DIEHL

Annual Report 2025

MANY SOLUTIONS - ONE GROUP

THE STRENGTH TO OPERATE FLEXIBLY

2025: Despite the challenging overall economic situation, Diehl once again performed well and continued its growth trajectory – 2026: Diehl expects its sustainable growth path to continue and anticipates sales increasing to approximately €6 billion.

Overall, Diehl once again performed well during the reporting year despite the challenging overall economic environment and continued its growth trajectory. Group sales increased to €5,420.5 million, exceeding the previous year's figure (€4,695.8 million) by €724.7 million or 15.4%. EBIT could be increased significantly from €460.3 million to €702.6 million. As a result, the forecasts for 2025 were fully achieved. Many of the targets set for the reporting year were achieved and in some cases exceeded; accordingly, sales and earnings were above expectations. However, the positive overall performance of the company in 2025 was driven by different developments within the individual corporate divisions.

In 2025, the **Metall Corporate Division**, with its four strategic business segments, once again faced significant market volatility and challenging conditions. In particular, the continued fluctuations in key sales markets posed major challenges for all business areas. Despite these difficult circumstances, the business was managed in its customary stable manner, enabling the year to close with modest growth overall. Diehl Metall has traditionally offered a broad range of forward-looking products and technologies in the field of metal processing. Within a global production network with locations in Europe, Asia, South America, and the United States, the company develops application-oriented solutions for international customers.

Sales at **Diehl Controls** in 2025 were also below expectations due to the continued weakness in the main markets of white goods and HVAC/R. While the company was able to further expand its customer and product portfolio, these successes were not sufficient to offset the lack of incoming orders, resulting in sales for the corporate division remaining at the previous year's level. In addition to expanding business with Asian customers in the household appliance sector and increasing electronics manufacturing capacity for the Aerospace & Defense (A&D) market segment in Germany, the further development of the heat pump business will be particularly important for future growth.

Driven by the sustained high demand for effect and protection in the form of serial products and new developments, as well as the growing importance of drone defence systems, **Diehl Defence** was once again able to continue the positive development of the corporate division during the reporting year. There is strong demand for defence products, particularly in Germany but also in other European NATO countries, with customers having sufficient procurement budgets available. For Diehl Defence, this was reflected primarily in additional contract awards for ground-based air defence (GBAD) systems.

As international aviation remained on a growth trajectory in 2025 despite political uncertainties in key regions of the world, **Diehl Aviation** was likewise able to further expand its business under these conditions and once again achieve a significant increase in sales. For the major aircraft manufacturers, 2025 was a year of strong growth, albeit one constrained by supply bottlenecks, resulting in record order backlogs. These backlogs will utilize production capacities for a decade or more and will therefore shape the entire industry over the long term. As delivery delays resulted in more than 5,000 fewer aircraft being delivered, older aircraft must now remain in service longer, creating additional opportunities for Diehl Aviation in the aftermarket.

Operating in an environment characterized by economic uncertainty and increasing regulatory requirements, **Diehl Metering** achieved further growth in 2025 and maintained its market position in the European and global smart water meter markets. The corporate division achieved new record levels in both sales and order intake. Diehl Metering sees both challenges and opportunities for further business development arising from geopolitical developments. For example, water supply is increasingly being recognized as an essential component of critical infrastructure, resulting in stricter regulatory and security requirements, which in turn are driving growing demand for intelligent, sustainable, and resilient solutions.

Investments reached a record high of €375.0 million (previous year: EUR 332.3 million). **Research and development** expenditures also reached a new all-time high in 2025, totaling €501.6 million (previous year: €397.0 million).

Considering the Diehl Group's well-established market position and the diverse portfolio of its five corporate divisions, there is a strong belief in the company's ability to maintain steady and sustainable growth, taking into account both the potential opportunities and risks. For the current year, Diehl expects sales to increase to approximately €6 billion while maintaining stable earnings.

The limited partnership Diehl Stiftung & Co. KG is managed by Diehl Verwaltungs-Stiftung, the general partner. Executive Board and Supervisory Board are the organs of Diehl Verwaltungs-Stiftung.

Organization
Within the spectrum of possible holding formations, Diehl has opted to operate under the umbrella of a strategic management holding company, with corporate divisions that manage their business operationally and strategically with a customer-oriented product and technology portfolio. This combines the advantages of a globally operating large corporation with smaller business segments that are very close to the market and operate independently and flexibly.

Supervisory Board
As one of the two governing bodies of the holding company, the Supervisory Board decides on all fundamental matters concerning Diehl Stiftung & Co. KG and advises and supervises the Executive Board.

The Supervisory Board is composed of the following members: Markus Diehl (Chairman), Konstantin Diehl, Klaus Helmrich and Frank Felix Werdin.

Executive Board
The Executive Board manages the business operations of Diehl Stiftung & Co. KG and represents it externally. Overall responsibility for issues of strategic importance and topics that are relevant to the entire Group lies in the hands of the Executive Board.
The Executive Board consists of the following members: Jens Böhlke, Dr. Christof Bosbach, Dieter Landgraf, Helmut Rauch, Jürgen Reimer (President of the Executive Board), and Dr. Jörg Schuler. In addition, Senior Vice Presidents Bernd Joeris and Michael Prymelski are members of the Executive Board group.

Diehl Metall Stiftung & Co. KG

Diehl Brass Solutions
Röthenbach a. d. Pegnitz

Diehl Metall Schmiedetechnik
Röthenbach a. d. Pegnitz

Diehl Advanced Mobility
Zehdenick

Diehl Augé Découpage
Besançon/France

Diehl do Brasil Metalúrgica
São Paulo/Brazil

Diehl Electronic Components
Wuxi/China

Diehl Metal Applications
Berlin
Teltow

Diehl Metal India
Pune/India

Diehl Power Electronic
Siaugues Sainte-Marie/France

Diehl SynchroTec Manufacturing
Wuxi/China

Diehl Werkzeugbau Seebach
Seebach

Franconia Industries
Elk Grove Village, Illinois/USA

SMH Süddeutsche Metall-handelsgesellschaft
Röthenbach a. d. Pegnitz

Diehl AKO Stiftung & Co. KG

Diehl AKO
Wangen
Nürnberg

Diehl Controls Polska
Namysłow/Poland
Wrocław/Poland

Diehl Controls (Nanjing)
Nanjing/China

Diehl Controls (Qingdao)
Qingdao/China

Diehl Controls Mexico
Querétaro/Mexico

Diehl Controls Development Center Querétaro
Querétaro/Mexico

Diehl Controls North America
Naperville/USA

Diehl Controls Romania
Brasov/Romania

Diehl Controls India
Pune/India

Diehl Defence GmbH & Co. KG

Diehl Defence
Überlingen
Laupheim
Lübben
Nonnweiler
Röthenbach a. d. Pegnitz
Todendorf
Berlin Office
Koblenz Office
Abu Dhabi/U.A.E. Office
Bangkok/Thailand Office
Cairo/Egypt Office
Kyiv/Ukraine Office
Riyadh/Saudi Arabia Office

AIM Infrared Modules
Heilbronn

Diehl Energy Products
Röthenbach a. d. Pegnitz

Diehl Retrofit Missile Systeme
Überlingen

DD Präzisionsteile
Überlingen

DynITEC
Troisdorf

e.sigma Systems GmbH
Munich
Ilmenau

EuroSpike
Röthenbach a. d. Pegnitz

GIWS
Nürnberg

JUNGHANS Microtec
Dunningen

JUNGHANS T2M
La Ferté Saint Aubin/France

PARSYS
Schrobenhausen

RAM-System
Ottobrunn

Tauber Group
Greven

Diehl Defence Verpackungssysteme
Röthenbach a. d. Pegnitz

Diehl Aviation Holding GmbH

Diehl Aviation Laupheim
Laupheim
Craiova/Romania
Debrecen/Hungary
Hamburg
Nyírbátor/Hungary
Querétaro/Mexico
Tianjin/China
Toulouse/France

Diehl Aviation Gilching
Gilching
Dresden
Bangalore/India

Diehl Aviation Hamburg
Hamburg

Diehl Aerospace
Überlingen
Donauwörth
Everett, Washington/USA
Frankfurt am Main
Hamburg
Nürnberg
Rostock
Singapore
Sterrett, Alabama/USA
Toulouse/France

Diehl Aviation
Dubai/U.A.E. Office
Everett, Washington/USA Office
North Charleston Office, South Carolina, USA
Beijing/China Office

Diehl Metering GmbH

Diehl Metering/Germany
Ansbach
Nürnberg
Apolda

Diehl Metering/China
Jinan

Diehl Metering/Denmark
Esbjerg

Diehl Metering/Great Britain
Halifax

Diehl Metering/Italy
Milan

Diehl Metering/U.A.E.
Dubai

Diehl Metering/Austria
Vienna

Diehl Metering/Poland
Bażanowice

Diehl Metering/France
Saint-Louis

Diehl Metering/Singapore

Diehl Metering/Spain
Madrid

Diehl Metering/Sweden
Karlskrona

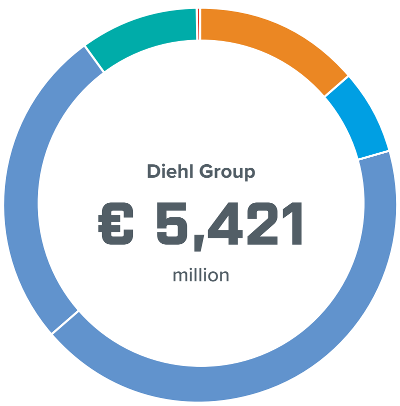
Diehl Metering/USA
Lisle

Basic Economic Conditions

The German Federal Government's Annual Economic Report states that German economic output stabilized in 2025 following the negative growth rates recorded in the previous two years (Source: Annual Economic Report of the Federal Government 2026, page 111). At the same time, Germany's export-oriented industry was significantly affected by continuing geopolitical and trade policy uncertainties, increasing fragmentation of international trade, and rising protectionism in many regions of the world (Source: ibid., p. 111). The report further emphasizes that the global economy is undergoing profound transformation. Geopolitical and geoeconomic tensions, protectionism, and the strategic use of resources as an instrument of power have been gaining importance for years, while multilateral institutions and regulatory frameworks are facing increasing challenges. According to the report, the German economy, which is deeply integrated into international value chains, is particularly affected by these developments (Source: ibid., p. 6).

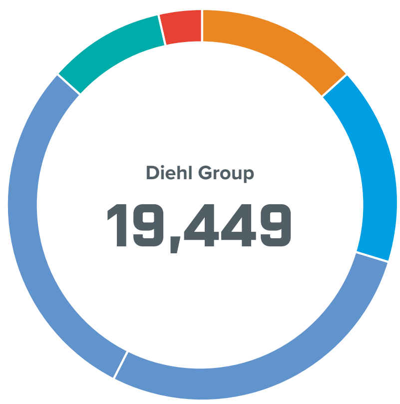
The economic survey conducted by the Association of German Chambers of Industry and Commerce (DIHK) at the beginning of the year highlights that sentiment in German industry remains weak overall despite a slight improvement (Source: DIHK Economic Survey, February 2026, p. 10). According to the DIHK study, three years without economic growth have left their mark on businesses. In addition, unresolved structural challenges at the domestic business location, together with external economic uncertainties and conflicts, have had a particularly severe impact on Germany's export-oriented companies. In contrast, federal spending on security and defence is generating noticeably positive effects, particularly for manufacturers of military-related products and their suppliers. Against this backdrop, overall business expectations for 2026 remain subdued, with only 19 percent of companies (previously 16 percent) expecting an improvement (Source: ibid., p. 11).

SALES PER CORPORATE DIVISION (IN MILLION EUROS)



Metall	Controls	Defence	Aviation	Metering	Miscellaneous
743	382	2,331	1,434	520	11
13.7%	7.0%	43.0%	26.5%	9.6%	0.2%

EMPLOYEES PER CORPORATE DIVISION



Metall	Controls	Defence	Aviation	Metering	Miscellaneous
2,605	3,202	5,406	5,651	1,904	681
13.4%	16.5%	27.8%	29.0%	9.8%	3.5%

Business development of the Diehl Group

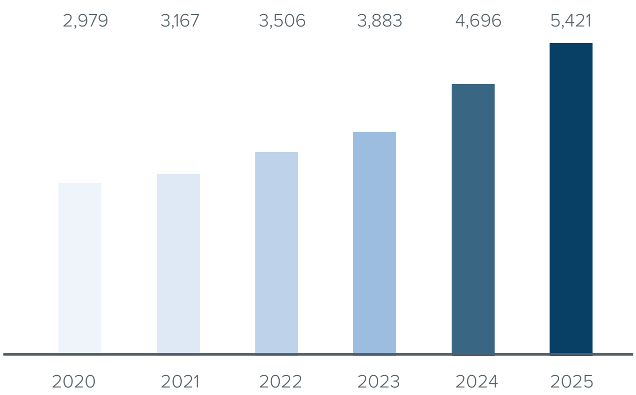
At Group level, the key performance indicators for business development are sales as well as earnings (EBIT).

As in previous years, Diehl once again performed well overall during the reporting year despite the challenging economic environment and continued its growth trajectory. Group sales increased to €5,420.5 million, exceeding the previous year's figure (€4,695.8 million) by €724.7 million or 15.4%. EBIT could be increased significantly from €460.3 million to €702.6 million. As a result, the forecasts for 2025 were fully achieved. However, the positive overall performance of the company in 2025 was driven by different developments within the individual corporate divisions. Defence, Aviation, and Metering were each able to continue their growth trajectory, supported by favorable market conditions in their respective industries, while Metall and Controls were correspondingly affected by the economic downturn in their markets. Particular recognition should be given to the fact that, once again in 2025, all units fully leveraged their respective opportunities through a strong commitment and dedicated effort. As a result, the company's success in 2025 once again rests on the traditionally broad-based structure of the Diehl Group, which enables the company to remain stable and resilient even under challenging market conditions. Many of the targets set for the reporting year were achieved and in some cases exceeded; accordingly, sales and earnings were above expectations.

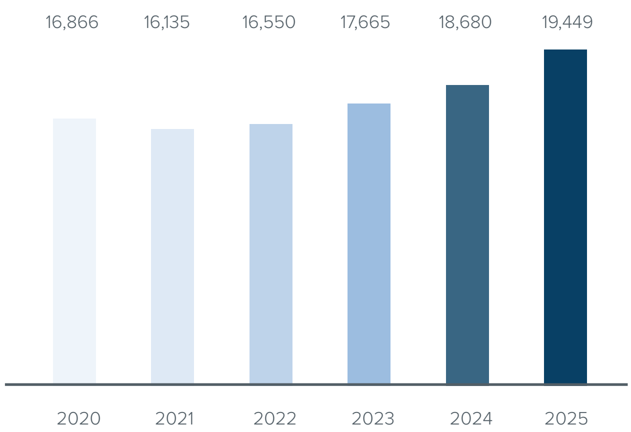
Despite continued challenging market conditions, the Metall Corporate Division succeeded in maintaining stable business operations during the reporting year and achieved modest overall growth.

By contrast, sales at Diehl Controls remained below expectations due to the continued weakness in its core white goods and HVAC/R markets (e.g., heat pumps). At Diehl Defence, the favorable industry environment resulted in sustained growth. In addition to demand for ground-based air defence systems, guided missiles, and ammunition, the market is also showing increasing demand for new developments, such as drone defence products. As international aviation continued on its growth trajectory, Diehl Aviation was able to expand its business activities and once again achieve a significant increase in sales. Diehl Metering also recorded growth in 2025, thereby maintaining its strong position in the European and global smart water meter markets. Compared with last year’s reporting date, the number of employees increased by 769 persons, i.e., 4.1 % - to now 19,449 employees. As in previous years, this increase was primarily attributable to the continued growth in business volume, particularly within the Defence (818) and Aviation (241) Corporate Divisions.

SALES (IN MILLION EUROS)



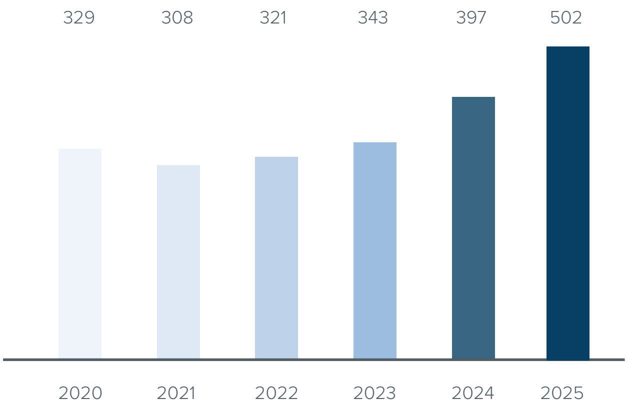
EMPLOYEES



Aspects of the Financial Situation [Financial Position and Cash Flows]

The balance sheet total increased by €2,934.6 million to €6,976.1 million in fiscal year 2025. Fixed assets increased by €267.6 million to €1,273.4 million due to continued high investments in the expansion of production capacities. Inventories, excluding advance payments received, reached a carrying amount of €2,461.8 million, compared with €1,996.0 million in the previous year. This increase was offset by higher advance payments received, which rose from €2,781.0 million to €5,458.5 million. Receivables and other assets increased by €271.0 million to €1,070.9 million, primarily due to higher receivables from affiliated companies (€132.1 million) and increased trade receivables resulting from the higher business volume (€108.2 million). On the liabilities side, equity increased from €992.7 million to €1,346.1 million as a result of the higher annual net income. The equity ratio declined from 24.6% to 19.3% due to the significant increase in the balance sheet total resulting from the higher level of advance payments received. Other provisions increased by €142.3 million to €701.2 million due to higher risk provisions within the order backlog. The increase in liabilities by €2,472.2 million to €4,044.3 million was primarily attributable to the higher business volume, which was particularly reflected in the increase in advance payments received. The increase in other liabilities from €209.7 million to €309.9 million was mainly due to VAT liabilities. Liquid assets increased by €2,415.5 million to €4,429.8 million in fiscal year 2025, primarily as a result of cash receipts from advance payments received. After deduction of short-term financial liabilities of €68.8 million, net cash amounted to €4,361.0 million compared with €1,988.7 million in the previous year. Cash flow from operating activities increased by €2,348.8 million to €3,046.3 million, primarily due to the higher increase in advance payments received on orders of €2,677.5 million, compared with an increase of €535.7 million in the corresponding period of the previous year. After deducting the negative cash flow from investments of €536.3 million, free cash flow amounted to €2,510.0 million. In the reporting year, there was an outflow of €135.1 million from cash flow from financing activities.

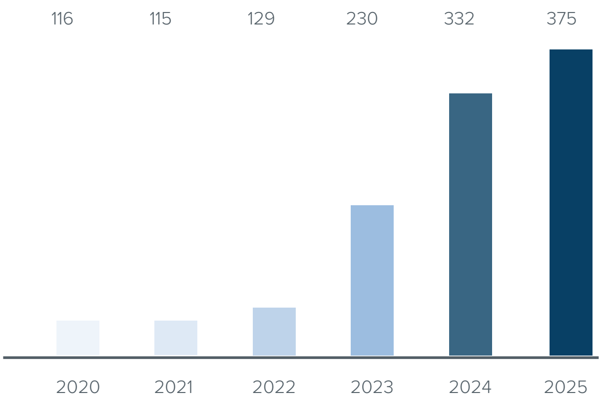
R&D EXPENSES (in million euros)



Advance investments

The total value of investments in intangible assets and property, plant and equipment amounted to €375.0 million in the reporting year (previous year: 332.3 million) and thus reached a record high. The largest investments were made at Diehl Defence KG, Diehl Metall in Röthenbach, Diehl Metal Applications, Junghans Microtec, Diehl Aviation Laupheim, and Metering Germany. Diehl Metall made substantial investments in the eZee Factory in Röthenbach, where a highly efficient, state-of-the-art bar production facility is currently being established. Significant investments were also made following the major fire at the Berlin location of the Diehl Metal Applications strategic business segment (SBS), although it should be noted that the resulting damage was largely covered by comprehensive insurance benefits. The focus was on commissioning new production lines. Further measures to expand renewable energy generation were also advanced, including a new 4 MW photovoltaic system that will in future cover a considerable share of the energy demand of the Röthenbach foundry, as well as a further increase in the share of green electricity for the corporate division through power purchase agreements. Within Controls, investments in 2025 were again focused primarily on ramping up electronics manufacturing at the Wangen location for the Aerospace & Defense market segment in order to meet the corresponding demand from both the corporate divisions of the Diehl Group and external customers. Within Aviation, substantial investments were made in the new locations in Querétaro/Mexico and Craiova/Romania in order to further enhance the company's competitiveness through additional production capacity and to strengthen its internationalization. As part of the ongoing growth initiative, Diehl Defence continued its investment activities in the reporting year. This includes, in particular, the continuation of existing construction projects and the launch of new construction activities at various locations. In addition to construction activities, the investments cover the procurement of new machinery and equipment as well as the safeguarding of supply chains to support capacity expansion. In Metering, investments were also made in particular to expand strategic capacities and technologies to significantly increase production capacities at the Bażanowice (Poland) and Lisle (USA) sites. Research and development expenditures reached a record high of €501.6 million in 2025 (previous year: €397.0 million).

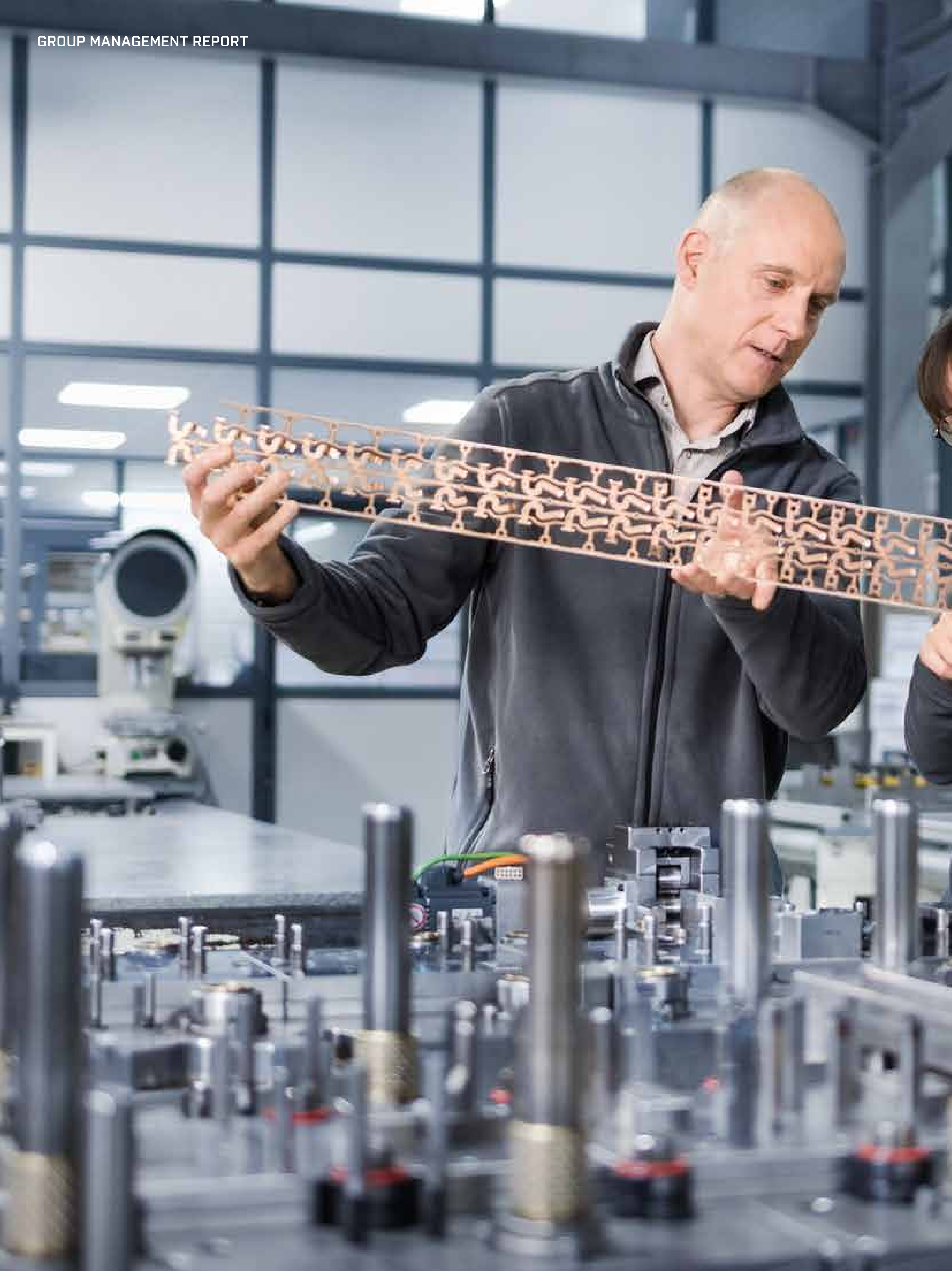
INVESTMENTS (in MILLION EUROS)



As in previous years, expenditures are mainly associated with developments in the Defence and Aviation corporate divisions.

Corporate Legal Changes

The following significant corporate law changes occurred during the reporting year:
With the acquisition of the TAUBER Group at the end of 2025, the Defence Corporate Division expanded its portfolio to include additional capacity and expertise in explosive ordnance disposal and clearance, as well as ammunition storage. Furthermore, through the acquisition of e.sigma, a provider of training and simulation technologies, Diehl Defence strengthened its capabilities in this market segment. Both acquisitions were preceded by intensive project-related cooperation with Diehl Defence, which can now be further expanded. During the reporting year, Diehl Defence, previously a 50 percent shareholder in AIM Infrarot-Module GmbH – a specialist in infrared detectors, thermal imaging devices, and Stirling coolers for industrial applications, various space applications, and the military market – acquired the remaining 50 percent from the second shareholder, Rheinmetall. Through this acquisition, Diehl Defence is now better positioned to accelerate both the production ramp-up of serial products and the development of new products at AIM.



FUTURE-ORIENTED SOLUTIONS.

In the reporting year 2025, the Metall Corporate Division, with its four strategic business segments, once again faced significant market volatility and challenging conditions. In particular, the continued fluctuations in key sales markets posed major challenges for all business areas.

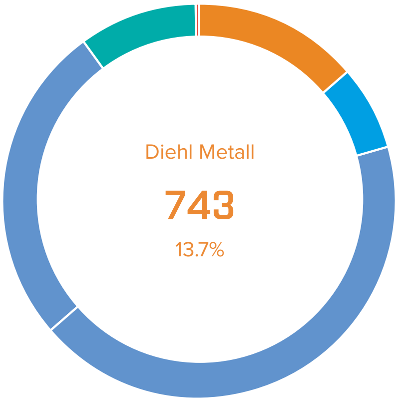
Despite these difficult circumstances, the business was managed in its customary stable manner, enabling the year to close with modest overall growth. It is particularly noteworthy that Diehl Metall achieved its planned EBIT targets despite the continuing market weaknesses. This was made possible by early responses to the ongoing challenges in the automotive and sanitary industries, selective adjustments to capacities within the respective business segments, and the dedicated commitment of all employees. As a result, short-term extraordinary effects were efficiently mitigated, negative impacts were limited, and emerging opportunities were successfully leveraged, allowing overall business performance to remain largely stable.

Within the Diehl Brass Solutions strategic business segment (SBS), the economic weakness in the construction and sanitary markets continued throughout 2025. At the same time, sales volumes in the automotive sector declined significantly. As a result, the business continued to reflect the negative trend of the previous weak years during the reporting year, a development that affected almost all market participants across Europe.

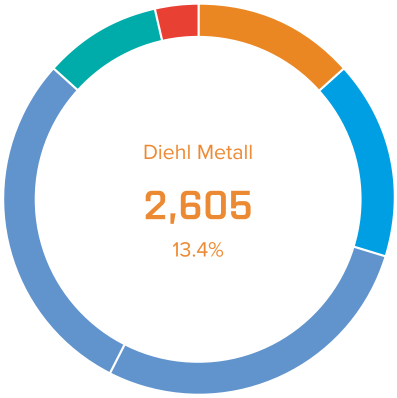
Accordingly, the business segment was once again required to respond flexibly to changing market conditions and continue the capacity adjustments already initiated. Operational management focused on rigorous cost and resource management, which was further burdened by a persistently high level of employee absenteeism due to illness. The U.S. business was also noticeably affected in 2025 by local tariff and trade policies. As a result, the U.S. entity Franconia Industries experienced adverse effects both in its supply chain and in sales. The strategic direction of the SBS is particularly reflected in the substantial investments being made in the eZee Factory in Röthenbach, where a highly efficient, state-of-the-art bar production facility is currently being established through an investment in the double-digit million-euro range, enabling Diehl Brass Solutions to optimally position itself for anticipated requirements in the field of lead-free brass.
The Diehl Metal Forgings strategic business segment (SBS) also faced a very challenging fiscal year. While the China location delivered a solid performance despite the continued weakness in the synchronizer ring market, the European business came under considerable pressure due to broad-based weakness across nearly all product areas. In contrast, Diehl do Brasil generated significant growth momentum through newly acquired projects, a trend that is expected to intensify further in 2026 as brass synchronizer ring production is consolidated at the Brazilian location. During the current year, the business segment will complete its ongoing transformation process and implement the new global manufacturing structure for synchronizer rings. At the Röthenbach location, newly acquired projects in the hydraulics and Defence sectors, and therefore outside the traditional mobility business, will enter production. From 2027 onward, these developments are expected to generate additional growth for the business segment.

The business of the Diehl Metal Applications strategic business segment (SBS) continued to be significantly affected in 2025 by the consequences of the major fire in May 2024. Despite reconstruction measures being initiated rapidly, production remained impaired by limited available space, conversion activities, and extended ramp-up periods, although stabilization continued to progress steadily overall. It should be emphasized that comprehensive insurance coverage compensated for a large portion of the damage incurred, thereby offsetting the

SALES OF DIEHL METALL (IN MILLION EUROS)



EMPLOYEES AT DIEHL METALL



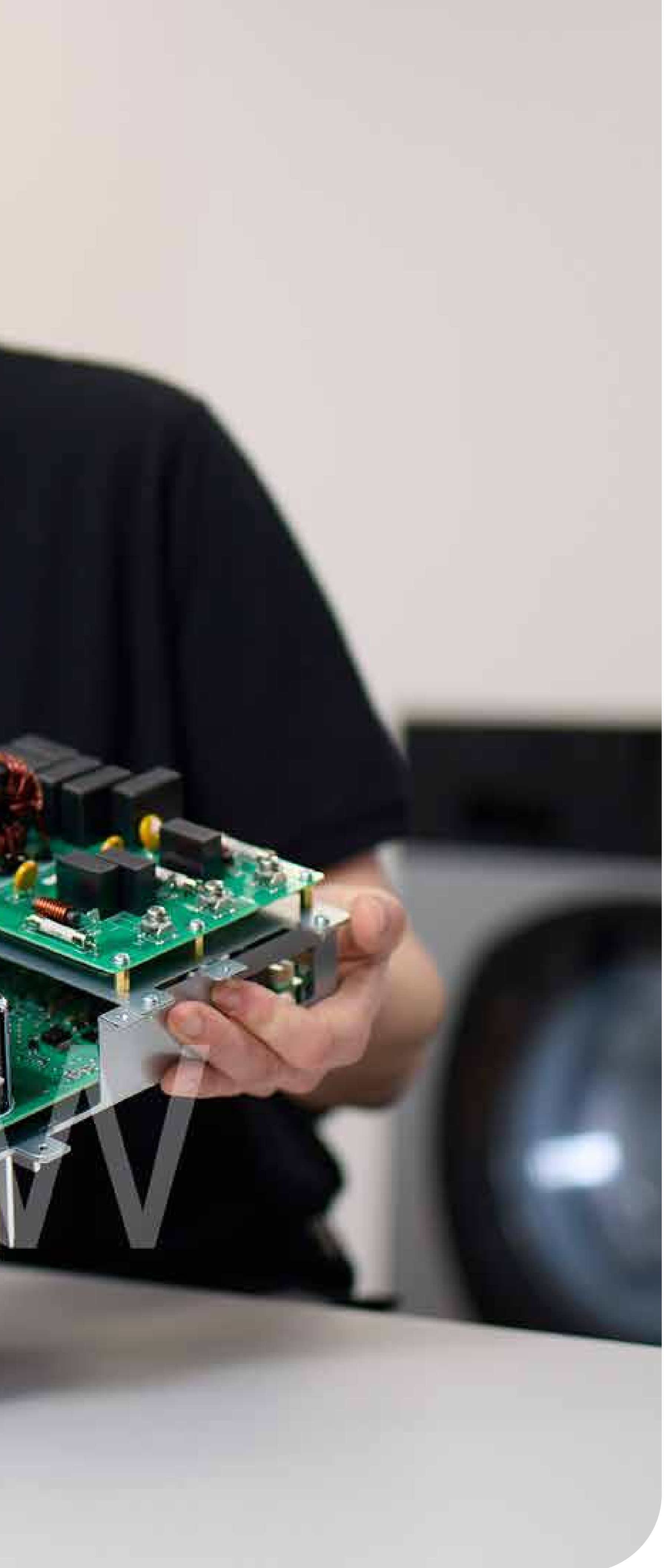
resulting financial losses.
A key focus of activities was the commissioning of new production lines and the reorganization of operations at the Berlin location. Throughout this period, the market environment remained challenging. Customers continued their restructuring activities, resulting in pricing pressure, volatile order patterns, and high flexibility requirements. In addition, competitive pressure intensified due to Chinese suppliers characterized by aggressive pricing strategies and rapid implementation capabilities. In summary, 2025 was a defining year of reconstruction, marked by important progress in restoring capacity and modernizing operations.

The Diehl Advanced Mobility strategic business segment (SBS) also faced a challenging year in 2025, as it continued to be heavily affected by the pronounced weakness in the electromobility market. As a supplier of cell contacting systems for electric and hybrid vehicles, the business segment was particularly hard hit by the rapidly declining market environment. Due to often short-notice declines in orders, costs could not be adjusted at the same pace despite successfully implemented measures, resulting in a significant deterioration in earnings during the year that could only be largely stabilized through isolated positive extraordinary effects. Against this backdrop, the strategic realignment of business activities will be further refined and advanced during the current year in order to further develop the company's portfolio.

Sustainability remains a core component of the corporate strategy across all business segments. Measures such as the expansion of renewable energy generation – including a new 4 MW photovoltaic system that will in future cover a considerable share of the energy demand of the Röthenbach foundry and enable significant CO_2 savings – demonstrate the clear focus on a climate-friendly future. Likewise, the continuous improvement of recycling rates and the increasing share of green electricity sourced through power purchase agreements make important contributions to the sustainable development of the entire corporate division.

Diehl Metall is confident that, based on its clear strategic direction and strengthened organizational foundation, it will achieve moderately positive development with modest growth over the coming years.


DIEHL



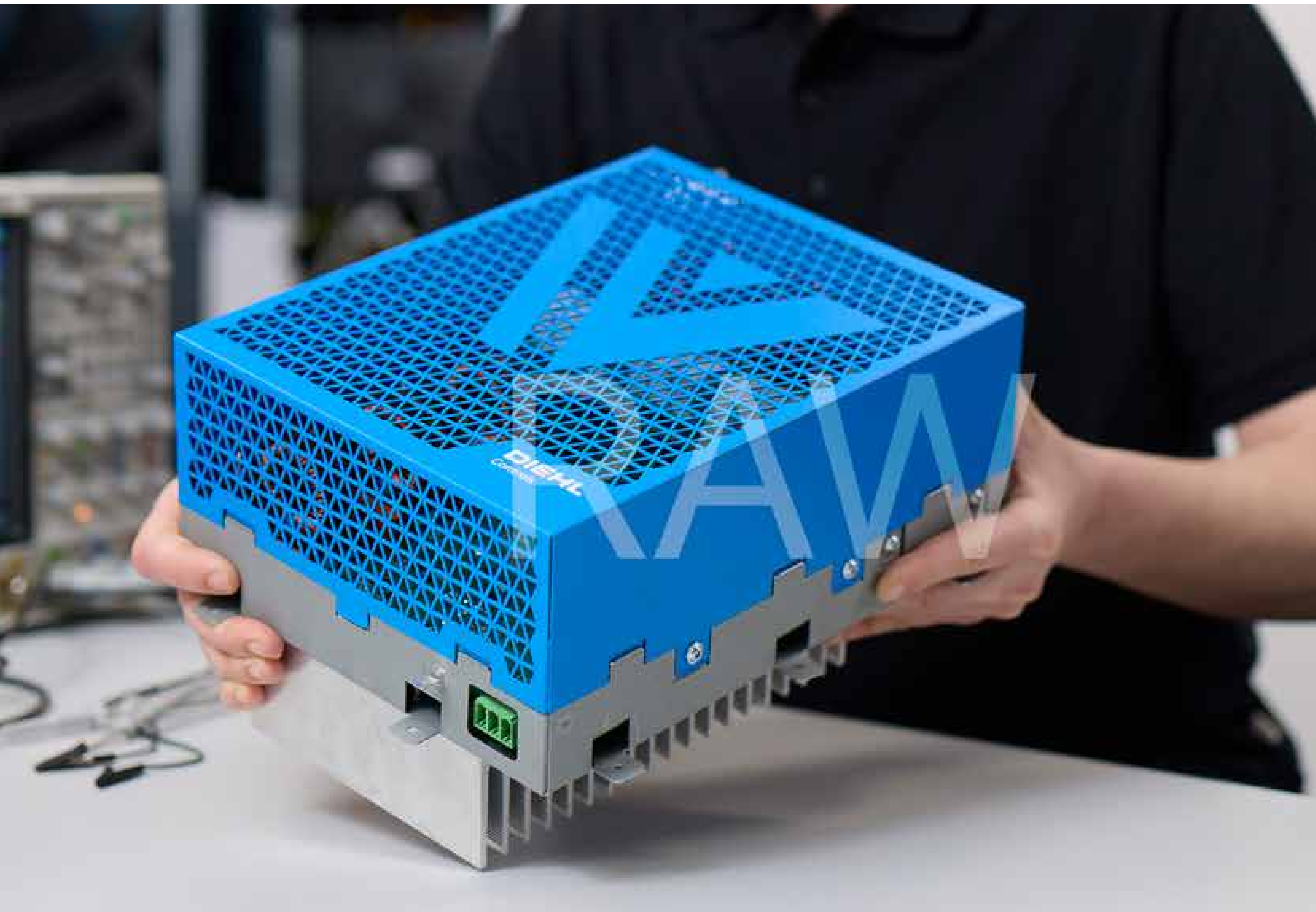
DIEHL
Controls

FEEL THE DNA OF ELECTRONICS.

As in the previous year, sales at Diehl Controls in 2025 were also below expectations due to the continued weakness in the main markets of white goods and HVAC/R.

While the company was able to further expand its customer and product portfolio, these successes were not sufficient to offset the lack of incoming orders, resulting in sales for the corporate division remaining at the previous year's level. In addition to expanding business with Asian customers in the household appliance sector and increasing electronics manufacturing capacity for the Aerospace & Defense (A&D) market segment in Germany, the establishment of a subsidiary in Pune (India) is of particular importance for future development. The new local sales company will serve the Home Appliance and Light Commercial Vehicles markets.

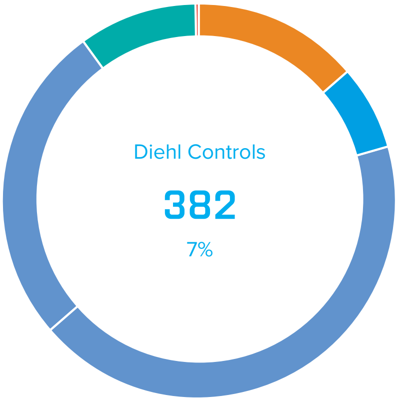
The transformation of the European region continues to be challenging due to the significant downturn in the heat pump inverter market. The development of this important future technology, which is essential both for European sustainability goals and for reducing dependence on imported fuels, has been and continues to be hampered by political and regulatory uncertainty.



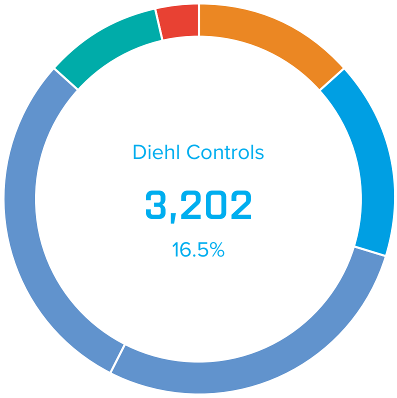
However, the decline in heat pump sales that has persisted since the end of 2023, particularly in Germany, appears to have reached a provisional low point during the reporting year as a result of the significantly increased share of heat pumps among all heating systems. In the household appliance sector, weak economic growth in China negatively affected consumer behavior following the expiration of supporting subsidies. However, positive business developments with existing customers in Asia contributed to the stabilization of Diehl Controls' sales in the fourth quarter. Due to the phase-out of existing programs and delays in the launch of new programs, Diehl Controls' sales in the Americas were below the previous year's level. It should be noted, however, that Diehl Controls succeeded in acquiring important new customers in the HVAC/R and Industrial Electronics sectors. In Europe, despite challenging market conditions, Diehl Controls secured new projects with existing customers in the household appliance sector, which will begin contributing to business during the current year. As part of organizational changes, serial production of products relocated from Germany in the HVAC/R sector was successfully launched in Poland. The Aerospace & Defense product area recorded new orders both from the corporate divisions of the Diehl Group and from external customers. The planned transfer of the A&D business into a dedicated business unit was further advanced, and substantial investments were initiated at the Wangen location to support this effort.

Diehl Controls continues to focus on products and customer solutions that support the decarbonization of industry and society while placing sustainability at the center of its strategic direction. Successful investments in these markets are based on Diehl Controls' technological expertise and attractive customer solutions, which place customer experience and energy efficiency at the forefront. The expansion of connectivity solutions further enhanced the usability of customers' digital business models. Today, Diehl Controls' efficient drive controls are already reducing CO_2 emissions from household appliances by hundreds of thousands of tons. All required customer audits were completed with very positive results. Since 2022, all Diehl Controls sites have complied with the international environmental standard DIN ISO 14001 and have been successfully recertified. As part of its efforts to enhance corporate sustainability, the company's Scope 1, Scope 2, and Scope 3 carbon footprint was determined in accordance with the Green-

SALES OF DIEHL CONTROLS (IN MILLION EUROS)



EMPLOYEES AT DIEHL CONTROLS



house Gas Protocol and certified by TÜV Rheinland. Diehl Controls defines its CO_2 reduction targets in line with the Science Based Targets Initiative and pursues a corresponding action plan to reduce its Scope 1 and Scope 2 emissions. Since 2025, the Poland facility has been supplied entirely with green electricity, resulting in a significant reduction in Diehl Controls' Scope 2 emissions.

The far-reaching consequences of global market developments for Diehl Controls' procurement and sales strategy led to the replacement of the efficiency program launched in 2023 with a global restructuring program. The new program is designed to secure the long-term international competitiveness of the Corporate Division. In addition, the existing European efficiency program was further advanced across all defined modules, and the socially responsible workforce reduction agreed with the labor representatives at the Wangen location continued to be implemented. Furthermore, new operating models tailored to different markets and customer groups were developed. These were implemented at the beginning of the year and now optimally combine the individual strengths of the Diehl Controls locations. As a result, a market approach supported by a value chain aligned with specific customer requirements has been established for the strategically defined target markets of Home Appliance, Professional Appliance, HVAC/R, Industrial Electronics and Aerospace & Defense.

Economic prospects for 2026 continue to vary across Europe, Asia, and the Americas. Low growth is expected in Europe, stable growth in Asia, and slight growth in the Americas. Diehl Controls expects positive effects on its business from production ramp-ups with new and existing customers in the HVAC/R, A&D, and Professional Appliances sectors. Over the long term, significant growth is still expected in the HVAC/R sector, and the growth outlook for this market therefore remains positive. In addition, the current geopolitical situation is expected to provide the A&D market with a sustained long-term growth outlook.


IRIS-T SLM

DIEHL Defence

TECHNOLOGY FOR PEACE AND FREEDOM.

Driven by the sustained high demand for effect and protection in the form of serial products and new developments, as well as the growing importance of drone defence systems, Diehl Defence once again saw its business activities positively influenced during the reporting year, resulting in the continued positive development of the Corporate Division.

There is strong demand for defence products, particularly in Germany but also in other European NATO countries, with customers having sufficient procurement budgets available. For Diehl Defence, this was reflected primarily in contract awards for ground-based air defence (GBAD) systems. In addition, Diehl Defence continues to supply defence equipment to Ukraine under contracts awarded by the German Federal Government.

Diehl Defence secured new contracts primarily within the framework of the European Sky Shield Initiative (ESSI), which was initiated by the German Federal Government. With Switzerland, Sweden, and Denmark, three additional European countries have decided to procure the IRIS-T SLM GBAD system. As a result, the number of ESSI countries currently using or planning to deploy IRIS-T SLM systems for ground-based air defence has increased to eight. Consequently, the IRIS-T user family has

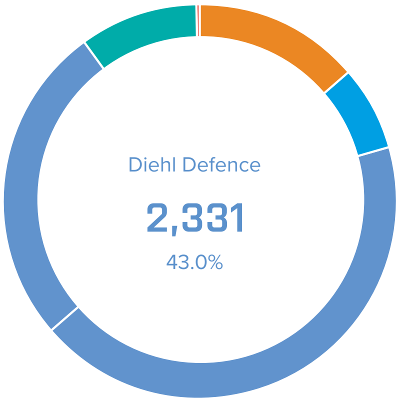
grown to 21 countries. Diehl Defence also received follow-up orders from existing GBAD customers: Slovenia procured an additional IRIS-T SLM system, while Sweden ordered further IRIS-T SLS systems.

In addition to the continuing demand for GBAD systems, Diehl Defence is seeing a rapidly growing need among a number of potential customers for drone defence products (Counter-UAS, C-UAS). To address this demand, the C-UAS system Sky Sphere, incorporating the CICADA effector, is currently under development as a complement to the company's mature protection systems. CICADA was presented comprehensively to the specialist community for the first time at the Enforce Tac exhibition in February 2025 and successfully completed trials at the Grafenwöhr training area in November.
With the enhanced Kinetic Defence Vehicle (KDV), designed to protect highly mobile forces and stationary facilities against small drones at close range and high-flying fixed-wing drones, Diehl Defence has another C-UAS solution in its portfolio. Other forward-looking projects currently include the development of the IDAS missile (Interactive Defence and Attack System for Submarines) for submarine protection, the HYDEF (Hypersonic Defence Interceptor Programme) technology project, and the extended-range IRIS-T SLX air defence system.

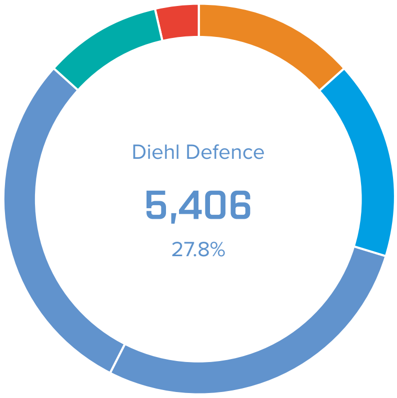
During the reporting year, Diehl Defence achieved significant milestones in implementing its strategy and further strengthening its market position through product- and technology-related partnerships. These include agreements with new partners such as EDGE from the United Arab Emirates, as well as additional cooperation agreements with long-standing partner companies. A new teaming agreement was concluded with Elbit for the EURO-GATR guided missile, while an agreement with the Brazilian company MDSI will enhance integration capabilities for the IRIS-T guided missile. An agreement was also reached with Lockheed Martin to cooperate in the field of maritime air defence. A new partnership was established with POLARIS to equip its unmanned carrier platforms with IRIS-T guided missiles. With its long-standing partner Raytheon (part of RTX), Diehl Defence agreed to cooperate in expanding production

Diehl Defence

SALES OF DIEHL DEFENCE (IN MILLION EUROS)



EMPLOYEES AT DIEHL DEFENCE



capacities for Stinger missiles. Finally, Diehl Defence further intensified its activities in South Korea, where the company will work together with Hanwha to evaluate the integration of radar systems into its GBAD systems.

During the reporting year, the subsidiary AIM achieved new company records in sales, order intake, and order backlog due to the continuing sharp increase in demand from system houses for detectors and coolers. Diehl Defence previously held a 50 percent stake in AIM and acquired the remaining 50 percent from the second shareholder, Rheinmetall, during the reporting year. This acquisition will enable Diehl Defence to further accelerate both the production ramp-up of serial products and the development of new products at AIM.

JUNGHANS Defence also achieved record levels of order intake and sales in 2025. Significant contracts from the United Kingdom for artillery fuzes, FRAPPE export business, and PD602 fuzes for NAMMO made a substantial contribution to this performance. DynITEC GmbH in Troisdorf also continued on its successful path.


DIEHL
Aviation

VALUE TO THE SKY.

As international aviation remained on a growth trajectory in 2025 despite political uncertainties in key regions of the world, Diehl Aviation was likewise able to further expand its business under these conditions and once again achieve a significant increase in sales.

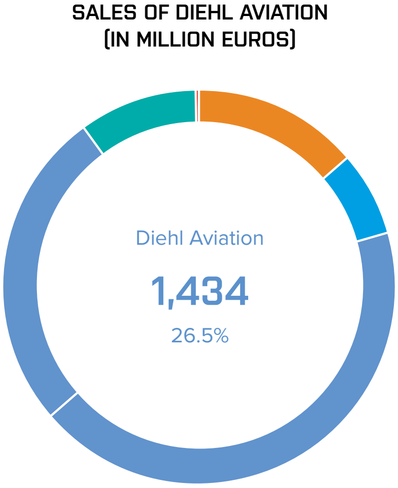
For the major aircraft manufacturers, 2025 was a year of strong growth, albeit one constrained by supply bottlenecks, resulting in record order backlogs. These backlogs will utilize production capacities for a decade or more and will therefore shape the entire industry over the long term. The combined order backlog of the two largest manufacturers, Airbus and Boeing, totaled approximately 15,000 aircraft at year-end. As delivery delays resulted in more than 5,000 fewer aircraft being delivered, older aircraft must now remain in service longer, creating additional opportunities for Diehl Aviation in the aftermarket. As Airbus, Diehl Aviation's largest customer, remained the global leader in new aircraft deliveries in 2025. Boeing showed clear signs of recovery after several years of crisis but still remained behind Airbus in terms of deliveries. The U.S. manufacturer, however, recorded more new orders than Airbus in 2025, particularly for larger aircraft models.

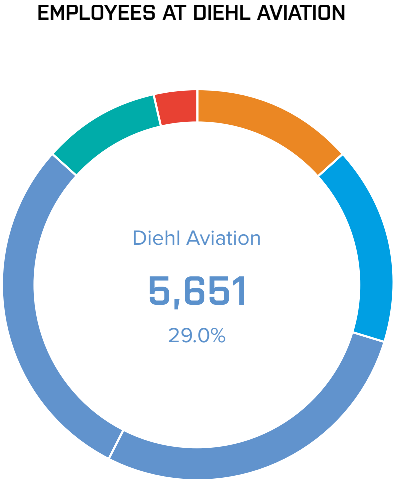
Customers such as Embraer and Bombardier also enjoyed a successful fiscal year in 2025, with increasing order intake and deliveries.

As one of the world's major aerospace suppliers, Diehl Aviation is benefiting significantly from the positive market developments in the aviation industry. Demand from aircraft manufacturers and airlines for Diehl Aviation solutions continues to increase both in new business and in the retrofit and after-sales sectors. The company is responding with sustained efforts to improve competitiveness, operational excellence, and customer satisfaction. This includes, in particular, the continued expansion of its international footprint. One focus area was the expansion of its presence in the Middle East, where capabilities for final assembly, finishing, rework, and delivery of selected cabin components were added at the Dubai location. A significant milestone in 2025 was also the groundbreaking ceremony for a new production facility in Craiova, Romania. Production is scheduled to commence there during the current year. Diehl Aviation achieved a new level in its internationalization efforts during the reporting year with the opening of a new location in Querétaro, Mexico. The new site brings Diehl Aviation even closer to key customers in the Americas, including Airbus Canada, Boeing, Bombardier, and Embraer. Further progress was also made in the production ramp-up at the Hungarian location in Nyírbátor, where the 1,000th aircraft lavatory was manufactured during the reporting year.

Various awards demonstrate that customers value their partnership with Diehl Aviation. For example, Diehl Aviation received the Bombardier Diamond Supplier Award in recognition of its outstanding quality and reliable partnership. Of particular significance was also the receipt of two Crystal Cabin Awards. In the Sustainability category, Diehl Aviation once again impressed the jury with the ECO Bin, the world's first fully recyclable aircraft cabin luggage compartment, demonstrating its leading solutions for greater sustainability on board. Diehl Aviation also received the jury's award in the newly established Accessibility category with Space^3. Space^3 is a wheelchair-accessible aircraft lavatory that combines two separate units into a single, optimally utilized space, significantly improving both inclusion and comfort on board. A strong vote of confidence and an important milestone for Diehl Aviation in 2025 was Emirates' award of the next phase of its A380 retrofit program. In addition, the company secured important

DIEHL Aviation





new work packages from aircraft manufacturers in North and South America. Solutions for military platforms also showed an overall positive development. One example is a technology that will enable pilots of combat aircraft such as the Eurofighter to interact directly with drones and other platforms involved in military operations. Like the industry as a whole, Diehl Aviation once again faced a number of challenges during the reporting year, particularly persistent supply chain bottlenecks. While the previously severe shortage of skilled workers was largely resolved, various challenges in major development programs resulted in additional effort and delays. In addition, preparations for the production rate increases of major customers in 2025 represented a key topic that required considerable attention and resources.

The new production capacities in Mexico and Romania will help further improve the company's competitiveness in the future. Given the continuing increase in demand for aircraft, Diehl Aviation considers itself ideally positioned, as an innovative and experienced partner to both manufacturers and airlines, to participate in this development through its comprehensive portfolio of products and services. With the first indications of a new generation of passenger aircraft already emerging on the horizon from both Airbus and Boeing, the company believes it is well prepared to position itself today for participation in the corresponding programs that will shape the aviation industry for decades to come.

DIEHL Metering

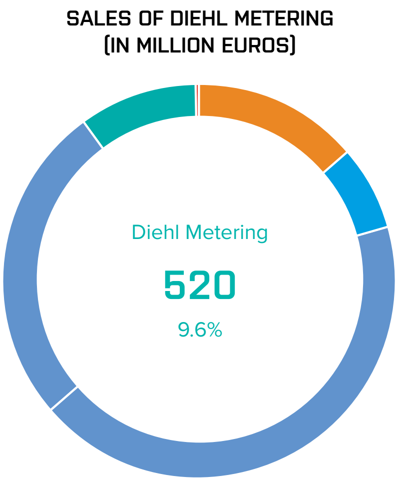
EMPOWER A SUSTAINABLE FUTURE

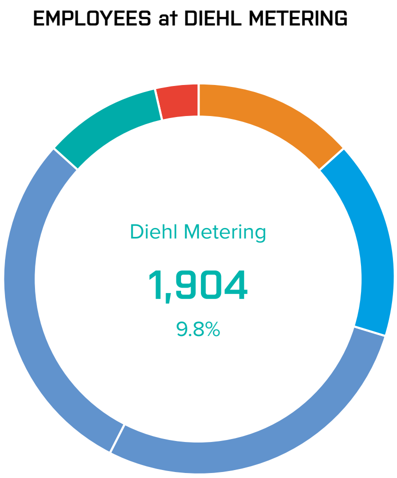
Operating in an environment characterized by economic uncertainty and increasing regulatory requirements, Diehl Metering achieved further growth in 2025 and maintained its market position in the European and global smart water meter markets.

The Corporate division achieved new record levels in both revenue and order intake, with each exceeding €500 million. This demonstrates that the strategic direction and operational capabilities of the entire organization are fully aligned with the strong commitment of all employees across its locations worldwide. Diehl Metering sees both challenges and opportunities for further business development arising from geopolitical developments. For example, water supply is increasingly being recognized as an essential component of critical infrastructure, resulting in stricter regulatory and security requirements, which in turn are driving growing demand for intelligent, sustainable, and resilient solutions. However, the stable demand in this sector also results in sustained competitive and pricing pressure at the global level.

This underscores the importance to consistently strengthen the company's position as a strategic partner to utilities and to meet the demanding requirements for end-to-end solutions.

Diehl Metering supports customers in the digitalization of their systems and processes through scalable, flexible, and efficient solutions in order to address the growing importance of data security, connectivity and analytics. Metering technology, connectivity, software solutions and data-driven services are integrated into flexible end-to-end systems, enabling customers to reliably meet the challenges of water and thermal energy supply. This was demonstrated during the past fiscal year through numerous successfully acquired and implemented projects in various regions of the world, including the United States, Europe, the Middle East, and Asia.
The company's product portfolio was further expanded during the reporting year through additional variants of the ALTAIR V5, the latest generation of volumetric water meters, as well as through enhanced functionality for the HYDRUS 2, including the integration of OMS5 (Open Metering System Generation 5) in residential water meters and mioty technology (a standardized LPWAN radio technology – Low Power Wide Area Network) in bulk water meters. The implementation of the EU-wide RED cybersecurity requirements for gateways, SHARKY devices, and clip-ons also contributed to compliance with current regulatory requirements and further strengthened the future viability of the solutions. At the same time, strategic partnerships were expanded, including partnerships supporting local production in Uzbekistan and Malaysia, enabling regional market requirements to be addressed more effectively and cooperation with distribution partners to be further intensified. A particular focus during the past year was the expansion of the software, analytics, and services portfolio. Through the integration of the PREVENTIO technology acquired in the previous year into its water loss management software, artificial intelligence now helps detect leaks in utility networks with even greater precision. For this achievement, Diehl Metering received the Microsoft Intelligent Manufacturing Award (MIMA) in the Sustainability category. This consistent enhancement of the portfolio, combined with substantial investments in additional production capacities, provides Diehl Metering with a solid foundation for sustainable and profitable growth in the years ahead.
The Sustainability Report transparently highlights the company's progress and objectives. Another important milestone was the ISO 50001 certification of its energy management system. Further external assessments, including the





EcoVadis Gold Medal, confirmed the progress achieved in key sustainability dimensions.

Looking back on a solid fiscal year 2025 clearly demonstrates that the company remains on a successful growth trajectory. Although geopolitical uncertainties and the generally subdued economic outlook will continue to have a significant impact on market growth, Diehl Metering considers itself well positioned to make a sustainable contribution to the digital transformation and resource conservation efforts of its customers.
As a trusted partner to utilities, the company will continue to systematically expand its innovative solutions for the efficient and sustainable management of water and thermal energy infrastructures, thereby achieving sustained profitable growth in a changing market environment.

OPPORTUNITIES, RISKS AND OUTLOOK

The German Federal Government forecasts only moderate market growth of 2.0 percent in 2026, which remains below the historical average, following growth of 2.5 percent in 2025 (Source: Annual Economic Report of the Federal Government 2025, page 118). While demand for German products is expected to continue to be supported primarily by EU countries, sales prospects in the U.S. market remain clouded by higher tariffs and the strong euro. German exports are also expected to benefit less from economic growth in China than in the past (Source: ibid.). However, the Federal Government expects domestic growth drivers to remain intact. More favorable financing conditions and increased government spending on infrastructure and defence equipment are expected to stimulate investment in equipment and machinery. In addition, private consumption is expected to increase due to a robust labor market, stable inflation rates, and the resulting gains in real wages (Source: ibid., p. 117).

A similar picture emerges from the DIHK economic survey. Only 16 percent of companies (compared with 15 percent previously) expect business conditions to improve during the current year, while one quarter of all respondents (compared with 27 percent previously) even expect a deterioration (Source: DIHK economic survey in February 2026). Corporate concerns have not diminished compared with the previous year. These concerns are driven not only by cyclical risks such as weak domestic and international demand, but particularly by structural challenges including higher labor costs, uncertain economic policy conditions, and elevated energy and raw material prices (Source: ibid.). The survey does not capture the potential effects of the war in the Middle East, which, depending on the duration and scale of the hostilities, could affect virtually all industries worldwide in different ways.

As an internationally active and broadly diversified company, Diehl has successfully managed the numerous crises and challenges of recent years, despite their differing impacts, and has consistently continued its dynamic growth trajectory. The company therefore considers itself to be on a continuing path toward success. Its primary objective remains profitable growth across all strategic business segments and Corporate Divisions. For a family-owned company, broad-based and successful market positioning is essential in order to ensure stability and continuity even under persistently challenging market conditions. As a financially independent family-owned company, Diehl continuously faces the challenge of ensuring competitiveness and market success across all strategic business segments.

At present, the Controls and Metall businesses continue to be affected in different ways by the ongoing unfavorable macroeconomic environment. In contrast, Aviation and Metering are experiencing strong growth driven by the increasing market penetration of sustainable technologies and products, a trend that is expected to continue. Against the backdrop of a fundamental reassessment of Europe's defence architecture and the resulting substantial increase in defence spending by numerous countries, including the Federal Republic of Germany, particularly in light of the Iran war, the Defence Corporate Division is expected to maintain a consistently high sales volume.

The Corporate Divisions of the Diehl Group are currently undergoing different transformation processes at their respective locations, whether through production ramp-ups, portfolio expansions, or restructuring initiatives. These developments require a high level of commitment from everyone involved. The world is undergoing noticeable change, with new centers of economic power emerging and evolving threat scenarios requiring significantly increased defence efforts. The family-owned company Diehl must adapt to these changing conditions. Under these premises, the proven structure of the Group as a conglomerate will continue to provide a stabilizing effect. The risk management system established within the company enables economic risks to be identified and assessed at an early stage, allowing appropriate countermeasures to be implemented in a timely manner.

Diehl has a comprehensive strategy to maintain and safeguard the operation of its IT systems (backup solutions, emergency data centers, and on-premise solutions) as well as to secure compliance with contractual delivery obligations. The central CISO office collaborates closely with IT specialists from all departments to ensure that the company's digital applications and systems are continuously developed and rigorously secured with additional tools. Despite all the measures taken and to be taken in the event of an emergency, there is naturally still a residual risk of temporary business interruptions with possible effects on the Group's sales and earnings.

In addition to the risks described above, the Group's activities have a number of peculiarities:

Approximately half of the business volume of the Metall Corporate Division depends on the market prices of copper and zinc. The high volatility of these prices results in fluctuations in sales; however, it has no impact on employment levels. As a result, sales forecasts for Diehl Metall are inherently difficult to prepare. Rising raw material prices, limited resources, increasing energy costs, and a shortage of skilled workers frequently require new approaches and a high level of commitment from all parties involved to ensure the customary reliability of supply. Despite a slight improvement at the beginning of the year, the metals industry as a whole continues to remain in recessionary territory (Source: M+E Economic Report, February 2026). Accordingly, one in three companies assesses its competitive position relative to international competitors negatively. Despite major orders from the defence sector, expected new orders across the broader metalworking and electrical engineering industry are expected to remain at a weak level in 2026. Having responded at an early stage to developments in the automotive and sanitary industries through selective capacity adjustments within its business segments, Diehl Metall has so far largely succeeded in limiting negative impacts and capitalizing on emerging opportunities. Supported by the ongoing implementation of cost and process optimization measures, the Corporate Division expects moderately positive development despite the uncertain outlook for the industry. This expectation is underpinned by the company's long-term confidence in the future viability of brass as a material, as demonstrated by its investment of approximately €70 million at the Röthenbach location in a modern, highly efficient bar production facility (eZee Factory) for lead-free products. With its extensive development expertise built up over many years, Diehl Metall is regarded as a valued partner of the international automotive industry in the development of forward-looking solutions. In addition, Diehl Metall is well known among its customers for firmly embedding sustainability as an integral part of its value chain. Against this backdrop, Diehl is investing substantial amounts in its own wind farms in order to secure a long-term supply of green electricity for its energy-intensive brass foundry in Germany and thereby advance the decarbonization of industrial manufacturing.

Diehl Controls continues to face globally diverse challenges during the current year. Demand in the white goods sector is expected to remain largely unchanged due to the low economic growth forecast for Europe. In Asia, by contrast, business activity is expected to increase, and interest in heat pumps is now rising noticeably, although it remains below original expectations. The company expects positive effects primarily from the transformation of the European region as part of the European efficiency program, as well as from the continued expansion of the Aerospace & Defense business and the establishment of a subsidiary in India. Risks arise from the continued weakness of the core European markets, political and regulatory uncertainties affecting heat pumps, and global trade fragmentation. The company is responding through necessary capacity reductions and a focused approach to R&D and production locations as well as product segments serving regional markets and customer solutions that support the decarbonization of industry and society while placing sustainability at the center of its strategic direction.

For Diehl Defence, sustained high demand for its serial products and new developments is expected to continue over the coming years. The strong interest in defence products, increasingly also in the drone defence segment, provides the Corporate Division with additional growth opportunities, particularly compared with other industrial sectors in Germany. Risks include the increasingly unpredictable development of the geopolitical security environment, which, while supporting demand for defence products, may also alter planning assumptions previously considered stable. This is becoming increasingly evident in transatlantic relations and, as in previous years, currently also in the Middle East and East Asia. Continuing Diehl Defence's growth trajectory will remain a demanding challenge in the years ahead, particularly with regard to capacity expansion, recruitment of personnel, and securing supply chains.

As one of the major suppliers to the long-haul aircraft market, Diehl Aviation considers itself well positioned with its broad portfolio to continue benefiting successfully from the projected growth of the aviation industry, as reflected in the high order backlogs of all leading manufacturers. Opportunities arise in particular from ongoing expansion programs at the international locations in Mexico and Romania, the growing importance of the aftermarket business, and the company's early positioning for new generations of aircraft from Airbus and Boeing. Innovative strength and sustainability solutions such as the ECO Bin and Space[3] further strengthen the company's market position and customer loyalty. Risks continue to include supply chain bottlenecks, complex development programs, and the challenge of efficiently aligning production capacities with growing demand.

Despite economic uncertainty and increasing regulation, Diehl Metering has strengthened its market-leading position and achieved further growth through innovative digitalized solutions. Opportunities arise in particular from the growing demand for intelligent and sustainable infrastructure solutions driven by increasing security and sustainability requirements. Risks primarily stem from global pricing and competitive pressures as well as geopolitical and economic uncertainties that may affect customer projects. Sustainability continues to remain a topic of central importance. With its long-standing self-image and its innovative products, Diehl Metering sees

itself ideally positioned in the market as environmental, economic and social sustainability are at the core of all decisions for the company's global customers. The overall outlook remains positive, as investments in technology, sustainability, and international partnerships provide the foundation for long-term profitable growth.

Sustainability remains a relevant cross-functional topic for the Diehl Group, encompassing both strategic opportunities and potential risks. As an internationally operating family-owned company, Diehl has traditionally pursued a balanced and pragmatic approach that combines economic stability with responsible business conduct. The Group-wide coordinated activities and the established sustainability organization ensure that key environmental, social, and governance (ESG) aspects are incorporated into the strategic direction of the company and considered within its risk management processes. The Executive Board and the Supervisory Board receive regular reports on significant developments and their potential impacts. In addition, the Diehl Group annually summarizes its key sustainability-related topics in its Sustainability Report, thereby creating transparency regarding relevant opportunities, risks, and impacts during the reporting year.

As in previous years, Diehl once again demonstrated in 2025 that, viewed as a whole, the Group has very strong prospects for continuing to increase sales significantly and steadily through broad-based growth in the years ahead. This applies primarily to Diehl Defence, Diehl Aviation, and Diehl Metering, but also, in the longer term, to Diehl Metall. By contrast, Diehl Controls is expected to return to a growth path only once the measures of the ongoing efficiency program and the effects of the necessary capacity reductions begin to take effect. The individual Corporate Divisions continue to face different challenges, as production ramp-ups, restructuring activities, and further efforts to strengthen profitability are all demanding transformation processes that require a high level of commitment from everyone involved.

Despite continuing uncertainties resulting from geopolitical tensions, subdued global economic growth, and the ongoing conflicts and military confrontations in Eastern Europe and the Middle East, the Diehl Group remains confident about the future and is committed to continuing its growth trajectory. The comprehensive review of all activities with regard to their long-term prospects, together with the strategic expansion of the technology and product portfolio, will also continue unabated. The Group's decentralized structure, a key element of Diehl's success, will be further strengthened, as will the Group-wide focus on critical future-oriented topics such as digitalization, artificial intelligence, energy management, talent development, and sustainability.

Due to the established risk management system, the risks existing in the corporate divisions are classified as moderate from the Diehl Group's perspective. Given the prevailing conditions, which are expected to remain challenging throughout the current year, 2026 will also be a demanding year for Diehl. However, in view of the proven broad-based structure of the Diehl Group and the balanced portfolio of its five Corporate Divisions, confidence in the continuation of its sustained and sustainable growth trajectory continues to outweigh the associated risks. For the current year, Diehl expects sales to increase to approximately €6 billion while maintaining stable earnings (EBIT).

Nürnberg, May 6, 2026

Diehl Verwaltungs-Stiftung

Jürgen Reimer
Jens Böhlke
Dr. Christof Bosbach
Dieter Landgraf
Helmut Rauch
Dr. Jörg Schuler

EMPOWER A COOPERATIVE CULTURE.

As of the reporting date, i.e., December 31, 2025, the Diehl Group had a total of 19,449 employees at its locations around the world. A comparison with the previous year (18,680) shows an increase of 769 employees (4.1%) due to the continued rise in business volume, particularly in the Defence (818) and Aviation (241) corporate divisions. As of the reporting date, the German locations of the Diehl Group employed 13,078 people (previous year: 12,434). In Germany, this means a personnel increase of 644, mainly due to the expansion of the Defence (785) and Aviation (135) corporate divisions. As a result, the proportion of employees based in Germany increased to just under 70%.

For Diehl, training and dual study programs are of great importance in order to meet the constantly growing demand for recruiting specialists and developing young talent. In addition to professional training, great importance is also attached to interdisciplinary qualification, as provided, for example, through seminars, workshops, and training excursions. The trainers consider it an important task to teach the junior staff the necessary soft skills in addition to the pure knowledge content. Over the reporting year, we enhanced and expanded our various training marketing activities at all locations to reach as many potential participants as possible for our career training and dual study programs. We will continue to conduct in-person meetings at schools and other related events such as trade fairs, vocational information days and craftsmanship days at individual locations. The one-week work experience placements offering insights into the various apprenticeship programs were further expanded in 2025 and were met with strong interest from students. To encourage especially young women to pursue technical careers, Diehl has long been an active participant in initiatives such as "Girls' Day" and "Girls for Technology Camp" run by Bildungswerk der Bayerischen Wirtschaft e. V., as well as similar educational initiatives in other German

states. Given the wide range of opportunities available in the training market, reaching target groups through social media is becoming increasingly important. Diehl therefore further expanded its activities in this area during 2025. A wide variety of information relating to apprenticeships and dual-study programs was once again published across the company's social media channels in order to inspire subscribers to pursue vocational training and dual-study programs at Diehl.

Compared to previous years, the number of junior staff currently employed has significantly increased to 581 trainees (2024: 498) – of which 510 (2024: 433) are in Germany. They are trained in over 20 recognized occupations at 15 training facilities around Germany. More than 100 junior employees are currently enrolled in the dual study programs offered at nearly all training facilities. In close cooperation with universities, we offer over 30 various career programs that combine studies and advanced on-the-job training placements in the company's locations. 20 more prospective specialists from other affiliated partner companies that do not offer in-house training were enrolled in the career-related basic and specialist training programs to acquire the relevant hands-on skills at Diehl's training facilities. The expansion of the training portfolio to include a dual-study program in Business Administration with a specialization in Real Estate Management, as well as the apprenticeship occupation of Technical System Planner, demonstrates the strong demand for and considerable interest in training opportunities at Diehl.

Diehl regards the development of skilled professionals and managers as a key factor for sustainable business success and as a central element of its firmly established employer branding. The company promotes a modern learning culture that places individual development at the center of its efforts. In addition to traditional classroom-based formats, digital and virtual learning opportunities are increasingly being utilized to create flexible and tailored development paths. This enables employees to continuously expand both their professional and personal competencies. The qualification portfolio includes both practical learning opportunities integrated into day-to-day work and structured development programs outside regular job responsibilities. All offerings are regularly adapted to new requirements and supported by digital tools. This not only promotes knowledge transfer within the company but also strengthens feedback and collaboration as core elements of the established corporate culture. This also includes creating conditions that enable a better balance between professional and family life, including in management positions. In accordance with legal requirements, the

proportion of women does not fall short of the quota achieved in the corresponding management levels.

Diehl's success is built on the commitment and passion of its employees worldwide. Together, they embody the guiding principles of the Diehl Group – Entrepreneurship, Market Excellence, Independence, and Appreciation – and thereby clearly and reliably demonstrate to customers and partners what Diehl stands for at its core. This consistent mindset shapes collaboration throughout the company and makes Diehl an attractive employer for people who wish to actively and successfully shape their future. The Executive Board would like to thank all employees and employee representatives for their consistently objective and constructive cooperation, which has enabled the company to develop sustainable and forward-looking solutions.

SUSTAINABLY SHAPING THE FUTURE TOGETHER.

For the Diehl Group, sustainable business practices are an integral part of responsible corporate governance. Global developments such as climate change, resource scarcity, and increasing transparency and reporting requirements are having a growing impact on the business environment and make the structured consideration of relevant sustainability topics essential. Sustainability is therefore regarded as a cross-functional discipline that complements existing management and compliance structures. In this regard, Diehl focuses on four Group-wide priority areas: Climate Change, Occupational Health and Safety, Equal Treatment and Equal Opportunity, and Corporate Policy. These priorities provide the framework for identifying additional material topics and support a structured assessment of sustainability-related opportunities and risks, including their integration into management systems, internal controls, and ESRS-compliant reporting.

In the environmental area, the focus is on the responsible and efficient use of energy and resources. This also includes the gradual increase in the share of renewable energy at the company's locations. The share of green electricity within the German supply network was increased significantly through additional power purchase agreements (PPAs) and the expansion of the company's own generation capacities. In addition, Diehl is currently investing substantial amounts in its own wind farms in order to secure a long-term supply of green electricity for its energy-intensive brass foundry in Germany and thereby advance the decarbonization of industrial manufacturing. These measures support the energy transition and contribute to stabilizing power supply.

In the area of occupational safety and health protection, Diehl relies on established management systems, preventive measures, and the continuous development of its safety culture. Certifications such as DIN EN ISO 45001 at multiple locations strengthen the structural coverage and help ensure a reliable and safe working environment. The Group also supports a workplace free from discrim-

ination, reinforced through policies and awareness initiatives promoting equal treatment.

Corporate policy is characterized by established governance structures, a robust compliance organization, and transparent processes. Training programs, internal controls, and the continued development of compliance functions help ensure that business activities are conducted in a compliant and transparent manner.

Diehl also invests in technologically sophisticated solutions to increase efficiency and performance in its respective markets and to support regulatory expectations – for example, lead-free alloys, efficient power electronics, air defence system solutions, weight- and energy-optimized aerospace components, and connected metering systems. These innovations make a significant contribution to the Group's competitiveness. Diehl continues to pursue the balanced and pragmatic approach that has proven successful in recent years and that will continue to guide the company's actions in the future. The objective remains to comply reliably with legal requirements, ensure transparency, and implement economically sustainable solutions.

BEYOND DAILY BUSINESS

Given the numerous challenges currently facing society, other important issues – particularly social concerns – are unfortunately often pushed into the background. Nevertheless, it remains both important and necessary to support people who depend on assistance as a result of illness or severe personal hardship. For many years, the Karl Diehl Foundation for People in Need (KDS) has been actively involved in Nürnberg's network of cooperation among municipal authorities, dioceses, regional government, and welfare organizations, with a particular focus on supporting elderly and ill people. The continuing increase in the cost of heating, electricity, and everyday living expenses has led to a steady rise in the number of people requiring assistance, as more and more individuals are no longer able to fully cover their expenses and therefore depend on support. As an important point of contact for people facing difficult life situations, KDS sees itself as particularly challenged during these times. Since its establishment in May 1987, KDS has supported families and individuals in need in almost 18,000 cases.

The Irmgard Diehl Children's Foundation (IDS) also recorded a further increase in the number of applications during the reporting year. For many years, IDS has worked with approximately twenty social institutions to support abused, traumatized, socially disadvantaged, ill, and disabled children and young people in the regions of Middle Franconia, Upper Franconia, and Swabia. Support is provided primarily for medical and therapeutic treatments, particularly those involving horses, dogs, and dolphins, the costs of which are generally not covered by health insurance providers.

Irmgard Diehl Kinderstiftung

Karl Diehl Stiftung

The initiative "Helfmer zamm!" of Nürnberg cabaret artist Bernd Regenauer continued to receive support in 2025. This involved inviting 600 homeless people from Nürnberg and the Nürnberg region to a goose dinner in a cozy setting during the week before Christmas. In the reporting year, the company also supported the commendable work of the Nürnberg food bank [Nürnberger Tafel] and the various social initiatives of the city of Nürnberg. Support was likewise provided for Saarland's central Citizens' Festival celebrating German Unity Day. An important part of this nationally recognized event was the concert series on Franco-German friendship in the Basilica of St. Johann in Saarbrücken, sponsored by Diehl.

DIEHL VERWALTUNGS-STIFTUNG

Consolidated Financial Statements as of

December 31, 2025

CONSOLIDATED BALANCE SHEET OF DIEHL VERWALTUNGS-STIFTUNG AS OF DEC. 31, 2025, NÜRNBERG

Assets

	12/31/2025 K€	12/31/2024 K€
A. Fixed assets		
I. Intangible assets	**28,963**	**26,325**
II. Tangible assets	**1,176,047**	**953,913**
III. Financial assets	**68,392**	**25,589**
	1,273,402	**1,005,827**
B. Current assets		
I. Inventories		
1. Raw materials and supplies	1,079,828	862,168
2. Work in process (goods and services)	843,912	698,061
3. Finished goods and merchandise	224,847	209,481
4. Advance payments	313,203	226,255
5. Advance payments received on orders	– 2,461,790	– 1,995,965
	0	**0**
II. Receivables and other assets		
1. Trade receivables	673,548	565,342
2. Receivables due from affiliated companies	132,844	696
3. Receivables due from companies in which participations are held	68,603	75,145
4. Other assets	195,941	158,768
	1,070,936	**799,951**
III. Securities		
Other securities	**1,623**	**1,579**
IV. Cash, bank balances and checks	**4,429,847**	**2,014,281**
	5,502,406	**2,815,811**
C. Prepaid expenses	**32,762**	**26,446**
D. Deferred tax assets	**167,511**	**193,397**
	6,976,081	**4,041,481**

Shareholders’ equity and liabilities

	12/31/2025 K€	12/31/2024 K€
A. Shareholders’ equity		
I. Capital of Diehl Verwaltungs-Stiftung		
1. Capital stock	511	511
2. Reserves	363	344
3. Retained earnings brought forward	1,428	1,500
	2,302	**2,355**
II. Non-controlling interests		
1. Capital of the corporate division Diehl Stiftung & Co. KG	1,243,576	895,887
2. Other third party shareholders	100,267	94,424
	1,343,843	**990,311**
	1,346,145	**992,666**
B. Accruals and provisions		
1. Accruals for pensions and similar obligations	753,470	770,576
2. Tax accruals	51,591	61,478
3. Other accruals and provisions	701,215	558,949
	1,506,276	**1,391,003**
C. Liabilities		
1. Liabilities due to banks	74,355	69,068
2. Advance payments received on orders	2,996,711	785,086
3. Trade payables	508,835	512,761
4. Payables due to affiliated companies	1,943	1,686
5. Payables due to companies in which participations are held	152,497	103,208
6. Other liabilities	309,937	100,241
	4,044,278	**1,572,050**
D. Prepaid expenses	**56,241**	**60,809**
E. Deferred tax liabilities	**23,141**	**24,953**
	6,976,081	**4,041,481**

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM JAN 1. FOR THE YEAR ENDED DECEMBER 31, 2025 OF DIEHL VERWALTUNGS-STIFTUNG, NÜRNBERG

	01.01.-31.12. 2025 K€	01.01.-31.12. 2024 K€
1. Sales revenue	5,420,496	4,695,778
2. Increase in finished goods and work in process	161,724	134,492
3. Other capitalized services and materials	17,200	22,091
4. Other operating income	262,001	207,488
5. Cost of materials and services		
a) Cost of raw materials, supplies and purchased goods	– 2,315,778	– 2,058,388
b) Cost of purchased services	– 402,083	– 349,668
	– 2,717,861	**– 2,408,056**
6. Personnel expenses		
a) Wages and salaries	– 1,169,544	– 1,085,730
b) Social security and pension costs	– 240,852	– 236,659
– thereof for pensions:	– 17,991	– 36,216
	– 1,410,396	**– 1,322,389**
7. Amortization and depreciation on intangible assets and tangible assets	– 143,931	– 125,586
8. Other operating expenses	– 891,488	– 746,392
9. Income from investments	348	267
– thereof from affiliated companies:	148	127
10. Income from investments in associated companies	4,511	2,849
11. Income from other securities and loans forming part of financial assets	6	6
12. Other interest and similar income	86,000	78,060
– thereof from affiliated companies:	47	22
13. Writing down of financial assets and marketable securities	-2,257	– 1,257
14. Interest and similar expenses	– 32,790	– 36,530
– thereof to affiliated companies:	– 20	– 8
15. Income tax	– 261,239	– 157,334
– thereof deferred taxes:	– 23,595	17,275
16. Earnings after tax	**492,324**	**343,487**
17. Net income for the year	**492,324**	**343,487**
– thereof part of other shareholders:	492,377	343,412

CONSOLIDATED CASH FLOW STATEMENT FOR THE 2025 FISCAL YEAR OF DIEHL VERWALTUNGS-STIFTUNG, NÜRNBERG

	2025 K€	2024 K€
Net income for the year	492,324	343,487
Adjustment to reconcile between closing rate and average rate	-282	1,336
Depreciations/write-ups on fixed assets	146,262	126,939
Increase in provisions	115,494	80,864
Other non-cash expenses / income	75,246	30,018
Loss on disposal of fixed assets	976	92
Increase in inventories, trade receivables and other assets	– 684,459	– 555,816
Increase in trade payables and other liabilities	2,960,548	707,999
Interest expenses / interest income	– 53,210	– 41,530
Other investment earnings	– 348	– 547
Income tax expenses	237,644	174,594
Income tax payments	– 243,930	– 169,943
Cash flow from operating activities	**3,046,265**	**697,493**
Proceeds from disposals of tangible and intangible assets	2,216	1,553
Payments for investments in tangible and intangible assets	– 385,730	– 320,644
Payments for Additions to Financial Assets	– 19,837	– 2,133
Payments for the Acquisition of Consolidated and Non-Consolidated Companies	– 193,825	– 24,782
Payments from financial assets from short-term financial management	– 43	– 43
Interest received	60,545	68,578
Dividends received	348	547
Cash flow from investing activities	**– 536,326**	**– 276,924**
Payments to shareholders	– 93,009	– 32,921
Payments from the repayment of bank liabilities and other financial liabilities	– 37,159	– 14,550
Proceeds from bank liabilities and other financial liabilities	9,474	13,129
Proceeds from grants/subsidies received	0	0
Interest paid	– 14,418	– 20,323
Cash flow from financing activities	**– 135,112**	**– 54,665**
Changes in cash and cash equivalents	**2,374,827**	**365,904**
Effect of changes in exchange rates, consolidated companies and changes due to valuations	– 2,535	– 799
Cash and cash equivalents at beginning of period	**1,988,694**	**1,623,589**
Cash and cash equivalents at end of period	**4,360,986**	**1,988,694**

Cash and cash equivalents reduced by €68.9 million (December 31 of previous year: €25.6 million) of current liabilities due to banks and other short-term financial liabilities.

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY OF DIEHL VERWALTUNGS-STIFTUNG, NÜRNBERG

	Equity of parent company				
					in the capital of the KG
in K€	Capital stock	Reserves	Retained earn-ings brought forward	**Equity of parent com-pany**	Non-controlling interests before net income
Status as of 12/31/2024	**511**	**344**	**1,500**	**2,355**	**792,763**
Allocation to reserves		19	–19		14,020
Distribution of earnings					
Foreign currency translation					–14,534
Other changes					–66,515
Consolidated net income			–53	**–53**	
Status as of 12/31/2025	**511**	**363**	**1,428**	**2,302**	**725,734**

Non-controlling interests						
corporate division Diehl Stiftung & Co.		Other third-party shareholders			Equity held by other shareholders	Group equity
Gains/losses attributable to non-controlling interests	Sum total	Non-controlling interests before net income	Gains/losses attributable to non-controlling interests	Sum total		
103,124	**895,887**	**– 18,534**	**112,958**	**94,424**	**990,311**	**992,666**
– 14,020						
– 17,571	**– 17,571**	– 35,700		**– 35,700**	**– 53,271**	**– 53,271**
	– 14,534	– 1,253		**– 1,253**	**– 15,787**	**– 15,787**
	– 66,515	– 3,273		**– 3,273**	**– 69,788**	**– 69,788**
446,309	**446,309**		46,069	**46,069**	**492,378**	**492,325**
517,842	**1,243,576**	**– 58,760**	**159,027**	**100,267**	**1,343,843**	**1,346,145**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF DIEHL VERWALTUNGS-STIFTUNG FISCAL YEAR 2025

I. GENERAL REMARKS

Diehl Verwaltungs-Stiftung, headquartered in Nürnberg, is registered in the Commercial Register of the Nürnberg Local Court under number HRA 11756.

The consolidated financial statements of Diehl Verwaltungs-Stiftung have been prepared in accordance with the accounting regulations of the German Commercial Code.

The financial statements of the companies included in the consolidated financial statements have been prepared uniformly in accordance with the accounting and valuation methods applicable in the Diehl Group. Accounting for foreign companies is adjusted to the uniform accounting and valuation principles where this is significant for the presentation of the net assets, financial position and results of operations.

II. CONSOLIDATED COMPANIES AND ASSOCIATED COMPANIES

In addition to Diehl Verwaltungs-Stiftung, the consolidated financial statements include 45 domestic and 27 foreign companies, which are under the direct or indirect control of Diehl Verwaltungs-Stiftung. The group of fully consolidated companies was expanded in fiscal year 2025 through the establishment of Diehl Aviation Romania S.R.L. and the acquisition of Diehl Controls Electronics India Pvt. Ltd. The company DIEHL METERING INDUSTRIA DE SISTEMA DE MEDICAO LTDA, Recife, Brazil, was liquidated during fiscal year 2025.

Five domestic shareholdings were included in the consolidated financial statements as associated companies.

Due to their minor significance for the presentation of a true and fair view of the Group's net assets, financial position and results of operations, 58 companies were not consolidated. These include 35 companies of the Tauber Group, which were also not included in the consolidated financial statements because the information required for the preparation of the consolidated financial statements could not be obtained without disproportionate cost or undue delay.

Based on Section 296, Para. 1, No. 1 of the German Commercial Code (HGB), two companies were not included in the consolidated financial statements as their assets are limited to the respective corporate purpose.

An overview of share ownership and the consolidated companies is provided in an appendix to the Notes.

III. CONSOLIDATION PRINCIPLES

For subsidiaries, the revaluation method is applied for capital consolidation. Here the assets and debts are stated at their full fair value and the acquisition cost of the shareholding is offset against the pro rata fair value of the shareholders' equity at the time of acquisition. The difference remaining on the assets side after offsetting is shown as goodwill. During fiscal year 2025, the remaining shares in AIM Infrarot-Module GmbH, which had already been fully consolidated, were acquired. The difference arising from the additional acquisition was offset against retained earnings in accordance with DRS 23, as the transaction represented an equity transaction between two groups of shareholders.

Shares in associated companies are treated in accordance with the principles of the equity method of accounting. They are stated using the book value method at the date of their acquisition.

Intercompany profits and losses, sales, expenses and income as well as receivables and payables between fully consolidated companies are eliminated. The elimination of intercompany profits in relation to associated companies was limited to material transactions, as the impact on the overall presentation of the Group's financial position, financial performance, and cash flows is of minor significance.

Deferred taxation is made for consolidation operations affecting the results whenever diverging tax expenses are expected to be compensated for in future fiscal years.

IV. ACCOUNTING AND VALUATION PRINCIPLES, FOREIGN CURRENCY TRANSLATION

As in previous years, the financial statements were prepared on the basis of the following accounting and valuation methods.

1. Fixed assets

Intangible assets acquired for consideration are valued at acquisition cost, less scheduled or non-scheduled depreciations. The useful life is generally assumed to be three years, unless a different period applies, e.g., due to the validity period of rights of use.

Tangible assets are valued at the acquisition or production cost, less scheduled or non-scheduled depreciations. In addition to directly attributable costs, the production costs of self-constructed assets also include proportional overhead expenses and depreciation. For new investments, the straight-line method of depreciation is used. Scheduled depreciation of buildings and parts of buildings is based on a useful life ranging from 3 to 50 years, depending on the extent of use. The useful life of technical equipment and machinery and that of other equipment as well as factory and office equipment ranges from 1 to 25 years. Low-value assets with acquisition costs of up to €800 are completely written off in Germany in the year of acquisition. Fixed values are defined for tools and fixtures. Extraordinary value reductions are taken into account by means of non-scheduled depreciation.

Shares in affiliated companies and **participations** are valued at acquisition cost or at the lower applicable value.

Shares in associated companies are valued using the equity method of accounting, starting with the book value.

Interest-bearing **loans** are stated at their nominal values, non-interest-bearing loans at their cash values.

Investment securities are generally valued at acquisition cost or at the lower applicable value.

2. Current assets

Under **inventories**, raw materials and supplies as well as merchandise are valued at acquisition cost or at the lower stock exchange or market prices.
In the case of metal inventories valued at the lower of cost or market principle, the contractually agreed sales prices for the metal portion are taken into account if corresponding sales contracts already exist at the balance sheet date.
Work in process and finished goods are valued at production costs. In addition to the directly attributable costs of materials and labor, proportional overheads are included.
Inventory and usability risks are devalued to an appropriate extent.
If, at the time of preparing the balance sheet, a need for devaluation is identified because costs are not fully covered by the proceeds, appropriate markdowns are made for the purpose of loss-free valuation.
Advance payments made and received are stated at nominal value. Advance payments received are deducted from inventories in accordance with Section 268, Para. 5, Sentence 2 of the German Commercial Code.

Receivables, other assets and liquid assets are generally stated at their nominal value. In the case of receivables, allowances are made to appropriately cover identifiable individual risks through individual value adjustments and general credit risks as well as costs of collecting receivables through general value adjustments. Interest-free receivables that are not expected to be received until after a period of 12 months are shown at their cash value. **Marketable securities** are stated at acquisition cost, at lower market price or at redemption value.

3. Accruals / Liabilities

Accruals for pensions and similar liabilities are actuarially valued using the modified entry-age normal method. Calculations are based on the 2018 G mortality tables published by Prof. Dr. Klaus Heubeck. The valuation takes into account assumptions about the future development of certain parameters. Wage and salary increase of 3.1% p.a. has been used as the basis for 2025. For all future years, a wage and salary increase of 3.3% p.a. has been used. The dynamic pension increase is assumed to be 2.15% p.a. Discounting is based on the interest rate of 2.06% p.a. specified by the Deutsche Bundesbank for a remaining term of 15 years. The difference resulting from the measurement of pension provisions using the seven-year average market interest rate in accordance with Section 298 (1) HGB in conjunction with Section 253 (2) and Section 253 (6), sentence 3 HGB amounts to K€ -15,450.

Tax accruals and **other accruals** are set up to cover all contingent liabilities and discernible risks. They are stated at the amount repayable according to prudent business judgment, including future price and cost increases.

Accruals with a residual term of more than one year are discounted. The discounting is carried out according to the residual term of the accrual using the average market interest rate of the past 7 fiscal years as determined by the German Central Bank.
If no valuation units are formed between metal purchase contracts and the metal portion of sales contracts, these items are checked for impending losses.

All **liabilities** are stated at the amount repayable.

4. Foreign currency translation
The valuation date for the translation of foreign currencies is generally the date of acquisition in the case of fixed assets, and the date of accrual in the case of receivables and payables. Short-term assets and liabilities with a term of less than one year are translated at the average spot exchange rate on the balance sheet date. Receivables and payables with a remaining term of more than one year are valued at the average spot exchange rate on the reporting date according to the imparity principle.

Balance sheet items in financial statements prepared in foreign currencies are translated at the exchange rates prevailing on the balance sheet date. The individual equity items are translated at historical rates, while the annual result is translated at the average rate for the year.
Income statement items are translated at the average exchange rate for the year. Differences between the closing rate, historical rates and average rates are recognized directly in the equity of the corporate division Diehl Stiftung & Co. KG or in the shares of other third party shareholders. Compared with the previous year, foreign currency differences arising from debt consolidation have, as of fiscal year 2025, been recognized directly in equity without affecting profit or loss. The effect of this change is of minor significance with respect to the overall presentation of the Group's financial position and results of operations.

Currency risks are generally hedged as part of a uniform Group-wide risk management strategy. Valuation units are created and documented in accordance with Section 254 of the German Commercial Code. If they are hedged by forward transactions, the respective hedging rates are applied.

Receivables and payables in the same currency and with approximately the same term are combined into valuation units if they are of the same value.

Effective items of the valuation units created are reported in the balance sheet using the freezing method (compensatory valuation). The imparity principle is applied for ineffective items. This means that positive market values are not shown in the balance sheet and provisions for contingent losses are set up for negative market values only if a negative balance results from a valuation unit or if an open item yields a loss.

V. NOTES TO THE BALANCE SHEET

1. Fixed assets
The development of fixed assets and depreciations is shown in an appendix to the Notes. The "Changes" column shows all changes in the opening balance due to additions and disposals of the consolidated companies and due to currency translation differences.

2. Receivables and other assets
A residual term of more than one year applies for the following amounts under the respective items:

	12/31/2025 K€	12/31/2024 K€
Trade receivables	120	140
Receivables due from affiliated companies	85,608	0
Receivables due from companies in which participations are held	0	0
Other assets	1,216	1,134

Receivables from affiliated companies include trade receivables of K€ 8,080. Receivables from companies in which an equity interest is held include trade receivables of K€ 68,603.

3. Deferred tax assets and liabilities

Deferred taxes (on the assets and liabilities side) result from valuation differences in the commercial and tax balance sheets, tax loss carry-forwards and consolidation measures if the differences are offset in the future. Deferred tax assets and liabilities are not balanced.

For domestic companies, valuation is based on tax rates of 12%–15% (partnerships) or 10%–31% (joint-stock companies). For foreign subsidiaries, the respective country-specific tax rates (11%–34%) are applied.

The deferred tax asset of K€ 167,511 results primarily from the recognition of deferred taxes arising from differences between carrying amounts in the commercial and tax balance sheets (pension provisions, tax loss carryforwards, differing valuation approaches, depreciation methods and useful lives for non-current and current assets, provisions for onerous contracts, and other provisions), as well as from the elimination of intercompany profits in non-current assets and inventories.

Deferred tax liabilities of K€ 23,141 result mainly from special tax depreciation, different valuation methods in the commercial and tax balance sheet, and the recognition of reserves only permitted under tax law (e.g., Section 6b of the Income Tax Act).

	As of December 31, 2025 K€	As of Dec. 31, 2024 K€	Modification K€
Deferred tax assets	167,511	193,397	–25,886
Deferred tax liabilities	23,141	24,953	–1,812

4. Equity

The capital of the corporate division Diehl Stiftung & Co. KG consists of the liable limited liability capital of Diehl Stiftung & Co. KG and the reserves of Diehl Stiftung & Co. KG. The statement of changes in equity is prepared in accordance with the principles of the German Accounting Standards DRS 22.
The capital stock is the build-up capital.

5. Accruals

Obligations arising from lifetime working time accounts are secured through insurance policies. Plan assets for the insolvency protection of working time accounts amounting to K€ 11,868 have been offset against the corresponding provisions in the amount of the settlement value of K€ 11,868, insofar as these relate to long-term retirement benefit obligations. Expenses and income of K€ 215 have been offset.
Other assets from the coverage capital for insolvency insurance of lifetime working-time accounts with the historical acquisition cost and fair value of K€ 6,547 were offset against the corresponding accruals in the amount of K€ 8,598. Following offsetting, a remaining provision for long-term working time accounts of K€ 2,051 remains.

Other assets from receivables from reinsurance policies for deferred compensation were offset against corresponding pension provisions for reinsured deferred compensation (offsetting of plan assets). The historical acquisition cost and fair value of the receivables from offset reinsurance policies amount to K€ 12,627. The amount repayable of the pension provision offset for reinsured deferred compensation corresponds to the asset value from the reinsurance policy (K€ 12,627). Expenses and income of K€ 179 were offset.

Other provisions mainly comprise provisions for warranties and guarantees, outstanding invoices, anticipated losses from the order backlog, contractual penalties, severance payments and leave-of-absence arrangements, as well as legal infringements.

6. Liabilities

The total amount of liabilities and the breakdown of the individual liability items according to their remaining term are shown in an appendix to the Notes.

Liabilities to affiliated companies include trade payables amounting to K€ 1,736. Liabilities to companies in which an equity interest is held include trade payables amounting to K€ 3,147.

The total amount of **liabilities due to banks** is K€ 1,030 and is secured by pledged accounts.

Other liabilities include the following items:

	12/31/2025 K€	12/31/2024 K€
Social security liabilities	10,449	9,512
Tax liabilities	253,641	53,895

7. Derivative financial instruments and valuation units
For its business activities, the Diehl Group uses forward contracts to manage the risks arising from the fluctuations in currencies and metal prices between the balance sheet date and the settlement date.

Forward exchange transactions are concluded by the companies with Diehl Stiftung & Co. KG. The latter, in turn, concludes suitable contracts with banks, which are essentially identical regarding value and term. These contracts are based on uniform guidelines, are subject to internal controls and are limited to hedging transactions in foreign currencies.

The nominal volume and market values of derivative financial instruments existing at the balance sheet date are as follows:

Forward exchange transactions in million €	Market values		Nominal volume
	positive	negative	
Type			
USD	93	1	2,127
GBP	0	0	26
PLN	0	0	19
MXN	1	0	3
Other currencies	0	0	6
Commodity futures contracts			
Metals exchange	1	–7	82

The nominal volume is the sum of all buying and selling values of derivative financial instruments.
The market value of foreign exchange and commodity futures contracts is calculated on the basis of the forward value applicable on the balance sheet date for the respective remaining contract term compared to the contracted forward value (mark-to-market method).

Forward exchange transactions are used to hedge business transactions in foreign currencies and valuation units are created to cover risks amounting to €94.0 million as of the balance sheet date. Foreign currency items are valued as part of micro, macro and portfolio hedges. The valuation units include foreign currency receivables (€339.9 million), cash and cash equivalents (€56.0 million), foreign currency liabilities (€56.0 million), firmly contracted transactions not yet recognized in the balance sheet (€631.8 million), and highly probable forecast transactions (€1,290.5 million). The transactions expected with high probability mainly relate to anticipated orders or procurement transactions. Opposing changes in the value and cash flows of these hedged items and hedging instruments are expected to offset each other in full by September 2028.

The transactions combined in the valuation units are subject to the same risk. Accordingly, the opposing changes in value of the hedged items and hedging instruments are expected to fully offset each other in the future for the respective hedged risk. The prospective effectiveness of hedging relationships is determined on each balance sheet date primarily using the Critical-Terms-Match method. This ensures that the value-determining factors (nominal value, term, currency) are identical for the hedged item and the hedging instrument. Therefore, the individual hedging relationships are each rated as effective for the entire hedging period. The same applies to the retroactive determination of previous effectiveness. Here, too, it is predominantly demonstrated by the Critical Terms Match method that all value-determining factors between the hedged portion of the hedged items and the hedging portion of the hedging instruments are identical. In these cases, there can be no ineffectiveness that is relevant for the balance sheet with regard to the valuation units.

Metal price risks from metal procurement and metal sales contracts (pending transactions) result from changes in the prices of primary metals, scrap and manufactured semi-finished products between the contract date and the date of performance. Purchase and sales contracts that are not covered by physical countertrades are hedged with corresponding exchange positions.

Commodity futures and forward contracts are concluded to hedge metal price risks (pending transactions). Both micro and portfolio hedges are created as part of the valuation.

The hedged items combined in the portfolio hedges have highly homogeneous risks. The contract volume of hedging transactions is chosen so that it corresponds to the contract volume of the hedged items – in terms of the respective primary metal portion.

Hedged items and hedging transactions are included in the valuation units at the following market values (forward value at the balance sheet date compared with the contracted forward value):

Metals December 31, 2025	Pending procurement transactions	Hedged by Commodity futures contracts	Pending Sales transactions	Hedged by Commodity futures contracts
Market value in million €	5.9	−5.2	−1.4	1.8

The changes in value of pending sales and procurement transactions are hedged over a period of up to 12 months for the valuation units.

The opposing changes in the value of these hedged items and hedging transactions are expected to offset each other in full over the next 12 months. The effectiveness of the valuation units employed is measured using the "dollar offset method" in cumulative form, taking into account specified risk limits. Under the "dollar offset method," the cumulative market value changes of the hedged items are compared with the cumulative market value changes of the hedging transactions as of the designated date in absolute amounts of money. The "dollar offset test" is carried out on each closing date.

Provisions in the amount of K€ 1,745 were set up as of the balance sheet date. Risks worth €6.0 million were hedged with microhedges and portfolio hedges, thus avoiding corresponding negative changes in value on the accounting date. Transactions expected with high probability with a volume of €9.8 million were included in the valuation units.

8. Contingent liabilities
As of the reporting date, there were liabilities from guarantees amounting to €24.8 million (previous year: €22.0 million) and from warranty agreements in the amount of €230.9 million (previous year: €276.0 million).

On the reporting date, there were contingent liabilities of €17.1 million due to associated companies (previous year: €15.7 million).

In view of the business development to date of the individual companies for whose benefit the contingent liabilities exist, no related claims are expected to be raised.

Indirect pension liabilities are not shown in the consolidated balance sheet. The corresponding deficit due to affiliated, non-consolidated companies is included in the contingent liabilities (liabilities from warranty agreements) in the amount of €1.7 million (previous year: €1.9 million).

9. Other financial commitments
Financial obligations arising from long-term contracts amount to €2.2 billion. These primarily relate to offset obligations, purchase commitments, obligations arising from quantity contracts for metals (purchasing) with prices not yet fixed, rental and lease agreements, obligations arising from commodity forward contracts (metals), and repayment obligations relating to development cost grants.

VI. NOTES TO THE INCOME STATEMENT

1. Sales revenue
The breakdown of sales revenue is as follows:

2025	Total million €	Germany million €	Other countries million €
Metall Corporate Division	743	300	443
Controls Corporate Division	382	62	320
Defence Corporate Division	2,331	706	1,625
Aviation Corporate Division	1,434	555	879
Metering Corporate Division	520	96	424
Services/Other	11	11	0
Total	**5,421**	**1,730**	**3,691**

2024	Total million €	Germany million €	Other countries million €
Metall Corporate Division	738	316	422
Controls Corporate Division	384	63	321
Defence Corporate Division	1,827	569	1,258
Aviation Corporate Division	1,275	470	805
Metering Corporate Division	462	85	377
Services/Other	10	10	0
Total	**4,696**	**1,513**	**3,183**

Foreign sales are generated mainly in other European countries, North America and China.

2. Other operating income
Includes income from foreign currency translation in the amount of €30.8 million (previous year: €12.4 million).

3. Amortization and depreciation
Non-scheduled depreciations due to permanent value reduction were made in the amount of €4.6 million (previous year: €2.7 million). This mainly concerns the item “Amortization and depreciation on intangible assets and tangible assets” in the income statement.

4. Other operating expenses
Other operating expenses include expenses from foreign currency translation in the amount of €17.1 million (previous year: €21.6 million) and other taxes in the amount of €3.4 million (previous year: €9.1 million).

5. Other interest and similar income / interest and similar expenses
The item “Other interest and similar income” includes income from the discounting of accruals in the amount of €24.0 million (previous year: €10.0 million).
The item “Interest and similar expenses” includes expenses from the compounding of accruals in the amount of €15.7 million (previous year: €15.9 million).

6. Income tax
This item includes corporate income tax, trade income tax, deferred income taxes and comparable foreign income taxes.

The Group analyzed the effects of the Minimum Tax Act on the affected companies for fiscal year 2025 and expects only minor impacts.

7. Income/expenses relating to other accounting periods
Prior-period income amounted to €81.1 million. This mainly resulted from the reversal of unused accruals.

There were no significant expenses relating to other accounting periods.

8. Income of extraordinary size and significance
No reportable extraordinary events occurred during the fiscal year.

VII. OTHER INFORMATION

1. Information on the organs of the Foundation

Executive Board
Jürgen Reimer, Finance and Controlling Corporate Section, President of the Executive Board
Jens Böhlke, Human Resources and Social Affairs Corporate Section
Dr. Christof Bosbach, Metering Corporate Division
Dieter Landgraf, Metall Corporate Division
Helmut Rauch, Defence Corporate Division
Dr. Jörg Schuler, Aviation Corporate Division
Carsten Wolff, Controls Corporate Division (until November 1, 2026)

Supervisory Board
Karl Diehl, Honorary Chairman († January 19, 2008)
Peter Diehl, Vice Chairman († February 6, 2016)
Dr. Thomas Diehl († April 16, 2017)

Markus Diehl, Chairman
Werner Diehl, Vice Chairman († April 10, 2025)
Konstantin Diehl, Deputy Chairman since September 15, 2025
Klaus Helmrich
Frank Werdin, Deputy Chairman since September 15, 2025

2. Explanations concerning the cash flow statement
The cash flow statement is prepared using the indirect method in accordance with the German Accounting Standards DRS 21. Cash holdings include cash on hand and bank balances after deduction of liabilities due at any time.

Payments to shareholders include profit distributions to third-party shareholders as well as withdrawals mainly for the taxation of the shareholders of Diehl Stiftung & Co. KG.

3. Employees

	Annual average	
	2025	2024
Metall Corporate Division	2,623	2,948
Controls Corporate Division	3,253	3,361
Defence Corporate Division	4,844	4,412
Aviation Corporate Division	5,404	5,120
Metering Corporate Division	1,892	1,846
Services/Other	546	522
Employees	**18,562**	**17,939**
Trainees	499	440
Total	**19,061**	**18,379**

Of the employees, 9,483 (previous year 9,140) are direct employees and 9,079 (previous year 8,799) are indirect employees.

4. Fees paid for services provided by auditors

Type in K€	Auditor of the consolidated financial statements	Other auditors
Annual audit services	1,735	65
Audit-related services	85	7
Tax consultation services	681	113
Other services	148	49
Total	**2,649**	**234**

5. Supplementary report
No significant events that would have had an impact on the net assets, financial position and results of the group occurred at the companies included in the consolidated financial statements between the balance sheet date of Wednesday, December 31, 2025 and Wednesday, May 6, 2026.

6. Information required pursuant to Section 314, Para. 1, No. 6 of the German Commercial Code
The total remuneration for members of the Executive Board amounted to K€ 10,759 in the reporting year. Remuneration for former members of the Executive Board and their surviving dependents amounted to K€ 1,096. Pension liabilities for these persons amounted to K€ 13,560. Emoluments for members of the Supervisory Board amount to K€ 254.

7. Proposal for appropriation of profits of Diehl Verwaltungs-Stiftung
The Executive Board proposes to allocate an amount of K€19 to the capital maintenance reserve in order to maintain the Foundation's assets in real terms.

8. Special provisions for commercial partnerships
The following commercial partnerships benefit from the preparation and disclosure exemptions pursuant to Section 264b HGB through their inclusion in the consolidated financial statements and the disclosure thereof:

Diehl AKO Stiftung & Co. KG, Wangen im Allgäu,
Diehl Brass Solutions Stiftung & Co. KG, Röthenbach a. d. Pegnitz,
Diehl Defence GmbH & Co. KG, Überlingen,
DD Präzisionsteile GmbH & Co KG, Überlingen,
Diehl Metall Stiftung & Co. KG, Röthenbach a. d. Pegnitz,
Diehl Röthenbach Immobilien GmbH & Co. KG, Röthenbach a. d. Pegnitz and
Diehl Stiftung & Co. KG, Nürnberg.

Nürnberg, May 6, 2026
Diehl Verwaltungs-Stiftung

Jürgen Reimer, Jens Böhlke, Dr. Christof Bosbach,
Helmut Rauch, Dr. Jörg Schuler, Dieter Landgraf

STOCK OWNERSHIP OF THE GROUP AS OF DECEMBER 2025

Name and registered office of the company	Share in capital (%)
1) Consolidated companies	
Production and sales companies	
Germany	
AIM Infrarot-Module GmbH, Heilbronn	100.0
DD Präzisionsteile GmbH & Co KG, Überlingen	100.0
Diehl Energy Products GmbH, Röthenbach	100.0
Diehl Advanced Mobility GmbH, Zehdenick	100.0
Diehl Aerospace GmbH, Überlingen	51.0
Diehl AKO Stiftung & Co. KG, Wangen im Allgäu	100.0
Diehl Aviation Gilching GmbH, Gauting	100.0
Diehl Aviation Hamburg GmbH, Hamburg	100.0
Diehl Aviation Laupheim GmbH, Laupheim	94.0
Diehl Brass Solutions Stiftung & Co. KG, Röthenbach an der Pegnitz	100.0
Diehl Defence GmbH & Co. KG, Überlingen	100.0
Diehl Metal Applications GmbH, Röthenbach a. d. Pegnitz	100.0
Diehl Metall Messing Beteiligungs GmbH, Röthenbach an der Pegnitz	100.0
Diehl Metall Stiftung & Co. KG, Röthenbach a. d. Pegnitz	100.0
Diehl Metering GmbH, Ansbach	98.8
Diehl Metering Systems GmbH, Nürnberg	100.0
Diehl Retrofit Missile Systeme GmbH, Überlingen	100.0
Diehl Service Modules GmbH, Hamburg	100.0
Diehl Werkzeugbau Seebach GmbH, Seebach	100.0
DynITEC GmbH, Troisdorf	58.8
JUNGHANS Microtec GmbH, Dunningen	55.0
SMH Süddeutsche Metallhandelsgesellschaft mit beschränkter Haftung, Nürnberg	100.0
Other countries	
Diehl Aerospace Pte. Ltd., Singapore	100.0
Diehl Aerospace, Inc., Birmingham / Alabama, USA	100.0
Diehl Augé Découpage SAS, Besançon, France	100.0
Diehl Aviation Hungary Kft., Nyírbátor, Hungary	100.0
DIEHL AVIATION DE MÉXICO SOCIEDAD DE RESPONSABILIDAD LIMITADA DE CAPITAL VARIABLE (S. DE R.L. DE C.V.), El Marqués / Querétaro, Mexico	100.0
Diehl Aviation Romania S.R.L., Bucharest, Romania	100.0
Diehl Controls Electronics India Pvt. Ltd, Pune / Maharashtra, India	100.0
Diehl Controls (Nanjing) Co., Ltd., Nanjing, China	100.0
Diehl Controls México S.A. de C.V., El Marqués / Querétaro, Mexico	100.0
Diehl Controls Polska Sp. z o.o., Namysłów, Poland	100.0
Diehl Controls Qingdao Co., Ltd., Qingdao, China	100.0

Name and registered office of the company	Share in capital (%)
DIEHL CONTROLS ROMANIA S.R.L., Bucharest, Romania	100.0
Diehl do Brasil Metalúrgica Limitada, São Paulo, Brazil	100.0
Diehl Electronic Components (Wuxi) Co., Ltd., Wuxi, China	100.0
Diehl Metal India Private Limited, Pune / Maharashtra, India	100.0
Diehl Metering (Jinan) Co., Ltd., Jinan, China	100.0
Diehl Metering GesmbH, Wien, Austria	100.0
Diehl Metering LLC, Wilmington / Delaware, USA	100.0
Diehl Metering S.A.S., Saint-Louis, France	100.0
Diehl Metering Sp. z o.o., Bażanowice, Poland	100.0
DIEHL POWER ELECTRONIC SAS, Siaugues Sainte Marie, France	100.0
Diehl SynchroTec Manufacturing (Wuxi) Co., Ltd., Wuxi / Jiangsu, China	100.0
Franconia Industries, Inc., Albany / New York, USA	100.0
Junghans T2M SAS, La Ferté-Saint-Aubin, France	100.0
Management, property and other companies	
Germany	
Afelixa Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG, Mainz	94.0
Diehl Assekuranz Rückversicherungs- und Vermittlungs-AG, Nürnberg	100.0
Diehl Ausbildungs- und Qualifizierungs-GmbH, Nürnberg	100.0
Diehl Aviation Holding GmbH, Nürnberg	100.0
Diehl Connectivity Solutions GmbH, Nürnberg	100.0
DD Immobilien Troisdorf GmbH, Troisdorf	100.0
Diehl Beteiligungen GmbH, Nürnberg	100.0
Diehl Controls Nürnberg Verwaltungs GmbH, Nürnberg	100.0
Diehl Defence Holding GmbH, Überlingen	100.0
Diehl Defence Land Systems GmbH, Röthenbach a.d. Pegnitz	100.0
Diehl Defence Verwaltungs-GmbH, Überlingen	100.0
DIEHL Informatik GmbH, Nürnberg	100.0
Diehl Nürnberg Facility Verwaltungs GmbH, Nürnberg	100.0
Diehl Nürnberg Holding GmbH	100.0
Diehl Röthenbach Immobilien GmbH & Co. KG	100.0
Diehl Röthenbach Immobilien Verwaltungs GmbH	100.0
Diehl Stiftung & Co. KG, Nürnberg.	0.0
Diehl Track Gesellschaft mit beschränkter Haftung, Nürnberg	100.0
Diehl Ventures GmbH, Nürnberg	100.0
Dynamit Nobel GmbH, Troisdorf	100.0
GEBRÜDER JUNGHANS GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG, Röthenbach a. d. Pegnitz	86.3
Integra Vermögensverwaltungs- und Beteiligungsgesellschaft mbH, Nürnberg	100.0
Sundwiger Messingwerk Verwaltungs GmbH, Röthenbach an der Pegnitz	100.0

Name and registered office of the company	Share in capital (%)
Other countries	
Diehl Americas, Inc., Wilmington / Delaware, USA	100.0
Diehl Controls North America Inc., Wilmington / Delaware, USA	100.0
Diehl Metal Applications France SAS, Besançon, France	100.0
2) Affiliated companies not included in the consolidation	
DD SPV1 GmbH, Röthenbach an der Pegnitz	100.0
DD SPV2 GmbH, Röthenbach an der Pegnitz	100.0
DD SPV3 GmbH, Röthenbach an der Pegnitz	100.0
DD Immobilien Verwaltungs GmbH, Überlingen	100.0
DD Ukraine Support Services Limited Liability Company, Kiew, Ukraine	100.0
Diehl Aviation Middle East FZCO, Dubai, VAE	100.0
Diehl Aviation Operation Support Service (Tianjin) Co., Ltd, China	100.0
Diehl Defence Egypt Support Services, Cairo, Egypt	100.0
Diehl Defence Military Equipment LLC, Saudi Arabia	100.0
Diehl Metering AB, Karlskrona, Schweden	100.0
Diehl Metering ApS, Esbjerg, Denmark	100.0
Diehl Metering FZE, Dubai, United Arab Emirates	100.0
Diehl Metering Limited, Halifax / West Yorkshire, Great Britain	100.0
Diehl Metering Pte. Ltd., Singapore	100.0
Diehl Metering S.L., Madrid, Spain	100.0
Diehl Metering S.R.L., Milano, Italy	100.0
Diehl Middle East GmbH, Nürnberg	100.0
DIEHL RAIL INDIA PRIVATE LIMITED, Bangalore, Karnataka, India	100.0
Diehl Services Middle East FZCO, Dubai, UAE	100.0
Der Berg datastorage GmbH, Chemnitz	100.0
Dirk Hensel GmbH, Münster	100.0
e.sigma systems GmbH, Ascheim	100.0
e.sigma Technology GmbH, Aschheim	100.0
FFT Fahrzeugbau und Fahrzeugtechnik GmbH, Nürnberg	100.0
Franz Lutomsky GmbH, Warburg-Scherfede	100.0
GDS – Geophysical Data Services GmbH, Steinfurt	100.0
GFK-PRO Kanalsanierung GmbH, Büttstedt	50.0
Heinrich Diehl Gedächtnisfonds Gesellschaft mit beschränkter Haftung, Nürnberg	100.0
Infodok Informations und Dokumentationsstelle Kampfmittelräumung im Freistaat Thüringen GmbH, Erfurt	100.0
KaMiSo Beteiligungs GmbH, Nürnberg	50.0
K.A. Tauber Spezial-Tiefbau GmbH & Co. KG, Nürnberg	100.0
K.A. Tauber Spezialbau GmbH & Co. KG, Nürnberg	100.0
Mauser-Werke Oberndorf Unterstützungskasse Gesellschaft mit beschränkter Haftung, Oberndorf am Neckar	100.0
NFM Gesellschaft für nachhaltiges Flächenmanagement GmbH, Greven	50.0
PREVENTIO GmbH, Frankfurt am Main	100.0

Name and registered office of the company	Share in capital (%)
Robert Becker GmbH, Kassel	100.0
Sächsische Kampfmittelbeseitigung GmbH, Dresden	100.0
Stackforce GmbH, Eschbach	70.0
Spreewerk Lübben Delaborierung GmbH, Lübben	100.0
Troisdorf Genehmigungshaltergesellschaft mbH, Troisdorf	86.0
Tauber Chemie GmbH, Lübben	100.0
Tauber Construction GmbH, Greven	100.0
Tauber DeDeComp GmbH, Hannover	100.0
Tauber Delaborierung GmbH, Erfurt	100.0
Tauber Erdbau Umwelt GmbH, Rhede	100.0
Tauber Explosive Management GmbH & Co. KG, Weiterstadt	100.0
Tauber Explosive Management Verwaltungsgesellschaft mbH, Weiterstadt	100.0
Tauber Holding Germany GmbH, Nürnberg	100.0
Tauber Geo-Cunsult Geowissenschaftler & Ingenieure GmbH, Greven	100.0
Tauber GmbH, Nürnberg	100.0
Tauber GmbH Bauunternehmung, Hannover	100.0
Tauber Property GmbH, Greven	100.0
Tauber Property GmbH & Co. KG, Greven	100.0
Tauber Rohrbau GmbH, Münster	100.0
Tauber Rohrbau GmbH & Co. KG, Greven	100.0
Tauber Sondier- und Ortungsgesellschaft mbH, Oschersleben	100.0
Tauber Spezial-Tiefbau Verwaltungsgesellschaft mbH, Nürnberg	100.0
TD Services GmbH, Greven	100.0
Zweite Diehl AKO Verwaltungs GmbH, Nürnberg	100.0
Zweite Diehl Metall Verwaltungs GmbH, Nürnberg	100.0
3) Associated companies (equity accounting)	
Diehl VC GmbH, Nürnberg	49.6
EuroSpike GmbH, Röthenbach a.d. Peg.	40.0
GIWS Gesellschaft für Intelligente Wirksysteme mbH, Röthenbach a. d. Pegnitz	50.0
PARSYS GmbH, Schrobenhausen	50.0
RAM-SYSTEM Gesellschaft mit beschränkter Haftung, Ottobrunn	50.0
4) Investments (Equity Interests of 20% or more)	
OEM Defence Services SAS, Elancourt, France	20.0
OEMServices SAS, Tremblay-en-France, France	25.0
FPK GmbH Fachplanung für Kampfmittelräumung und Rüstungsaltlasten, Planegg	20.0
IfVS – Institut für Verdachtsflächen und Spezialbau GmbH, Selb	20.0
Schramberger Wohnungsbau, Gesellschaft mit beschränkter Haftung, Schramberg	24.1

DEVELOPMENT OF THE GROUP'S FIXED ASSETS (K€)

	Cost of acquisition/manufacture						
	Status as of January 01, 2025	Modifications	Additions	Write-ups	Disposals	Transfers	Status as of December 31, 2025
I. Intangible assets							
1. Concessions acquired for consideration, industrial property rights and licenses	172,688	–629	8,125	0	5,599	3,626	178,212
2. Goodwill	187,942	–62	3	0	1,402	0	186,480
3. Advance payments	4,319	0	3,198	0	0	–2,122	5,395
	364,949	**–691**	**11,326**	**0**	**7,001**	**1,504**	**370,087**
II. Tangible assets							
1. Real property, rights equivalent to real property and buildings including buildings on real property of third-parties	653,974	–1,751	30,784	0	460	41,252	723,799
2. Technical equipment and machinery	1,140,165	–15,402	52,808	0	29,540	45,350	1,193,381
3. Other equipment, factory and office equipment	635,619	–10,760	72,296	0	26,794	20,858	691,219
4. Advance payments and assets under construction	214,143	–394	207,777	0	1,870	–109,256	310,400
	2,643,901	**–28,307**	**363,665**	**0**	**58,664**	**–1,796**	**2,918,799**
III. Financial assets							
1. Shares in affiliated companies	11,406	0	38,784	0	0	16	50,206
2. Shares in associated companies	8,626	0	39	3,511	0	–16	12,160
3. Other investments	9,343	0	1,918	0	0	0	11,261
4. Loans to companies in which participations are held	0	0	11,000	0	10,000	0	1,000
5. Other loans	3,071	–225	33	0	0	0	2,879
	32,446	**–225**	**51,774**	**3,511**	**10,000**	**0**	**77,506**
Total	**3,041,296**	**–29,223**	**426,765**	**3,511**	**75,665**	**–292**	**3,366,392**

Amortization and depreciation							Net book value	
Status as of January 01, 2025	Modifica-tions	Additions	Write-ups	Disposals	Transfers	Status as of December 31, 2025	Status as of December 31, 2025	Status as of January 01, 2025
150,683	–678	10,161	0	5,521	–1	154,644	23,568	22,006
187,941	–62	3	0	1,402	0	186,480	0	0
0	0	0	0	0	0	0	5,395	4,319
338,624	**–740**	**10,164**	**0**	**6,923**	**–1**	**341,124**	**28,963**	**26,325**
363,970	-1,017	13,769	0	175	543	377,090	346,709	290,004
852,129	-13,873	72,722	0	28,909	–1,068	881,001	312,380	288,036
472,010	-10,271	47,276	0	26,466	233	482,782	208,437	163,609
1,879	0	0	0	0	0	1,879	308,521	212,264
1,689,988	**-25,161**	**133,767**	**0**	**55,550**	**–292**	**1,742,752**	**1,176,047**	**953,913**
2,700	0	0	0	0	0	2,700	47,506	8,706
0	0	0	0	0	0	0	12,160	8,626
4,157	0	1,257	0	0	0	5,414	5,847	5,186
0	0	1,000	0	0	0	1,000	0	0
0	0	0	0	0	0	0	2,879	3,071
6,857	**0**	**2,257**	**0**	**0**	**0**	**9,114**	**68,392**	**25,589**
2,035,469	**–25,901**	**146,188**	**0**	**62,473**	**–293**	**2,092,990**	**1,273,402**	**1,005,827**

RESIDUAL TERMS OF THE GROUP'S LIABILITIES AS OF DECEMBER 2025

	December 31, 2025			
	Total amount as of December 31, 2025 K€	of which with a residual term of		
Liabilities:		up to 1 year K€	more than 1 year K€	more than 5 years K€
1. Liabilities due to banks	**74,355**	69,124	5,231	83
2. Advance payments received on orders	**2,996,711**	0	2,996,711	0
3. Trade payables	**508,835**	507,428	1,407	0
4. Payables due to affiliated companies	**1,943**	1,943	0	0
5. Payables due to companies in which participations are held	**152,497**	150,497	2,000	0
6. Other liabilities	**309,937**	308,624	1,313	168
Total	**4,044,278**	**1,037,616**	**3,006,662**	**251**

	Dec. 31, 2024			
	Total amount as of December 31, 2024 K€	of which with a residual term of		
Liabilities:		up to 1 year K€	more than 1 year T€	more than 5 years K€
1. Liabilities due to banks	**69,068**	47,824	21,244	513
2. Advance payments received on orders	**785,086**	785,086	0	0
3. Trade payables	**512,761**	512,257	504	0
4. Payables due to affiliated companies	**1,686**	1,686	0	0
5. Payables due to companies in which participations are held	**103,208**	22,390	80,818	62,165
6. Other liabilities	**100,241**	98,685	1,556	62,726
Total	**1,572,050**	**1,467,928**	**104,122**	**125,404**

INDEPENDENT AUDITOR'S RE-PORT

To Diehl Verwaltungs-Stiftung, Nürnberg

Audit opinions

We have audited the consolidated financial statements of Diehl Verwaltungs-Stiftung, Nürnberg, and its subsidiaries (the Group), which comprise the consolidated balance sheet as of December 31, 2025, the consolidated income statement, the consolidated statement of changes in equity, and the consolidated cash flow statement for the fiscal year from January 1 to December 31, 2025, and notes to the consolidated financial statements, including a description of the accounting and valuation methods. We have also audited the Diehl Verwaltungs-Stiftung group management report for the fiscal year from January 1 to December 31, 2025.

Based on the findings of our audit, it is our opinion that

• the accompanying consolidated financial statements comply in all material respects with the requirements of German commercial law and give a true and fair view of the assets and financial position of the Group as at December 31, 2025 and results of operations for the fiscal year from January 1 to December 31, 2025 in accordance with German principles of proper accounting and

• the accompanying group management report as a whole provides an accurate picture of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements, and accurately presents the opportunities for and risks of future development.

In accordance with § 322 (3)(1) of the German Commercial Code (HGB), we declare that our audit has not led to any reservations concerning the propriety of the consolidated financial statements or 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 § 317 HGB and in compliance with the German principles of proper audit of financial statements established by the Institut der Wirtschaftsprüfer (IDW). Our responsibility under those provisions and standards is further described in the "Auditor's Responsibility for the Audit of the Consolidated Financial Statements and the Group Management Report" section of our auditor's report. We are independent of the Group companies, in accordance with German commercial and professional regulations, and have fulfilled our other German professional obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and suitable to serve as a basis for our audit opinion on the consolidated financial statements and the group management report.

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

The legal representatives are responsible for the preparation of the consolidated financial statements, which comply with German commercial law regulations in all material respects, and for ensuring that the consolidated financial statements convey a true and fair view of the Group's net assets, financial position, and results of operations in compliance with the German principles of proper accounting. Furthermore, the legal representatives are responsible for the internal controls that they have determined to be necessary, in accordance with the German principles of proper accounting, in order to enable the preparation of consolidated financial statements that are free from material misstatements due to fraudulent actions (i.e. accounting manipulations or misstatement of assets) 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. They are also responsible for disclosing, as applicable, matters related to the going concern. In addition, they are responsible for preparing the financial statements on the basis of the going concern principle, unless factual or legal circumstances prevent this.

In addition, the legal representatives are responsible for the preparation of the group management report, which as a whole provides an accurate picture of the Group's position, is consistent in all material respects with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for the precautions and measures (systems) that they have deemed necessary to enable the preparation of a group management report in accordance with the applicable German legal requirements and to provide sufficient appropriate evidence for the statements made 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.

Auditor's responsibility for the audit of the consolidated financial statements and the group management report

Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an accurate picture of the Group's position and is consistent, in all material respects, with the consolidated financial statements and with our audit findings, complies with German legal requirements and appropriately presents the opportunities and risks of future development, and to issue an auditor's report that includes our audit opinion on the consolidated financial statements and on the group management report.
Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with the German principles of proper auditing of financial statements established by the Institut der Wirtschaftsprüfer (IDW) will always reveal a material misstatement. Misstatements may result from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of addressees taken on the basis of these consolidated financial statements and the group management report.

During the audit, we exercise professional judgment and maintain a critical attitude. In addition,

•we identify and assess the risks of material misstatement of the consolidated financial statements and the group management report, whether due to fraud or error, we design and perform audit procedures in response to those risks, and we obtain audit evidence that is sufficient and appropriate to serve as the basis for our audit opinions. The risk that a material misstatement resulting from fraudulent activities will not be detected is higher than the risk that a material misstatement resulting from errors will not be detected, as fraudulent activities may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal controls.

• we obtain an understanding of the internal control system relevant to the audit of the consolidated financial statements and of precautions and measures relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not with the aim of expressing an audit opinion on the effectiveness of the Group's internal control system or these precautions and measures.
• we evaluate the appropriateness of accounting policies used by the legal representatives and the reasonableness of estimates and related disclosures presented by the legal representatives.

• we conclude on the appropriateness of the going concern basis of accounting used by the legal representatives and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the group management report or, if such disclosures are inadequate, to modify our respective audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or circumstances may result in the Group being unable to continue as a going concern.

• we evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with German principles of proper accounting.

• we plan and conduct the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the accounting information of the entities or business segments within the Group. This forms the basis for our audit opinions on the consolidated financial statements and on the group management report. We are responsible for directing, supervising and reviewing audit activities performed for the purpose of auditing the consolidated financial statements. We bear sole responsibility for our audit opinions.

• we assess the compliance of the group management report with the consolidated financial statements, its compliance with the law, and the picture it provides of the Group's situation.

• we perform audit procedures on the forward-looking information provided by the legal representatives in the group management report. On the basis of sufficient appropriate audit evidence, we verify, in particular, the significant assumptions made by the legal representatives as a basis for the forward-looking information and assess the proper derivation of the forward-looking information from these assumptions. We do not give an independent audit opinion on the forward-looking information and on the underlying assumptions. There is a considerable unavoidable risk that future events may deviate materially from the forward-looking information.

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

Munich, May 6, 2026

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Thorsten Dzulko
Auditor

Sebastian Huth
Auditor

Supervisory Board	Duration
Markus Diehl (Chairman)	
Werner Diehl	† April 10, 2025
Konstantin Diehl	
Klaus Helmrich	
Frank Felix Werdin	

Executive Board	Duration
Jürgen Reimer President of the Executive Board Finance and Controlling Corporate Section	
Jens Böhlke Human Resources Corporate Section	
Dieter Landgraf Metall Corporate Division	
Carsten Wolff Controls Corporate Division	until January 11, 2026
Helmut Rauch Defence Corporate Division	
Dr. Jörg Schuler Aviation Corporate Division	
Dr. Christof Bosbach Metering Corporate Division	

Senior Vice Presidents	Duration
Bernd Joeris Michael Prymelski Dr. Elisabeth Hauschild	until August 31, 2026

REPORT OF THE SUPERVISORY BOARD

During 2025, the Executive Board regularly informed the Supervisory Board about the course of business, the situation of the corporate group, and important individual business transactions. The questions and decisions resulting from this reporting were discussed comprehensively in meetings. The Supervisory Board was especially concerned with the market orientation of the Corporate Group and corporate divisions as well as the financial position and results of operations. For these issues, the Supervisory Board again received the Advisory Board's esteemed advice.

The Advisory Board comprises:

Dr. Klaus Probst, (Chairman)
former CEO of Leoni AG,
former Chairman of the Supervisory Board at Leoni AG,

Dr. Johannes Bußmann, (Deputy Chairman since June 5, 2025)
CEO and Chairman of the Executive Board of MTU Aero Engines AG,
Former Chief Executive Officer of TÜV SÜD AG,
former CEO of Lufthansa Technik AG,

Dr. Olaf Berlien,
President and CEO of INNIO Jenbacher GmbH & Co OG,
former CEO of Osram Licht AG,

Mats Rahmström (since October 1, 2025)
Former CEO and Member of the Executive Board of the Atlas Copco AB Group
Chairman of the Board of Directors of Piab Group AB, Sweden
Member of the Board of Investor AB and SKF AB, Sweden
Member of the Board of ABB, Switzerland
Member of the Finance, Audit and Compliance Committee of ABB, Switzerland

Mr. Karlhermann Jung,
attorney and notary public (ret.),

Dr. Jakob Baer, (Vice Chairman); (from July 1, 2019 to May 6, 2025)
former CEO of KPMG Switzerland
former Chairman of the Board of Directors at Stäubli Holding AG,
former Vice Chairman of the Board of Directors at Barry Callebaut AG,

Dr. Herbert Fehrecke (from September 1, 2024 to May 6, 2025),
former member of the Executive Board at Drägerwerk AG & Co. KGaA,

Dr. Klaus Richter (from August 1, 2024 to May 6, 2025),
former President of the Executive Board at Diehl Verwaltungs-Stiftung,

The consolidated financial statements and the group management report of Diehl Verwaltungs-Stiftung were audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft and certified without qualification. The Supervisory Board has taken note of the audit result.

The Supervisory Board would like to express its thanks to the Advisory Board, the Executive Board, the Works Councils and all employees of the Corporate Group for the work performed in the past fiscal year.

For the Supervisory Board

Markus Diehl
Chairman

Nürnberg, May 6, 2026

Diehl Stiftung & Co. KG
Stephanstraße 49
90478 Nürnberg
Deutschland
diehl.com/group

**MANY SOLUTIONS -
ONE GROUP**

V-OE 06/2026