	Disposal	Reclassification	First-time consolidation	Currency difference	Closing balance 12/31/2025
Goodwill	-461	0	0	0	0	0	-461
Usage rights	-13,716	-3,898	915	0	0	284	-16,415
Software, advance payments and other intangible assets	-2,124	-459	458	0	0	2	-2,124
Licences and concessions	-7,387	-435	86	0	0	0	-7,736
Customer base	-25,853	-2,660	0	0	0	922	-27,591
Capitalised development costs	-68	-135	0	0	0	0	-203
Total other intangible assets	-35,431	-3,690	544	0	0	924	-37,653
Land and buildings	-27,186	-2,370	683	0	0	116	-28,757
Technical equipment and machinery	-75,199	-5,318	2,326	0	-87	253	-78,025
Other equipment, operating and office equipment	-28,870	-3,133	1,503	0	-51	168	-30,383
Prepayments and assets under construction	0	0	0	0	0	0	0
Total tangible assets	-131,255	-10,821	4,512	0	-138	537	-137,165

Acquisition/production costs

in TEUR	Opening balance 01/01/2024	Additions	Disposal	Reclassification	Currency difference	Closing balance 12/31/2024
Goodwill	39,310	0	0	0	139	39,449
Usage rights	29,106	3,079	-1,915	0	133	30,403
Software, advance payments and other intangible assets	3	736	-278	2,503	0	2,964
Licences and concessions	12,572	101	-140	-2,503	0	10,030
Customer base	38,005	0	0	0	476	38,481
Capitalised development costs	1,728	273	0	0	0	2,001
Total other intangible assets	52,308	1,110	-418	0	476	53,476
Land and buildings	67,995	205	-7,608	324	171	61,086
Technical equipment and machinery	94,857	2,048	-11,927	24,580	187	109,744
Other equipment, operating and office equipment	66,561	2,222	-15,520	-15,830	-24	37,410
Prepayments and assets under construction	10,644	2,691	-457	-9,074	10	3,814
Total tangible assets	240,057	7,166	-35,512	0	343	212,054

Depreciation and impairment

in TEUR	Opening balance 01/01/2024	Additions	Disposals	Reclassification	Currency difference	Closing balance 12/31/2024
Goodwill	-461	0	0	0	0	-461
Usage rights	-11,820	-3,624	1,908	-141	-38	-13,716
Software, advance payments and other intangible assets	0	-215	278	-2,187	0	-2,124
Licences and concessions	-8,941	-688	107	2,135	0	-7,387
Customer base	-22,169	-3,219	0	0	-464	-25,853
Capitalised development costs	0	-68	0	0	0	-68
Total other intangible assets	-31,110	-4,190	385	-52	-464	-35,431
Land and buildings	-28,290	-1,894	3,264	-235	-31	-27,186
Plant and machinery	-67,486	-6,574	11,899	-12,916	-122	-75,199
Other plant, equipment and fixtures and fittings	-51,993	-5,208	15,003	13,344	-17	-28,870
Prepayments and assets under construction	0	0	0	0	0	0
Total tangible assets	-147,769	-13,676	30,166	194	-170	-131,255

Carrying amounts of fixed assets

in TEUR	12/31/2025	12/31/2024
Goodwill	38,718	38,988
Usage rights	14,838	16,688
Software, advance payments and other intangible assets	529	841
Licences and concessions	2,811	2,642
Customer base	9,968	12,628
Capitalised development costs	1,851	1,933
Total other intangible assets	15,160	18,044
Land and buildings	31,410	33,900
Technical equipment and machinery	34,343	34,545
Other equipment, operating and office equipment	9,060	8,539
Prepayments and assets under construction	7,064	3,814
Total tangible assets	81,877	80,798

21. Equity-accounted investments

The share of profit or loss of companies accounted for using the equity method is included in the income statement under Profit or loss from companies accounted for using the equity method.

In the balance sheet, the total values are presented considering the Group's ownership share.

The shares in Saglam Metal Sanayi Ticaret A.S. were fully written down as at 12/31/2025.

22. Goodwill

In accordance with IAS 36, goodwill is not amortised on a straight-line basis but is subject to an annual impairment test. In principle, the post-tax cash flows from the current business plan are used for the next five years; for subsequent periods, a continuous growth rate of 1%, derived from long-term business expectations, is applied. This involves, in particular, making assumptions regarding future sales prices and volumes, costs, market growth rates and exchange rates. These assumptions are based on internal Group assessments as well as external market studies. The values determined in this way are discounted using post-tax cost of capital rates. The cost of capital rates before tax are as follows: Materials Refinement & Distribution 11.8% to 13% (previous year: 11.4% to 14.1%), Health Care & Life Science 10.4% to 15.8% (previous year: 10.3% to 16.0%) and Industrial Assets & Infrastructure 11.1% to 12.8% (previous year: 11.5% to 12.2%).

The cost of capital rates are calculated as the weighted average of the cost of equity and cost of debt. The cost of debt rates used represent the long-term financing terms of the peer companies. The calculated present value (value in use) is compared with the net assets including goodwill. If the net assets are higher than the value in use, an impairment loss is recognised in the amount of the difference. The goodwill arising from business combinations is allocated across 16 (previous year: 15) cash-generating units.

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The goodwill of the United MedTec Group (MEUR15.3), Sommer & Strassburger GmbH (MEUR9.7) and the Pickhard & Gerlach Group (MEUR6.3) is significant within the meaning of IAS 36.134. Together, these goodwill amounts account for 80.8% of total goodwill (previous year: 80.3%).

Management has identified sales growth and EBITDA margins as the key drivers determining the forecasts for cash flows after tax. These assumptions are based on a combination of historical experience and expected market developments. For the United MedTec Group, sales growth of between 4.00% and 26.20% and an EBITDA margin of between 11.11% and 17.35% are assumed. For Sommer & Strassburger GmbH, sales growth of 7.40% and an EBITDA margin of between 14.29% and 16.22% are assumed. The Pickhard & Gerlach Group's planning is based on sales growth of between 3.84% and 7.61% and an EBITDA margin of between 11.94% and 15.95%.

The impairment test in accordance with IAS 36 was carried out for the first time in the 2025 financial year as at 30 November (previously 31 December) and will be maintained annually on this date in future. The earlier test date serves to better align with the Group's internal planning cycle. No indications of impairment within the meaning of IAS 36 were identified between the date of the annual impairment test and the balance sheet date. Accordingly, as at 12/31/2025, there was no reason to carry out an additional event-driven impairment test. The change in the reporting date also has no impact on the parameters mentioned, which limit comparability with the respective prior-year figures.

23. Income taxes

in TEUR	12/31/2025	12/31/2024
Actual tax expense/income	-5,504	-3,689
Deferred tax expense/income	4,416	-681
	-1,088	-4,370

Tax expense for 2025 arises primarily from current taxes on profit from ordinary activities. Due to the revaluation in connection with the gradual reduction in German corporation tax, income from deferred taxes has arisen. In total, this results in deferred tax income of TEUR519 (previous year: TEUR0).

Tax reconciliation

The expected income tax expense, based on a tax rate of 30.66% (previous year: 30.71%), can be reconciled to the tax expense in the income statement as follows:

in TEUR	2025	2024
Profit before income tax	11,367	9,965
Expected consolidated income tax rate in %	30.66	30.71
Expected income tax expense for the reporting period	-3,485	-3,060
Permanent differences arising from non-deductible expenses	-373	-352
Tax-exempt income	0	72
Income tax relating to prior periods	-550	593
Deferred tax on losses, loss carry-forwards and balance sheet differences for which no deferred tax has been recognised	1,604	-2,820
Tax rate deviations ¹	1,581	784
Other	134	413
Effective tax income/expense	-1,088	-4,370

¹ Including TEUR 519 (previous year: TEUR 0) resulting from the gradual reduction in German corporation tax.



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The tax reconciliation statement serves to illustrate the relationship between the tax result and the IFRS result by deriving the actual, effective tax expense from an expected tax expense. The expected tax expense is calculated by multiplying the applicable average Group tax rate by the IFRS profit before income tax. The Group tax rate corresponds to the tax rate of the parent company.

Recognised deferred tax assets and liabilities

Deferred taxes are generally calculated and recognised at 30.66% (previous year: 30.71%) based on timing differences in the carrying amounts of assets and liabilities in the IFRS and tax balance sheets, as well as on realisable tax loss carry forwards. The reduction in the German corporation tax rate from 2028 onwards was considered when calculating deferred taxes. The deferred taxes recognised in the balance sheet result from the following balance sheet items and tax loss carry forwards.

Deferred taxes arising from tax loss carry forwards were capitalised to the extent that, as at the balance sheet date, it could be assumed with reasonable certainty that these tax reduction opportunities would be realised within a planning period of up to five years. Deferred tax assets of TEUR6,819 (previous year: TEUR4,585) arising from tax loss carry forwards were not recognised, as it is not considered very likely that these will be offset against future taxable income within a period of up to five years.

in TEUR	Deferred tax assets		Deferred tax liabilities	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Assets				
Intangible assets	1,020	984	-3,305	-3,853
Tangible assets	0	17	-5,013	-5,991
Financial assets	374	6	-19	-34
Inventories	86	9	-115	-77
Receivables	332	326	-76	-589
Liabilities				
Pension provisions	707	995	-10	-23
Other provisions	43	98	-137	-179
Liabilities	2,890	3,719	0	0
Miscellaneous	15	498	-106	0
Loss carry forwards	5,950	2,700	0	0
Deferred taxes (gross)	11,417	9,353	-8,780	-10,745
Netting ¹	-3,845	-4,697	3,845	4,697
Deferred tax	7,572	4,657	-4,935	-6,049

¹ Deferred tax assets and liabilities are netted provided that the creditor and debtor are the same and the tax periods coincide.

24. Inventories

Write-downs are distributed across the individual items as follows:

in TEUR	12/31/2025				Total
	Raw materials, consumables and supplies	Work in progress	Finished goods and merchandise	Prepayments	
Cost of acquisition/production	35,565	31,968	91,384	1,817	160,734
Write-downs	-1,561	-197	-18	0	-1,775
As at 12/31/2025	34,004	31,772	91,366	1,817	158,958

Finished goods include merchandise amounting to MEUR67.4 (previous year: MEUR56.1). In addition, inventories amounting to MEUR5.5 were transferred as part of the acquisition of Eckart GmbH, which is why the reconciliation with the change in inventories is not complete.

in TEUR	12/31/2024				Total
	Raw materials, consumables and supplies	Work in progress	Finished goods and merchandise	Prepayments	
Cost of acquisition/production	35.600	28.382	81.411	1.051	146.444
Write-downs	-1.899	-220	-24	0	-2.144
As at 12/31/2024	33.701	28.162	81.387	1.051	144.300

25. Trade receivables

Receivables are measured at fair value on initial recognition. Subsequent measurement is at amortised cost, taking into account appropriate value adjustments.

Trade receivables are due within 12 months and bear no interest.

in TEUR	12/31/2025	12/31/2024
Trade receivables (gross)	74,397	68,965
Provisions	-5,374	-2,298
Trade receivables (net)	69,023	66,668

Impairment losses on trade receivables developed as follows:

in TEUR	2025	2024
Provisions as at 01/01	-2,298	-1,326
Additions	-3,066	-1,431
Disposals	355	369
Reclassification not affecting profit or loss	78	91
Changes in the scope of consolidation	-443	-1
Provisions as at 12/31	-5,374	-2,298

Value adjustments are made on a case-by-case basis, taking into account the credit-worthiness, financial situation and economic environment of the respective business partner.

Receivables from companies accounted for using the equity method

As in the previous year, no impairment losses were recognised on receivables.

26. Other financial assets

in TEUR	12/31/2025	12/31/2024
Vendor loan	7,496	16,780
Other financial assets (non-current)	240	263
Prepayments	118	125
Advance payments for sales tax	6,023	2,386
Other financial assets (current)	7,305	6,158
	21,182	25,712
Of which long-term	7,736	17,044
Of which current	13,446	8,669
	21,182	25,712

Non-current other assets primarily comprise two loans. These comprise a vendor loan of MEUR5 plus capitalised interest, maturing no later than 21 December 2029 and a vendor loan of MEUR2.5, maturing no later than 30 June 2035. In addition, two vendor loans to a subsidiary amounting to MEUR6 were written down in full (see also Note 45).

Current other assets mainly comprise prepaid expenses amounting to TEUR3,201.

27. Income tax receivables and income tax liabilities

in TEUR	12/31/2025	12/31/2024
Income tax receivables	3,752	2,346
Income tax liabilities	2,325	4,877

Tax receivables have increased by TEUR1,406 compared with the previous year. This increase is primarily due to outstanding refunds.

Income tax liabilities fell from TEUR2,552 to TEUR2,325 in 2025. This reduction is primarily due to the payment of tax liabilities.

28. Cash and cash equivalents

in TEUR	12/31/2025	12/31/2024
Cash on hand	2	1
Bank balances	35,091	33,289
	35,093	33,290

29. Equity

Subscribed capital

The Group's subscribed capital corresponds to the subscribed capital of GESCO SE and amounts to EUR10,839,499.00, divided into 10,373,570 registered no-par value shares carrying full voting and dividend rights and 465,929 treasury shares. The subscribed capital is fully paid up.

The Annual General Meeting of 18 June 2020 authorised the Company to acquire treasury shares up to 10 per cent of the share capital by 17 June 2025, considering treasury shares already held by it. On 28 March 2024, the Executive Board of GESCO SE, with the approval of the Supervisory Board, exercised this authorisation and resolved to repurchase up to 500,000 registered no-par value shares of the company by way of a voluntary public share buyback offer. Ultimately, GESCO SE repurchased 499,974 shares. Under the employee share ownership scheme, which usually takes place annually, GESCO Group employees are offered a limited number of GESCO shares at a discount. In this context, 19,752 shares were sold to GESCO Group employees.



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The Executive Board is also authorised, with the approval of the Supervisory Board, to sell the acquired shares under certain conditions by means other than via the stock exchange or by way of an offer to all shareholders, to use them for the purpose of acquiring a company or an equity interest, or to cancel them in whole or in part. Except for the sale of shares for the purposes of the employee share ownership scheme, the Executive Board has not yet made use of this authorisation. As at the balance sheet date, GESCO SE held 465,929 treasury shares.

The number of shares in circulation and treasury shares developed as follows:

	Shares in circulation Number	Shares in treasury Units	Proportion of share capital in %
As at 31 December 2023	10,828,169	11,330	0.10
Additions	-499,974	499,974	4.61
Employee share scheme	25,623	-25,623	0.24
As at 12/31/2024	10,353,818	485,681	4.48
New signings	0	0	0
Employee share scheme	19,752	-19,752	0.18
As at 12/31/2025	10,373,570	465,929	4.30

In the past, following the respective Annual General Meeting in the second half of the calendar year, the Company has implemented an employee share scheme lasting approximately two months, which gave the workforce of the GESCO Group the opportunity to acquire shares in GESCO SE at a purchase price discounted from the market price. Of the shares sold during the reporting year under the employee share scheme, with a total value of TEUR360 (previous year: TEUR457), 19,752 shares were sold to employees at a price of TEUR199 (previous year: TEUR205). The discount granted to employees was recognised in other operating expenses.

Nature and purpose of reserves

(i) Capital reserve

The capital reserve serves to generally strengthen GESCO's equity base. It has not changed compared with the previous year and amounts to TEUR72,433 (previous year: TEUR72,433).

(ii) Retained earnings and other reserves

The Annual General Meetings of GESCO SE had authorised the Company to acquire its own shares in accordance with Section 71(1)(8) of the German Stock Corporation Act (AktG) and to issue these as part of a share option scheme. On 28 March 2024, the Executive Board of GESCO SE made use of this authorisation with the approval of the Supervisory Board (see under Subscribed Capital).

Retained earnings increased in the reporting year by the net earnings of TEUR9,928. The retained earnings for the previous year were adjusted to correct an error. In the context of the COVID-19 pandemic, two US subsidiaries of the GESCO Group received support in the form of loans from the government's 'Paycheck Protection Programme'. Under certain conditions, repayment was waived. It has since transpired that the two US subsidiaries must repay part of the loans to the government. This amounts to a total of TEUR1,138. The corresponding offsetting item is other liabilities (see section 33).

The proposed dividend per share at the time of preparing the financial statements is EURO0.20. Based on the nominal number of shares of 10,373,570 currently entitled to dividends, this results in a proposed distribution of TEUR2,075. The distribution has no income tax implications for the Company. In the previous year, a dividend of EURO0.10 per share was distributed on the share capital entitled to dividends at the time of the resolution (10,353,818 shares).

(iii) Non-controlling interests

Minority interests relate to the capital and profit shares in the corporations and partnerships. Minority interests in the corporations are recognised in equity and result primarily from shares in Dörrenberg Edelstahl GmbH and its subsidiaries, as well as Hubl GmbH.

Analysis of other comprehensive income

In addition to currency conversion adjustments and the off-balance-sheet recognition of currency hedging transactions, other comprehensive income includes, in particular, the off-balance-sheet effects of actuarial gains and losses arising from pension obligations.

30. Employee benefits

The provisions for pensions are based on fixed amounts for parts of the workforce, in addition to final salary-based direct commitments for former members of the GESCO SE Executive Board and current and former members of governing bodies, as well as employees of subsidiaries. The pension provisions relate exclusively to defined-benefit pension plans and are calculated using the projected unit credit method in accordance with IAS 19.

Reinsurance policies taken out to finance pension obligations are classified as plan assets and offset against the value of the obligation if the insurance benefits coincide in time with the payments to the eligible employees and are payable to the employee in the event of the employer's insolvency. Plan assets are recognised at fair value.

The present value of the defined benefit pension obligations developed as follows:

in TEUR	2025	2024
Pension provisions as of 01/01	9,042	8,880
Current service cost	8	8
Interest expense	281	324
Revaluations:		
Actuarial gains and losses	-488	372
Actuarial result from experience adjustments	192	154
Pension benefits paid	-677	-696
Corporate transactions	-259	0
Present value of pension provisions as of 12/31	8,099	9,042

Development in plan assets (reinsurance):

in TEUR	12/31/2025	12/31/2024
Plan assets as at 01/01	236	224
Interest income	8	9
Actuarial result	-4	-4
Employer contributions	3	7
Effect from corporate transactions	-59	0
Plan assets as at 12/31	184	236

The pension provisions are derived as follows:

in TEUR	12/31/2025	12/31/2024
Present value of pension obligations	8,099	9,042
Plan assets (reinsurance)	-184	-236
Changes in the scope of consolidation	0	-191
	7,915	8,615



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The calculations are based on the basic biometric values (mortality tables) according to Prof. Dr Klaus Heubeck (2018 G) and the following actuarial assumptions:

in per cent	12/31/2025	12/31/2024
Discount rate as at the balance sheet date	3.85	3.20
Future fee increases	3.00	3.00
Future pension increases	2.00	2.00
Staff turnover	1.00	1.00

The interest rate is determined based on market data published by Heubeck AG and takes into account the parameters relevant to GESCO (e.g. duration).

The expected future pension payments are as follows:

in TEUR	2026	2027–2030	2031–2035
Expected pension payments	706	2,898	3,716

In accordance with IAS 19.145, the sensitivity analysis must present the effects of possible changes in the parameters underlying the calculation of pension liabilities. Only changes that can realistically be expected in the following financial year should be considered.

The key assumptions are the discount rate, the pension trend and life expectancy. These parameters are presented in the following overview, together with details of the parameter changes and their impact on the present value of pension obligations:

in TEUR	Change of ...	Present value of future benefits (increase)	Present value of future benefits (reduction)
Discount rate as at the balance sheet date	... 100 basis points	7,441	8,874
Future pension increases	... 25 basis points	8,271	7,945
Change in life expectancy	... 1 year	8,798	7,374

Risks arising from defined benefit pension plans stem from obligations and may have a negative impact on provisions and equity.

As a large proportion of defined benefit plans comprise lifetime benefits and survivors' pensions, earlier claims or longer benefit periods may lead to higher pension obligations, higher pension costs and higher pension payments than previously anticipated.

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31. Other provisions

The composition and development of other provisions are shown in the following overview:

in TEUR	01/01/2025	Addition/ Utilisation	Release	Reclassification ¹	Currency	Change in consol- idation group	12/31/2025
Purchase price annuity obligations	515	-36	0	0	0	0	479
Provision for staff	7	0	-7	0	0	0	0
Restructuring	875	-310	-303	0	0	0	262
Impairment/warranties	3,005	1,065	-1,644	0	0	0	2,426
Audit and advisory services	709	235	-39	0	-7	32	930
Other provisions	2,738	3,587	-230	0	0	0	6,095
	7,849	4,541	-2,223	0	-7	32	10,192
Of which long-term	522						479
Of which short-term	7,327						9,713
	7,849						10,192

¹ Reclassification to liabilities

The purchase price annuity obligation arose in connection with the acquisition of shares in a subsidiary and is recognised at the present value of the future benefits in accordance with IAS 19.

32. Financial liabilities

Liabilities arising from financing activities are broken down into the following repayment obligations:

in TEUR	< 1 year	1-5 years	> 5 years	Total 12/31/2025
Liabilities to banks	63,023	16,906	187	80,116
Lease liabilities	4,110	12,615	0	16,725
	67,133	29,521	187	96,841

in TEUR	< 1 year	1-5 years	> 5 years	Total 12/31/2024
Liabilities to banks	31,472	25,476	319	57,267
Lease liabilities	3,360	14,255	0	17,615
	34,832	39,731	319	74,882



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Liabilities to banks and guarantee credit facilities are primarily secured by:

in TEUR	12/31/2025	12/31/2024
Mortgages	74,663	7,242
Carrying amount of existing and properties under construction	7,470	7,560
Transfer of ownership by way of security		
movable fixed assets	0	0
Inventories	22,000	0

In addition, shares in subsidiaries with a total carrying amount of TEUR38,848 (previous year: TEUR38,848) have been pledged.

Liabilities to banks amounting to TEUR17,093 (previous year: TEUR27,602) relate to long-term loans with fixed repayment instalments and remaining terms of between 1 and 7 years; in the previous year, these ranged from 1 to 8 years.

The interest rates on the loans range from 0.95% to 4.71% (previous year: 0.95% to 5.10%). The other liabilities to banks consist of current accounts.

33. Trade payables and other liabilities

The repayment obligations for other liabilities are as follows:

in TEUR	< 1 year	1 – 5 years	> 5 years	Total 12/31/2025
Trade payables	15,743	0	0	15,743
Advance payments received on orders	17,853	0	0	17,853
Other liabilities	18,464	461	0	18,924
	52,059	461	0	52,520

in TEUR	< 1 year	1 – 5 years	> 5 years	Total 12/31/2024
Trade payables	15,021	0	0	15,021
Advance payments received on orders	22,392	0	0	22,392
Other liabilities	23,150	394	0	23,544
	60,563	394	0	60,957

34. Other liabilities

Other liabilities are broken down as follows:

in TEUR	12/31/2025	12/31/2024 adjusted	01/01/2024 adjusted
Long-term bonus	435	365	0
Other liabilities (long-term)	26	29	833
Advance payments received on orders	17,853	22,392	13,623
Other taxes	3,343	6,053	4,776
Wages, salaries, bonuses, social security	9,884	10,127	11,855
Outstanding purchase invoices	1,875	2,201	2,222
Other current liabilities	3,362	5,906	6,637
	36,777	47,074	39,946
Of which long-term	461	394	833
Of which current	36,317	46,680	39,113
	36,777	47,074	39,946

The remaining other liabilities relate primarily to short-term payables to third parties. In addition, an error correction of TEUR1,138 relating to previous years has been made under this heading. Refer to the retained earnings section in paragraph 29 for further details.

The long-term bonus provision relates to the performance-related, multi-year equity-based remuneration component for the members of the Executive Board in the form of 22,859 virtual shares with cash settlement for the reporting year at fair value. The short-term bonus provision comprises the variable remuneration component for the members of the Executive Board. Further details can be found in the remuneration report. In the previous year, the provisions for bonuses were still reported under other provisions.

35. Notes to the cash flow statement

The cash flow statement in accordance with IAS 7 shows how the Group's cash and cash equivalents have changed over the course of the reporting year because of inflows and outflows. The cash and cash equivalents balance shows cash and cash equivalents amounting to TEUR35,093 (previous year: TEUR33,290).

The development of liabilities arising from financing activities is shown in the table below:

in TEUR	01/01/2025	Cash inflows	Cash outflows	Non-cash disposals/ additions	12/31/2025
Liabilities to banks	57,267	40,546	-17,590	-107	80,116
Lease liabilities	17,615	0	-5,265	4,375	16,725
	74,882	40,546	-22,855	4,268	96,841

in TEUR	01/01/2024	Cash inflows	Cash outflows	Non-cash disposals/ additions	12/31/2024
Liabilities to banks	87,068	1,825	-31,241	-385	57,267
Lease liabilities	18,007	0	-4,032	3,640	17,615
	105,075	1,825	-35,273	3,255	74,882

36. Information on segment reporting

On 01/01/2025, GESCO SE carried out a comprehensive restructuring of its segment reporting.

GESCO SE's segment structure, which remained in place until the end of the 2024 financial year, was introduced on 31 March 2016. From April 2016, the two existing segments at that time – Mechanical Engineering and Plastics Technology – were replaced by four segments. The fourth segment, Mobility, was sold in 2020. In the following years, there were further significant changes to the portfolio, most recently the streamlining at the end of the 2024 financial year through the sale of AstroPlast and the disposal of the Doerrenberg foundry and steelworks business units.

The significant changes to the portfolio, as well as the introduction of the GBS (GESCO Business System), were accompanied by a restructuring of internal reporting and changes to the internal responsibilities of the Business Directors. A revision of the segment structure was therefore necessary. The new segment structure is intended to significantly increase transparency both internally and externally for all stakeholders. The aim was to organise the segments more clearly, particularly for investors, and to align them with established customer markets and the subsidiary's business models.

Since 01/01/2025, the Group has been organised into three operating segments: Materials Refinement & Distribution, Health Care & Life Science, and Industrial Assets & Infrastructure, which are aligned with the vertical end markets and business models of the subsidiaries (management approach). Similarly, the three segments also reflect the strategic focus on value-added and customer-centric business models centred on industrial processes, products and projects.

Companies in the Materials Refinement & Distribution segment create value for customers through complex production processes and the ability to deliver highly specialised raw materials and semi-finished products with short lead times. They are distinguished both by their ability to manage global supply chains and by ensuring the highest quality standards in their processes. The global customer structures and markets for this segment are highly diversified, enabling economic fluctuations to be better offset. The economic environment for the segment continues to be characterised by volatile material prices, subdued demand from core customer industries,

as well as geopolitical uncertainties and trade-related restrictions. Energy price risks have decreased significantly following the divestment of energy-intensive activities through the sale of the foundry and steelworks at Doerrenberg, whilst inflation-driven cost increases and competitive pressure from Asia persist. To ensure supply capability and limit risk, the segment relies on structured supply chain management featuring diversification, collaborative supplier relationships and long-term contracts. In addition, lean management and the GESCO Business System contribute to shorter lead times, greater agility and reduced dependence on price and market volatility. The Materials Refinement & Distribution segment recorded a significant decline in sales and earnings compared with the previous year. In addition to the general weakness in demand and the impact of US tariff policy, special effects arising from the sale of the two business divisions of Doerrenberg (foundry and steelworks) at the end of 2024 must be considered in this segment. Part of the decline in sales are attributable to this divestments. Sales from the foundry and steelworks amounted to MEUR19 in the 2024 financial year. Doerrenberg's earnings in the 2025 financial year were also impacted by the insolvency of the divested business units (Bergische Edelstahlwerke GmbH) in early February 2026. Two loans granted and receivables amounting to MEUR6.3 had to be written off in full for the 2025 financial year in this context. At Doerrenberg, the continuing weak environment in the German steel industry had an impact on the financial results. Steel production in Germany in 2025 was around 9% below the previous year's level, thereby reaching the level seen during the 2009 financial crisis. Despite this declining market environment, the company recorded the smallest decline in volume in the long products business in its core market of Germany. The expected adjustments to EU customs policy – in particular CBAM and the safeguard measures likely to come into force from the third quarter of 2026 – are expected to lead to falling import quotas and rising prices. For Funke, the overall performance of the construction industry fell short of expectations. However, individual segments such as district heating and data centres performed well. The market-driven shift towards lead-free solutions is leading to changing customer requirements and opening up additional business opportunities. At PGW, the US market developed significantly weaker than planned. Inventory reductions by customers and the impact of US import duties on steel doubling to 50% led to increased uncertainty and had a negative impact on demand.



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The companies operating within the Health Care & Life Science segment offer bespoke products and solutions. They target the growing markets in the health, medical, pharmaceutical and food sectors. Thanks to their innovative strength, which is closely aligned with real customer needs, they are well placed to meet the rising demands in these key sectors. An ageing population, rising healthcare needs and increasing pressure on hygiene and sustainability are growth drivers for the subsidiaries in this segment. These fundamental drivers remain unchanged, although the business performance in 2025 is not reflected correspondingly positively in order intake and sales due to the continuing volatile market conditions. In addition to individual operational factors – such as changes in ordering patterns by a major US customer of Setter – the marked reluctance of many customers is a key factor in the slight decline in sales. This stems in particular from global uncertainties weighing on the market environment. Medical technology fell short of expectations in 2025. Here, too, there was a reluctance to invest, coupled with short-term ordering behaviour and reduced stock levels. In the CT and ventilator sector, however, a slight upturn is emerging. This area is also seeing an increasing focus by many international customers on local production structures and regional supply chains. The GESCO Group is consistently addressing this development as part of its internationalisation strategy and is supporting its subsidiaries in further expanding their market presence and local value creation.

The Industrial Assets & Infrastructure segment comprises companies that are leaders in mechanical and plant engineering within their respective infrastructure markets. They are all globally positioned, key players in international markets. Their excellent capabilities in managing large and complex projects enable them to fulfil even highly customised customer requirements on time and efficiently. Economic uncertainty in global markets led to significant investment reluctance in the mechanical and plant engineering sector worldwide and, consequently, to delayed ordering behaviour on the part of customers. This had a particularly negative impact on Kesel within the segment for the 2025 financial year. Sales and earnings fell short of expectations. Expectations for the 2026 financial year also remain subdued. Despite the challenging environment, MAE performed well and secured a record order worth approximately MEUR8 at the end of the year. Eckart and SVT performed very well, meeting or exceeding targets. Thanks to the continued high demand for LNG terminals, SVT once again achieved record sales and earnings.

The GESCO SE/Other Companies segment includes GESCO SE and those immaterial companies that are not allocated to any of the other segments. The 'Reconciliation' item shows consolidation effects and the reconciliation to the corresponding consolidated figures. The prior-year figures have been restated to the new structure for comparison purposes.

The accounting policies for segment reporting are essentially based on the IFRS used in the consolidated financial statements.

The following table sets out the key performance indicators used by GESCO to assess the performance of its operating segments: sales, EBIT, return on sales (ROS) and other segment-related figures (cost of materials, staff costs, impairment losses on financial assets, depreciation and amortisation). Segment assets and segment liabilities are not reported on a regular basis and are therefore not included in segment reporting. Instead, working capital, capital employed and net debt are regularly reported to the Executive Board as the decision-making body. Net debt is calculated as long-term and short-term financial liabilities plus long-term and short-term lease liabilities, less cash and cash equivalents. Capital employed comprises goodwill, other intangible assets, tangible assets, and rights of use.



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in TEUR	Materials Refinement & Distribution		Health Care & Life Science		Industrial Assets & Infrastructure		GESCO SE, other companies		Reconciliation		Group	
	01/01/2025-12/31/2025	01/01/2024-12/31/2024	01/01/2025-12/31/2025	01/01/2024-12/31/2024	01/01/2025-12/31/2025	01/01/2024-12/31/2024	01/01/2025-12/31/2025	01/01/2024-12/31/2024	01/01/2025-12/31/2025	01/01/2024-12/31/2024	01/01/2025-12/31/2025	01/01/2024-12/31/2024
Order book	46,014	53,825	25,652	44,232	90,091	86,426	0	4,449	0	0	161,758	188,931
Incoming orders	206,954	234,348	128,369	158,466	140,638	111,850	0	14,436	0	0	475,960	519,100
Sales	209,385	239,537	143,478	144,077	142,294	115,507	0	14,916	-184	-228	494,973	513,809
Cost of materials	-141,863	-161,056	-68,609	-72,265	-57,916	-49,898	-26	-8,657	9	227	-268,405	-291,649
Staff costs	-35,016	-43,557	-39,200	-39,918	-47,457	-40,091	-3,971	-7,464	30	39	-125,613	-130,991
Impairment losses on financial assets	-6,041	0	0	0	0	0	0	0	0	0	-6,041	0
Depreciation and amortisation	-7,657	-10,748	-6,515	-7,248	-3,286	-2,610	-187	-940	-639	56	-18,284	-21,491
EBIT	-1,644	-92	12,327	8,108	13,641	12,410	-8,154	-5,290	-674	48	15,496	15,183
ROS	-0.8%	0.0%	8.6%	5.6%	9.6%	10.7%		-35.5%		-21.0%	3.1%	3.0%
Investments	7,892	4,212	1,927	4,887	6,961	2,109	211	149	0	0	16,992	11,356
Working capital	98,396	88,953	35,267	38,679	60,961	46,191	-408	-380	160	103	194,376	173,546
Capital employed	146,849	138,936	91,096	100,115	78,236	60,333	82	86	28,706	28,593	344,969	328,063
ROCE	-1.1%	-0.1%	13.5%	8.1%	17.4%	20.6%					4.5%	4.6%
Net debt	50,914	21,286	5,690	6,997	10,301	11,715	-5,157	1,595	0	-1	61,748	41,592
Employees (number/as at the reporting date)	477	647	587	622	585	473	13	81	0	-181	1,662	1,642

There are no significant business relationships between the segments.

Sales are distributed by region (country of sale) as follows:

	12/31/2025		12/31/2024	
	TEUR	%	TEUR	%
Germany	205,700	41.6	240,134	46.7
Europe excluding Germany	155,640	31.4	154,302	30.0
Other	133,633	27.0	119,373	23.2
	494,973	100.0	513,809	100.0

Information on sales from products and services in accordance with IFRS 8.32 can only be presented at disproportionately high cost due to the heterogeneous nature of the products and services and is therefore omitted.

The regional allocation of non-current assets refers in each case to the company's registered office. Non-current assets comprise tangible assets, including rights of use, and intangible assets (including goodwill), less deferred taxes and at equity-accounted investments.

	12/31/2025		12/31/2024	
	TEUR	%	TEUR	%
Germany	143,052	90.4	156,354	91.4
Europe excluding Germany	1,515	1.0	1,489	0.9
Other	13,762	8.7	13,181	7.7
	158,329	100.0	171,024	100.0

In the 2025 financial year and the previous year, no single customer accounted for more than 10% of the GESCO Group's sales.

37. Financial instruments

Capital management

The Group's capital management objectives are:

- Long-term value creation in the interests of investors and employees
- Ensuring sufficient liquidity for the Group
- Ensuring the Group's ability to service its debt
- Creating financial flexibility to implement the growth and portfolio optimisation strategy
- Identifying and managing interest rate risks, as well as identifying opportunities to optimise net interest income within the framework of the relevant risk appetite.

As part of GESCO's opportunity and risk management, members of the Executive Board and management are informed on a monthly basis about operational key figures, earnings performance and their potential impact on the Group's equity.

The equity position of the subsidiaries is subject to regular review.

The Group's consolidated equity has developed as follows:

in TEUR	12/31/2025	12/31/2024
Equity	272,621	270,086
Total assets	447,350	433,316
Equity ratio in %	60.9	62.3

12/31/2025	Valuation category	Amortised cost	Fair value		Total	
			recognised in profit or loss	Non-profit- or loss-making	Carrying amount	Fair Value
in TEUR	IFRS 9					
Financial assets	At amortised cost	156	0	0	156	156
Derivative financial instruments (non-current and current)	In other comprehensive income at fair value	0	0	0	0	0
Trade receivables	At amortised cost	69,023	0	0	69,023	69,023
Other financial assets	At amortised cost	21,026	0	0	21,026	21,026
Cash and cash equivalents	At amortised cost	35,093	0	0	35,093	35,093
Total financial assets		125,298	0	0	125,298	125,298
Financial liabilities (non-current and current)	At amortised cost	80,116	0	0	80,116	80,116
Lease liabilities	Not within the scope of IFRS 9	0	0	0	16,725	16,725
Derivative financial instruments (non-current and current)	In other comprehensive income at fair value	0	0	11	11	11
Trade payables	At amortised cost	15,743	0	0	15,743	15,743
Other financial liabilities	At amortised cost	36,777	0	0	36,777	36,777
Total financial liabilities		132,636	0	11	149,372	149,372

12/31/2024	Valuation category	Amortised cost	Fair value		Total	
			recognised in profit or loss	Non-profit- or loss-making	Carrying amount	Fair Value
in TEUR	IFRS 9					
Financial assets	At amortised cost	156	0	0	156	156
Derivative financial instruments (non-current and current)	In other comprehensive income at fair value	0	0	0	0	0
Trade receivables	At amortised cost	66,668	0	0	66,668	66,668
Other financial assets	At amortised cost	25,557	0	0	25,557	25,557
Cash and cash equivalents	At amortised cost	33,290	0	0	33,290	33,290
Total financial assets		125,671	0	0	125,671	125,671
Financial liabilities (non-current and current)	At amortised cost	57,267	0	0	57,267	57,267
Lease liabilities	Not within the scope of IFRS 9	0	0	0	17,615	17,615
Derivative financial instruments (non-current and current)	In other comprehensive income at fair value	0	0	200	200	200
Trade payables	At amortised cost	15,021	0	0	15,021	15,021
Other financial liabilities	At amortised cost	45,736	0	0	45,736	45,736
Total financial liabilities		118,024	0	200	135,839	135,839



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Due to the predominantly short-term maturities of trade receivables and payables, other assets and liabilities, and cash and cash equivalents, the carrying amounts as at the balance sheet date do not differ significantly from the fair values.

The fair value of liabilities to banks as at the balance sheet date is TEUR80,116.

The fair values of financial assets measured at fair value correspond to the present value of future cash inflows or outflows based on unobservable input factors. The fair values of financial liabilities measured at fair value are determined as at the balance sheet date using valuation techniques based on observable market data.

Financial risk management

A Group-wide risk management system has been implemented within the GESCO Group to identify risks as early as possible and to be able to initiate counter-measures. Detailed information on risks and opportunities is provided in the Group Management Report.

Risks arising from financial instruments affect the GESCO Group in terms of credit risks, liquidity risks and market price risks. All types of risk can influence the Group's net assets, financial position and results of operations. Credit risks primarily relate to trade receivables and other assets. Liquidity risks encompass the risk of being unable to meet payment obligations when required. Market price risks primarily consist of exchange rate fluctuations in relation to operating activities and interest rate changes in relation to financing.

As the nature and extent of the respective risks vary in relevance from one Group company to another, the management of these risks is defined on a company-by-company basis. Risk management is primarily carried out in the course of operational business and financing activities.

Information on the individual risk categories

(i) Credit risk

Credit risks arise from the danger of an economic loss if a contractual partner fails to meet its payment obligations at all, meets them only partially, or fails to meet them on time. The management of trade receivables is a high priority for the Group companies. Receivables are broadly diversified; no single debtor accounts for more than 10% of the Group's total receivables. The nature and extent of credit protection depend on the credit rating assessment of the respective customer. The instruments used primarily include export insurance, letters of credit, credit insurance, advance payment, guarantees, sureties and retention of title. The Group's default risks are limited to the usual business risk. Allowances have been made for identifiable default risks. Counterparty risk in relation to derivative financial instruments is limited by entering into derivatives exclusively with reputable domestic credit institutions. Value adjustments are determined using a simplified impairment model based on company-specific and portfolio-specific default rates. The default rates used are based on average bad debt losses over recent years, unless justified assumptions require an adjustment. When determining expected default rates, the business model, the respective customer and the economic environment are taken into account. Receivables where, for example, insolvency or similar proceedings have been initiated against the debtor, or where there are other objective indications of impairment (such as a significant deterioration in creditworthiness or financial restructuring), are individually assessed for impairment. In addition, for all receivables that are more than 180 days past due, an individual assessment is carried out during the year to determine whether a specific provision is required.

The theoretical maximum default risk (credit risk) comprises the complete loss of the carrying amounts of the financial instruments. The default risk of financial instruments not subject to impairment is currently assessed as low, as risk management tools limit the probability of default. The following table shows the estimated default risk and credit losses on trade receivables:

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in TEUR	Not past due	Past due as at the balance sheet date within the following interval				
		less than 30 days	between 31 and 60 days	between 61 and 90 days	between 91 and 180 days	more than 180 days
Gross book value	54,721	9,862	2,579	1,267	1,734	4,016
Value adjustment	-918	-603	0	-6	-91	-3,757
Net book value	53,803	9,259	2,579	1,261	1,643	259

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in TEUR	Not past due	Past due as at the balance sheet date within the following interval				
		less than 30 days	between 31 and 60 days	between 61 and 90 days	between 91 and 180 days	more than 180 days
Gross book value	51,170	8,219	2,269	2,175	1,060	3,831
Value adjustment	0	0	0	-707	-345	-1,246
Net book value	51,170	8,219	2,269	1,468	716	2,585

(ii) Liquidity risk

Cash management is conducted individually for each Group company; there is no central cash pooling within the Group. Cash management considers both the expected cash flows from operating activities and the expected cash flows from financial assets and liabilities.

Future cash outflows are essentially covered by inflows from operating activities. Peak funding requirements are covered by available liquidity and credit facilities.

(iii) Market risk

Market price risks relate to exchange rate risks arising from operating activities, interest rate and exchange rate risks arising from financing, and changes in the prices of securities.

Market price risks arising from exchange rate fluctuations result from international business relationships. Movements in exchange rates are subject to continuous monitoring using a variety of information sources. Of particular importance is the exchange rate between the US dollar and the euro. Where Group companies manufacture in the eurozone and invoice in US dollars, fluctuations in the US dollar/euro exchange rate naturally affect the overall competitiveness and the profitability of individual projects undertaken by these companies.

In the case of significant business transactions, currency risks are hedged using forward foreign exchange contracts. These forward foreign exchange contracts may give rise to market price risks insofar as, on the settlement date, foreign currency must be sold at the spot rate prevailing at that time. Ultimately, forward contracts serve to avoid risks arising from exchange rate fluctuations – thereby eliminating both losses and potential gains resulting from such fluctuations. The term and scope of these contracts correspond to the underlying operational transactions.

In accordance with IFRS 7, the Company prepares sensitivity analyses for market price risks to determine the effects of hypothetical changes in risk variables. These hypothetical changes are applied to the portfolio of financial instruments as at the balance sheet date. It is assumed that the portfolio as at the balance sheet date is representative of the full year.

(iv) Interest rate risk

Interest rate risk arises primarily from debt financing. In accordance with IFRS 7, interest rate risk is presented using sensitivity analyses. These illustrate the effects of hypothetical changes in market interest rates on interest expense. If the market interest rate level had been 100 basis points higher or lower in the reporting year, profit and equity after minority interests would have been TEUR380 (previous year: TEUR546) lower or higher.

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(v) Currency risk

Currency risks arising from supply and service relationships exist only to a limited extent within the GESCO Group. Deliveries by subsidiaries outside the eurozone are hedged via forward contracts for larger orders.

Trade receivables denominated in foreign currencies amounted to TEUR18,733 as at the balance sheet date (previous year: TEUR15,032). This represents 27.2% of total trade receivables (previous year: 22.6%). The receivables are denominated in the following currencies:

in TEUR	12/31/2025	12/31/2024
US dollars	14,411	9,287
Chinese Renminbi-Yuan	1,010	1,370
Taiwanese dollar	949	1,079
Mexican peso	1,817	1,976
Singapore dollar	545	1,178
Hungarian forint	0	143
	18,733	15,032

A 10% change in exchange rates as at the balance sheet date would have had an impact on profit and equity after minority interests of TEUR413 (previous year: TEUR162).

Forward foreign exchange contracts and a foreign currency loan are used to hedge pending sales transactions against exchange rate risk. The fair values of the hedging instruments amounted to TEUR-11 as at the balance sheet date (previous year: TEUR-200). After deduction of deferred tax, TEUR3 was recognised in other comprehensive income (previous year: TEUR-151).

38. Leases

As a lessee, GESCO has primarily entered into contracts for tangible assets, machinery and equipment, and vehicles. Lease agreements are negotiated individually and each contain different terms, for example regarding extension, termination or purchase options. The purchase price depends on the timing of exercise.

The development of the carrying amounts of right-of-use assets by class is shown in the statement of changes in fixed assets.

Interest expenses for the reporting period amounted to TEUR678 (previous year: TEUR614). Cash outflows for leases are shown in the cash flow statement.

39. Contingent liabilities

Various companies within the GESCO Group are subject to obligations to comply with certain covenants. As the subsidiaries are in compliance with the covenants, it is not expected that the Company will be called upon to meet these obligations as at the balance sheet date.

There are no ongoing legal disputes from which a material impact on earnings exceeding the amounts provisioned is expected. The guarantees provided are within the range customary for the industry. Where a claim is anticipated, a provision has been made in the amount of the expected outflow of benefits.



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GESCO SE has entered into an agreement with a former member of the Executive Board under which GESCO SE indemnifies this former member of the Executive Board up to an amount of MEUR20 against liability claims arising from certain breaches of duty, plus any legal costs arising from or in connection with his role as managing director of a former subsidiary. This indemnity is subordinate to the insurance cover provided under a D&O insurance policy. As at the balance sheet date, in the absence of any identifiable breaches of duty or claims asserted by the Company or third parties, no claims are currently expected to be made.

40. Related parties

Related parties within the meaning of IAS 24 are legal entities or natural persons who can exert influence over GESCO SE and its subsidiaries, or who are subject to control, joint management or significant influence by GESCO SE or its subsidiaries. These include, in particular, unconsolidated subsidiaries measured at fair value and associates accounted for at fair value or using the equity method. They also include the members of the executive bodies of GESCO SE, whose remuneration is disclosed in the notes to the financial statements and the remuneration report.

Members of the Supervisory Board

- Stefan Heimöller, Düsseldorf, Chairman, Managing Partner of Platestahl Umformtechnik GmbH, Lüdenscheid, and Helios GmbH, Neuenrade,
- Jens Große-Allermann, Cologne, Deputy Chairman, Member of the Executive Board of Shareholder Value Management AG, Frankfurt am Main, Member of the Supervisory Board of Solventis AG, Mainz,
- Klaus Möllerfriedrich, Haan Gruiten, Member of the Supervisory Board until 25 June 2025, Retired auditor,

- Dr Mathias Saggau, Bonn, Member of the Supervisory Board since 25 June 2025, Managing Director of MSA Capital GmbH, Bonn, Chairman of the Supervisory Board of CHAPTERS Group AG, Hamburg,
- Dr Nanna Rapp, Düsseldorf, Graduate in Business Administration.

Remuneration of the Supervisory Board

The remuneration of the members of the Supervisory Board for the financial year 2025 totalled TEUR301 (previous year: TEUR268).

Members of the Executive Board of GESCO SE

- Johannes Pfeffer, graduate in physics, MBA, Tübingen, CEO/Speaker of the Executive Board
- Andrea Holzbaur, BSc in Business Administration, Düsseldorf, CFO

Total remuneration of the Executive Board

The Executive Board received total remuneration of TEUR1,059 for the 2025 financial year (previous year: TEUR876). This includes a multi-year share-based remuneration component in the form of a virtual share programme comprising an estimated 5,670 shares with a fair value of TEUR85, which will be approved by the Supervisory Board upon adoption of the consolidated financial statements. In the previous year, the fair value of the 4,650 share options granted in the 2024 financial year was included in the amount of TEUR67. The remuneration system and the remuneration for the Executive Board are explained in detail in the remuneration report.

As at 12/31/2025, pension obligations (DBO) for former members of the Executive Board amounted to TEUR1,266 (previous year: TEUR1,402). During the financial year, two members of the Executive Board received payments from the pension commitments granted to them totalling TEUR121 (previous year: TEUR121).

Transactions with members of management in key positions and other transactions with related parties

Business relationships between fully consolidated Group companies and non-fully consolidated companies are conducted on arm's length terms. Receivables from associated companies relate to Amtrion USA Inc., USA. The entrepreneur Stefan Heimöller, elected to the Supervisory Board of GESCO SE by the Annual General Meeting, conducts, via his company Platestahl Umformtechnik GmbH, small-scale purchases and sales of steel products with Dörrenberg Edelstahl GmbH and SVT GmbH, both subsidiaries of GESCO SE. These business relationships are conducted on terms customary between unrelated parties.

Group relationships

The consolidated financial statements for the narrowest and broadest scope of companies are prepared by GESCO SE, based in Wuppertal, and published in the electronic Federal Gazette.

As subsidiaries included in the consolidated financial statements of GESCO SE, the companies listed in the table below (Group companies) have availed themselves of the exemptions under Section 264(3) HGB or Section 264b HGB regarding audit and disclosure. This exemption was invoked with reference to Section 264(3) HGB or Section 264b HGB and by specifying the parent company in the respective financial statements of the subsidiary published in the Federal Gazette.

41. German Corporate Governance Code

The Executive Board and Supervisory Board of GESCO SE generally comply with the German Corporate Governance Code and have made the declaration of conformity available to shareholders on the GESCO SE website.

The Executive Board holds a total of approximately 0.01% of the Company's shares. The members of the Supervisory Board hold a total of approximately 14.20% of the shares in the Company.

42. Group companies

The following table shows the Group companies of GESCO. The figures for shareholdings in % refer to the sum of directly and indirectly held shares as well as non-controlling interests.

Company	Shares
Fully consolidated companies	
GESCO SE, Wuppertal	
Dörrenberg Edelstahl GmbH, Engelskirchen	100.00%
Dörrenberg Tratamientos Térmicos SL, Uharte Arakil, Navarre, Spain	60.00%
Dörrenberg Special Steels PTE. Ltd., Singapore	90.00%
Dörrenberg International PTE. Ltd., Singapore	90.00%
Doerrenberg Special Steels Taiwan Ltd., Tainan, Taiwan	90.00%
Middle Kingdom Special Steels PTE Ltd., Singapore	54.00%
Jiashan Doerrenberg Mould & Die Trading Co., Jiashan, China	54.00%
Doerrenberg Specialty Steel Corp., Macedonia, Ohio, USA	100.00%
Tremblay Tool Steels, LLC, Macedonia, Ohio, USA	100.00%
Doerrenberg Real Estate LLC, Macedonia, Ohio, USA	100.00%
Franz Funke Zerspanungstechnik GmbH & Co. KG, Sundern ¹	100.00%
Franz Funke Verwaltungs GmbH, Sundern	100.00%
Georg Kesel GmbH & Co. KG, Kempten ¹	100.00%
Kesel International GmbH, Kempten	100.00%
Georg Kesel Machinery (Jiashan) Co., Ltd., Jiashan, China	100.00%
Kesel North America, LLC, Milton, Wisconsin, USA	100.00%
Kesel & Probst Verwaltungs-GmbH, Kempten	100.00%
INEX - solutions GmbH, Bretten ²	100.00%
Hubl GmbH, Vaihingen/Enz	80.00%
Sommer & Strassburger GmbH, Bretten ²	100.00%
INEX - solutions International GmbH, Bretten	100.00%



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Company	Shares
INEX - solutions USA Inc., Fort Mill, South Carolina, USA	100.00%
MAE Maschinen- und Apparatebau Götzen GmbH, Erkrath ²	100.00%
MAE International GmbH, Erkrath	100.00%
MAE Machines (Beijing) Co., Ltd., Beijing, China	100.00%
MAE Amerika GmbH, Erkrath	100.00%
MAE - Eitel Inc., Orwigsburg, Pennsylvania, USA	100.00%
Grafic Beteiligungs-GmbH (in liquidation), Wuppertal	100.00%
IMV Verwaltungs GmbH (in liquidation), Wuppertal	100.00%
Pickhardt & Gerlach GmbH & Co. KG, Finnentrop ¹	100.00%
Hekhorn Verwaltungs-GmbH, Finnentrop	100.00%
Hekhorn Immobilien GmbH, Finnentrop	100.00%

Company	Shares
Fully consolidated companies	
Setter Holding GmbH, Emmerich ²	100.00%
Setter GmbH & Co. Papierverarbeitung, Emmerich ¹	100.00%
Setter Treuhand GmbH, Emmerich	100.00%
Setter HRP GmbH, Emmerich ²	100.00%
Setter International GmbH, Emmerich	100.00%
Setterstix Inc., Fountain Inn, South Carolina, USA	100.00%
SQG Verwaltungs GmbH, Emmerich	100.00%
Setterstix de México S.A. de C.V., San Luis Potosí, Mexico	100.00%
SVT GmbH, Schwelm	100.00%
SVT APAC PTE. LTD., Singapore	100.00%
Connex SVT Inc., Houston, Texas, USA	100.00%
BAV Tatabánya Kft, Tatabánya, Hungary	100.00%
SVT China Ltd.	100.00%
United MedTec Holding GmbH, Porta Westfalica	100.00%
Amtrion GmbH, Porta Westfalica	100.00%
Haseke Beteiligungs-GmbH, Porta Westfalica	100.00%
Tragfreund GmbH, Porta Westfalica	100.00%
Eckart GmbH, Schlüchtern	100.00%

Company	Shares
Associated companies	
Saglam Metal Sanayi Ticaret A.S., Istanbul, Turkey	20.00%
Doerrenberg Special Steels Korea Co. Ltd, Jeongwang-dong, South Korea	45.00%

Company	Shares
Non-consolidated companies	
Amtrion USA Inc., Fountain Inn, South Carolina, USA	100.00%

¹ Exercise of the exemption pursuant to Section 264b of the German Commercial Code (HGB)
² Exercise of the exemption pursuant to Section 264(3) of the German Commercial Code (HGB)

Control of the fully consolidated subsidiaries gives rise primarily to risks relating to changes in the value of these companies' assets, as well as financing risks.

The table below lists the GESCO companies which, unlike in the previous year, will no longer be included in the consolidated financial statements as at 12/31/2025:

Company	Consolidated group	
	Date of disposal	Type of disposal
So-Stra Verwaltungs-GmbH (in liquidation)	12/31/2025	Liquidation



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43. Employees

	31.12.2025	31.12.2024
Employees	1,623	1,825
Trainees	32	38
Average number of employees	1,655	1,863

Part-time employees have been converted to full-time equivalents.

44. Auditors' fees

For the services rendered during the financial year, the fees payable to the Group auditor, Forvis Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Düsseldorf, for the financial statement audits was TEUR847 (previous year: TEUR720), of which TEUR111 (previous year: TEUR77) was for previous years and TEUR57 (previous year: TEUR100) for other assurance services.

45. Events after the balance sheet date

On 9 February 2026, Bergische Edelstahlwerke GmbH filed for insolvency. On 01/01/2025, the company acquired the 'Foundry' and 'Steelworks' business divisions from Dörrenberg Edelstahl GmbH. Two loans and receivables from Bergische Edelstahlwerke GmbH totalling EURm 6.3 remain outstanding from this sale. These will be written off in full. In addition, Dörrenberg Edelstahl GmbH has recognised a provision for potential losses of MEUR0.55. Offsetting this is the recognition of deferred tax assets on tax loss carry forwards amounting to MEUR3.3, resulting in an expense of MEUR3.55 being charged to profit after tax.

The recently escalated military conflict in the Middle East between the USA, Israel and Iran represents an additional geopolitical risk. At the time of preparing these consolidated financial statements, the nature, scope and duration of the conflict, as well as its medium- and long-term economic effects, cannot yet be reliably estimated. Depending on how the situation develops, negative effects could arise in particular from rising energy and raw material prices, disruptions to international supply chains, increased volatility on the financial markets, and possible further trade restrictions or sanctions.

Furthermore, no other events of particular significance have occurred since the end of the financial year.

Wuppertal, 26 March 2026

GESCO SE
– Executive Board –

Johannes Pfeffer
CEO/Spokesperson for the
Executive Board

Andrea Holzbaur
CFO

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To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the combined management report of the Company and the Group includes a fair review of the development and performance of the business and the position of the Company and the Group, together with a description of the principal opportunities and risks associated with the expected development of the Company and the Group.

Wuppertal, 31 March 2026

Johannes Pfeffer
CEO/Spokesperson for the
Executive Board

Andrea Holzbaur
CFO

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To GESCO SE, Wuppertal

Report on the audit of the consolidated financial statements and the group management report

Audit Opinions

We have audited the Consolidated Financial Statements of GESCO SE and its subsidiaries (the Group) comprising the consolidated balance sheet as at 31 December 2025, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the fiscal year from 1 January 2025 to 31 December 2025, and the notes to the Consolidated Financial Statements, including significant information on accounting policies. In addition, we have audited the Group Management Report of GESCO SE, which is combined with the Company's Management Report, for the fiscal year from 1 January 2025 to 31 December 2025. We have not audited the content of the sections of the Group Management Report referred to in the 'Other Information' section of our auditor's report, in accordance with German statutory requirements.

In our opinion, based on the findings of our audit

- the accompanying Consolidated Financial Statements comply in all material respects with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter "IFRS Accounting Standards"), as adopted by the EU, and the supplementary German statutory provisions applicable pursuant to section 315e(1) of the German Commercial Code (HGB), and, in accordance

with these provisions, give a true and fair view of the Group's financial position as at 31 December 2025, as well as of its earnings position for the fiscal year from 1 January 2025 to 31 December 2025, and

- the accompanying Group Management Report as a whole presents a true and fair view of the Group's position. In all material respects, this Group Management Report is consistent with the Consolidated Financial Statements, complies with German statutory requirements and accurately presents the opportunities and risks of future development. Our audit opinion on the Group Management Report does not extend to the content of the components of the Group Management Report referred to in the section 'Other information'.

In accordance with section 322(3), first sentence of the German Commercial Code (HGB), we declare that our audit has not led to any objections regarding the regularity of the Consolidated Financial Statements and the Group Management Report.

Basis for the audit opinions

We conducted our audit of the Consolidated Financial Statements and the Group Management Report in accordance with Section 317 of the German Commercial Code (HGB) and the EU Audit Regulation (No 537/2014; hereinafter "EU Audit Regulation"), in compliance with the German standards on the due performance of audits issued by the Institute of Public Auditors in Germany (IDW). Our responsibilities under these regulations and standards are described in further detail in the section "Auditor's Responsibility for the Audit of the Consolidated Financial Statements and the Group Management Report" of our auditor's report. We are independent of the group companies in accordance with European, German commercial and professional regulations and have fulfilled our other German professional obligations in accordance



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with these requirements. Furthermore, in accordance with Article 10(2)(f) of the EU Audit Regulation, we declare that we have not provided any prohibited non-audit services as defined in Article 5(1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to serve as a basis for our audit opinions on the Consolidated Financial Statements and the Group Management Report.

Significant audit matter in the audit of the Consolidated Financial Statements

A matter of particular significance is a matter which, in our professional judgement, was the most significant in our audit of the Consolidated Financial Statements for the fiscal year from 1 January 2025 to 31 December 2025. This matter was considered in the context of our audit of the Consolidated Financial Statements as a whole and in forming our audit opinion thereon; we do not issue a separate audit opinion on this matter.

Impairment of goodwill

Related information in the Consolidated Financial Statements

For the accounting policies applied to goodwill, we refer to the disclosures in the notes to the Consolidated Financial Statements in sections “4. Use of estimates and judgements”, “6. Significant Accounting Policies” – in the sub-sections “Intangible Assets and Goodwill” and “Impairment” – and “20. Goodwill”. The development in this item is presented in the statement of changes in fixed assets (“Development in consolidated fixed assets”) and in section “19. Development of goodwill, rights to use assets under leases/rental agreements, other intangible assets and tangible assets”.

Facts and audit risks

The consolidated balance sheet of GESCO SE shows goodwill totalling 39 million €, which represents approximately 9% of the balance sheet total and approximately 14% of the Group's reported equity.

The Company subjects the goodwill to annual impairment tests to determine any potential need for write-downs. The result of the impairment tests depends to a large extent on how the legal representatives assess future cash flows and derive the discount rates used in each case. Due to the complexity underlying the valuation

and the scope for discretion involved in the valuation, we consider the impairment of goodwill to be a particularly significant audit matter.

Audit approach and findings

As part of our audit, we analysed the process implemented by for the legal representatives of GESCO SE, as well as the accounting and valuation guidelines for determining the recoverable amounts of cash-generating units to which goodwill has been allocated, for potential risks of error and gained an understanding of the process steps. We assessed the Group's approach to determining the discount rates and deriving the expected cash surpluses for compliance with IAS 36.

We analysed the business plans by comparing them with the results actually achieved in the past and current trends in the financial figures. We reviewed the key assumptions underlying the business plans regarding growth and business performance by discussing them in detail with the legal representatives of GESCO SE. On this basis, we assessed their appropriateness.

We examined the appropriateness of other key valuation assumptions, such as discount rates and growth rates, with the support of specialists from our firm, based on an analysis of market indicators. We analysed the parameters used to determine the discount rates with regard to their appropriate derivation and verified their calculation in accordance with the relevant requirements of IAS 36.

We have assessed impairment risks arising from changes in key valuation assumptions using sensitivity analyses. Furthermore, we reviewed the mathematical accuracy of the valuation models in accordance with the requirements of IAS 36. Finally, we assessed the disclosures in the notes to the Consolidated Financial Statements regarding estimates and valuation parameters used to measure the recoverable amounts of the cash-generating units containing goodwill to determine whether they are appropriate.

On the basis of our audit procedures, we were satisfied that the judgements and assumptions made by the legal representatives regarding the recoverability of goodwill are well-founded and balanced.

Other information

The legal representatives or the Supervisory Board are responsible for the other information. The other information comprises the following components of the Group Management Report, the content of which has not been audited:

- the corporate governance statement pursuant to Sections 289f and 315d of the German Commercial Code (HGB), to which reference is made in the Group Management Report,
- the Remuneration Report pursuant to section 162 of the German Stock Corporation Act (AktG), to which reference is made in the Group Management Report.

The other information also comprises:

- the assurances pursuant to section 297(2), fourth sentence, and section 315(1), fifth sentence of the German Commercial Code (HGB) regarding the Consolidated Financial Statements and the Group Management Report
- the report of the Supervisory Board, and
- the remaining parts of the annual report – without further cross-references to external information – with the exception of the audited Consolidated Financial Statements and the Group Management Report, as well as our audit opinion.

The legal representatives and the Supervisory Board are jointly responsible for the Remuneration Report. The Supervisory Board is responsible for the Supervisory Board's report. In all other respects, the legal representatives are responsible for the other information.

Our audit opinions on the Consolidated Financial Statements and the Group Management Report do not extend to the other information, and accordingly we do not express an audit opinion or any other form of audit conclusion in respect thereof.

In connection with our audit, we have a responsibility to read the other information and, in doing so, to assess whether the other information:

- contain material inconsistencies with the Consolidated Financial Statements, the Group Management Report or our knowledge obtained during 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 Group Management Report

The legal representatives are responsible for the preparation of the Consolidated Financial Statements, which comply in all material respects with the IFRS Accounting Standards as adopted by the EU, and, in addition, the German statutory provisions applicable pursuant to section 315e(1) of the German Commercial Code (HGB) in all material respects, and for ensuring that the Consolidated Financial Statements, in compliance with these provisions, give a true and fair view of the Group's financial position, results of operations and cash flows. Furthermore, the legal representatives are responsible for the internal controls they have determined to be necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatements arising from fraudulent acts (i.e. accounting manipulation and financial losses) or errors.

In preparing the Consolidated Financial Statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. Furthermore, they are responsible for disclosing matters relating to the Group's ability to continue as a going concern, where relevant. In addition, they are responsible for preparing the Financial Statements on a going concern basis, unless there is an intention to liquidate the Group or to cease trading, or there is no realistic alternative to doing so.

Furthermore, the legal representatives are responsible for preparing the Group Management Report, which as a whole gives a true and fair view of the Group's position, is consistent with the Consolidated Financial Statements in all material respects, complies with German statutory requirements and accurately presents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for the arrangements and measures (systems) which they have deemed necessary to enable the preparation of a Group Management Report in accordance with the applicable German statutory provisions, and to be able to provide sufficient and appropriate evidence for the statements in the 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 Group Management Report.

Responsibility of the auditor for the audit of the Consolidated Financial Statements and the Group Management Report

Our objective is to obtain reasonable assurance as to whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and whether the Group Management Report as a whole presents a true and fair view of the Group's position, is consistent in all material respects with the Consolidated Financial Statements and with the findings of our audit, complies with German statutory requirements, and gives a fair review of the opportunities and risks associated with future development, and to issue an auditor's report containing our opinions on the Consolidated Financial Statements and the Group Management Report.

Reasonable assurance is a high level of assurance, but not a guarantee, that an audit conducted in accordance with Section 317 of the German Commercial Code (HGB) and the EU Audit Regulation, in compliance with the German Standards on Auditing established by the Institute of Public Auditors in Germany (IDW), will always detect a material misstatement. Misstatements may result from fraudulent acts or errors and are considered material if it could reasonably be expected that, individually or in the aggregate, they would influence the economic decisions of users taken on the basis of these Consolidated Financial Statements and the Group Management Report.

During the audit, we exercise professional judgement and maintain a critical attitude. Furthermore, we

- identify and assess the risks of material misstatements in the Consolidated Financial Statements and the Group Management Report arising from fraud or error, plan and perform audit procedures in response to these risks and obtain audit evidence that is sufficient and appropriate to serve as a basis for our audit opinions. The risk that a material misstatement resulting from fraud will not be detected is higher than the risk that a material misstatement resulting from error will not be detected, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the circumvention of internal controls.
- obtain an understanding of the internal controls relevant to the audit of the Consolidated Financial Statements and the arrangements and measures relevant to the audit of the Group Management Report, in order to plan audit procedures that are appropriate in the circumstances, but not with the aim of expressing an audit opinion

on the effectiveness of the Group's internal controls or of these arrangements and measures.

- assess the appropriateness of the accounting policies applied by the legal representatives and the reasonableness of the estimated values and related disclosures presented by the legal representatives.
- draw conclusions on the appropriateness of the going concern accounting policy applied by the legal representatives and, based on the audit evidence obtained, whether there is any material uncertainty relating to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the relevant disclosures in the Consolidated Financial Statements and the Group Management Report or, if such disclosures are inadequate, to modify our audit opinion accordingly. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit report. However, future events or circumstances may result in the Group being unable to continue as a going concern.
- assess the presentation, structure and content of the Consolidated Financial Statements as a whole, including the disclosures, and whether the Consolidated Financial Statements present the underlying transactions and events in such a way that, in accordance with IFRS as adopted by the EU, and the supplementary German statutory provisions applicable pursuant to Section 315e(1) of the German Commercial Code (HGB), the Consolidated Financial Statements give a true and fair view of the Group's financial position, results of operations and cash flows.
- plan and perform the audit of the Consolidated Financial Statements to obtain sufficient appropriate audit evidence regarding the financial information of the companies or business segments within the Group as a basis for forming our audit opinions on the Consolidated Financial Statements and the Group Management Report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the audit of the Consolidated Financial Statements. We bear sole responsibility for our audit opinions.
- assess the consistency of the Group Management Report with the Consolidated Financial Statements, its compliance with the law, and the picture it conveys of the Group's financial position.
- we perform audit procedures in relation to the forward-looking statements presented by the legal representatives in the Group Management Report. On the basis of sufficient and appropriate audit evidence, we verify, in particular, the significant assumptions underlying the forward-looking statements made by the



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legal representatives and assess the appropriate derivation of the forward-looking statements from these assumptions. We do not express a separate audit opinion on the forward-looking statements or the underlying assumptions. There is a significant and unavoidable risk that future events may differ materially from the forward-looking statements.

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

We provide a statement to those charged with governance that we have complied with the relevant independence requirements and discuss with them all relationships and other matters that might reasonably be expected to affect our independence and, where relevant, the actions taken or safeguards applied to address independence threats.

We identify, from the matters discussed with those responsible for oversight, those matters that were most significant in the audit of the Consolidated Financial Statements for the current reporting period and are therefore the key audit matters. We describe these matters in the auditor's report, unless laws or other regulations preclude public disclosure of the matter.

Other statutory and regulatory requirements

Report on the audit of the electronic reproduction of the Consolidated Financial Statements and the Group Management Report prepared for publication purposes in accordance with Section 317 (3a) HGB

Audit opinion

In accordance with Section 317(3a) of the German Commercial Code (HGB), we have conducted an audit to obtain reasonable assurance as to whether the representations of the Consolidated Financial Statements and the Group Management Report contained in the file [GESCO_SE_KAuKLB_ESEF-2025-12-31-de.xbri] (MD5 hash value: [00746b5b605e7cf7c116352b67fc1dcc]) and prepared for disclosure purposes (hereinafter also referred to as the "ESEF documents") comply in all material respects with the requirements of Section 328(1) of the German Commercial Code (HGB) regarding the electronic reporting format ("ESEF format") in all material respects. In accordance with German statutory provisions, this review extends only to the conversion of the information in the Consolidated Financial Statements and the Group Management Report into the ESEF format and therefore neither to the information contained in these representations nor to any other information contained in the aforementioned file.

In our opinion, the representations of the Consolidated Financial Statements and the Group Management Report contained in the aforementioned file and prepared for disclosure purposes comply in all material respects with the requirements of section 328(1) of the German Commercial Code (HGB) regarding the electronic reporting format. Beyond this audit opinion and our audit opinions contained in the preceding "Report on the Audit of the Consolidated Financial Statements and the Group Management Report" on the accompanying Consolidated Financial Statements and the accompanying Group Management Report for the fiscal year from 1 January to 31 December 2025, we do not express any audit opinion on the information contained in these representations or on the other information contained in the aforementioned file.



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Basis for the audit opinion

We conducted our audit of the representations of the Consolidated Financial Statements and the Group Management Report contained in the above-mentioned file in accordance with section 317(3a) of the German Commercial Code (HGB), taking into account IDW Auditing Standard: Audit of Electronic Representations of Financial Statements and Management Reports Prepared for Disclosure Purposes in accordance with Section 317(3a) of the German Commercial Code (HGB) (IDW PS 410 (06.2022)) and International Standard on Assurance Engagements 3000 (Revised). Our responsibilities in this regard are described in further detail in the section "Responsibilities of the Group auditor for the audit of the ESEF documents". Our audit firm has applied the IDW Quality Management Standard: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

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

The legal representatives of the Company are responsible for the preparation of the ESEF documents containing the electronic versions of the Consolidated Financial Statements and the Group Management Report in accordance with section 328(1), sentence 4, no. 1 of the German Commercial Code (HGB) and for the tagging of the Consolidated Financial Statements in accordance with section 328(1), sentence 4, no. 2 of the German Commercial Code (HGB).

Furthermore, the Company's legal representatives are responsible for the internal controls they deem necessary to enable the preparation of the ESEF documents, which must be free from material – intentional or unintentional – breaches of the requirements of Section 328(1) of the German Commercial Code (HGB) regarding the electronic reporting format.

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

Responsibility of the Group auditor for the audit of the ESEF documents

Our objective is to obtain reasonable assurance as to whether the ESEF documents are free from material – intentional or unintentional – breaches of the requirements of section 328(1) of the German Commercial Code (HGB). During the audit, we exercise due professional judgement and maintain a critical mindset. Furthermore, we

- identify and assess the risks of material – intentional or unintentional – non-compliance with the requirements of section 328(1) of the German Commercial Code (HGB), plan and perform audit procedures in response to these risks and obtain audit evidence that is sufficient and appropriate to serve as a basis for our audit opinion.
- gain an understanding of the internal controls relevant to the audit of the ESEF documents in order to plan audit procedures that are appropriate in the circumstances, but not with the aim of expressing an audit opinion on the effectiveness of these controls.
- assess the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents complies with the requirements of Delegated Regulation (EU) 2019/815, as in force at the balance sheet date, regarding the technical specification for this file.
- assess whether the ESEF documents enable an XHTML reproduction of the audited Consolidated Financial Statements and the audited Group Management Report with identical content.
- assess whether the tagging of the ESEF documents using Inline XBRL (iXBRL) technology, in accordance with Articles 4 and 6 of Delegated Regulation (EU) 2019/815 as in force on the balance sheet date, enables an appropriate and complete machine-readable XBRL copy of the XHTML representation.

Other disclosures pursuant to Article 10 of the EU-APrVO

We were appointed by the Annual General Meeting on 24 July 2025 as auditors of the Consolidated Financial Statements. We were appointed by the Supervisory Board on 6 November 2025. We have acted as auditors of the Consolidated Financial Statements of GESCO SE without interruption since the 2021 fiscal year.



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We confirm that the audit opinions contained in this audit report are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Audit Regulation (Audit Report).

Other matters – use of the audit opinion

Our audit report must always be read in conjunction with the audited Consolidated Financial Statements and the audited Group Management Report, as well as the audited ESEF documents. The Consolidated Financial Statements and the Group Management Report converted into the ESEF format – including the versions to be filed with the Companies Register – are merely electronic representations of the audited Consolidated Financial Statements and the audited Group Management Report and do not replace them. In particular, the ESEF report and our audit opinion contained therein may only be used in conjunction with the audited ESEF documents provided in electronic form.

Auditor in charge

The auditor responsible for the audit is Heiko Wittig.

Düsseldorf, 26 March 2026
Forvis Mazars GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Dr. Marcus Borchert
Chartered Accountant

Heiko Wittig
Chartered Accountant

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15 April 2026

Annual press conference and publication Annual Report 2025

13 May 2026

Publication Quarterly Statement Q1 2026

24 June 2026

AGM in Duesseldorf

12 August 2026

Publication Half-Year Report 2026

21 – 24 September 2026

Baader Investment Conference Munich

11 November

Publication Quarterly Statement Q3 2026

23 – 25 November 2026

Eigenkapitalforum (German Equity Forum) Frankfurt a. M.

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Important notice:

This Annual Report contains forward-looking statements based on current assumptions and forecasts made by the Executive Board of GESCO SE. These statements are therefore subject to risks and uncertainties. The actual results and business development of GESCO SE and GESCO Group may differ materially from the estimates made in this annual report. GESCO SE assumes no obligation to update such forward-looking statements or to adapt them to future events or developments.

Despite the greatest possible care, technical reasons in particular (e. g. the conversion of electronic formats) may lead to deviations between the accounting documents contained in this Annual Report and those submitted to the Federal Gazette. In this case, the version submitted to the Bundesanzeiger shall be binding.

The annual report is also available in English translation; in case of discrepancies, the German version of the annual report shall prevail.

